



To,

Members of Coffee Day Global Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the accompanying Standalone Financial Statements of Coffee Day Global Limited ('the Company'), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'Standalone Financial Statements').

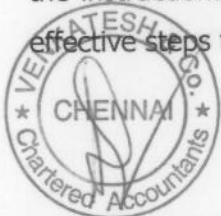
We do not express an opinion on the accompanying Standalone Financial Statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Standalone Financial Statements.

Basis for Disclaimer of Opinion

1. We draw attention to Note No.34 of the Ind AS Standalone Financial Statements which describe the details in respect of amounts due from M/s.Mysore Amalgamated Coffee Estates Limited (MACEL) to the extent of Rs.1028.01 Crores. As explained to us the company is in the process of recovery of the dues from related parties and taken necessary action as stated in the said notes. Further SEBI as per its order dated 24.01.2023, on holding company M/s.Coffee Day Enterprises Limited (CDEL), has given a finding on the transfer of funds from the subsidiaries of CDEL (including the Company) to MACEL.

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. 25 Crores under section 15HA and Rs. 1 crore under section 15HB of the SEBI Act, 1992.

Thereafter, the Holding Company (CDEL) appealed against the above order dated 24th January 2023 to the Hon'ble Securities Appellate Tribunal (SAT). However, the SAT granted stay on imposition of penalty. As per the instructions of NSE the CDEL appointed an Independent Law Firm, Crest Law on 3rd April 2023 to take effective steps for recovery of dues from MACEL.





In the absence of any conclusive evidence demonstrated by the company for recoverability of the same, we are unable to comment on the recoverability, requirement or otherwise of provision on those receivables and consequential impact on these Standalone Financial Statements.

2. Attention is drawn to Note 18 of the Standalone Financial Statements, wherein a sum of Rs.647.81 crores has been borrowed from seven lenders and further a sum of Rs.275 crores has been borrowed from Rabo bank International. The company has defaulted in repayment of interest and principal to these lenders. The company is in the process of financial restructuring with these lenders and accordingly the company has not recognised interest for the financial year 2022-23. Pending settlement of the restructuring plan we are unable to comment on the provision of such interest and its impact in these financial statements.

3. The company has not accrued interest due to parties registered under MSME Act, 2006 and impact of the same is not ascertainable in the standalone financial statements. The management is of the opinion that the amount if any would not be material.

Emphasis of Matter

1. We draw attention to the note no. 35 of the Ind AS Standalone Financial Statements, wherein the facts related to the amount recoverable from M/s.SICAL Logistics Limited towards creditor for expenses amounting to Rs.46.96 crores, and initiation of Corporate Insolvency Resolution Process against corporate creditor SICAL by NCLT is described. Further it is stated that, as per the NCLT order read with the approved Resolution Plan, no amount due is payable by Sical Logistics Ltd (SICAL) to its related parties. Under the above circumstances the company has written off the amount due from SICAL of Rs.46.96 crores during the year.

2. We draw attention to the Standalone Financial Statements which describe the details in respect of amounts due from one subsidiary companies M/s.Coffee Lab limited and one joint venture M/s. Coffee Day Consultancy Private Limited totalling to Rs.1.98 crores. As explained to us the company is in the process of recovery of the dues from related party. Out of these balances a sum of Rs.0.46 crores has been provided for in the books of accounts during the year.

3. Attention is drawn to Note 18 (ix) of the Standalone Financial Statements, wherein the company sold its immovable property held by the firm in Chikmagalur, Karnataka and has recorded its consequential share of profit of on sale of the land during the year.





4. Attention is drawn to Note 18 of the Standalone Financial Statements, wherein the company has sold its land and building at Hassan and has disclosed the profit and sale of such immovable property thereon during the year.
5. We further draw attention to Note No.33D of the Standalone Financial Statements wherein the company has continued to recognise the deferred tax asset created in earlier years without further creating new deferred tax asset.
6. We draw attention to Note No.4 of the Standalone Financial Statements wherein the fact is stated the management had carried out a program for physical verification of fixed assets during the year. The management noted material variances were between physical asset and as that as per books. A sum of Rs.19.18 Crores has been written off on account of the difference during the year as depreciation in these Standalone Financial Statements.

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

Other Matters

The Standalone Financial Statements of the company for the year ended March 31, 2022, were audited by another auditor who expressed a modified opinion on those statements on May 30, 2022.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





Management's Responsibilities for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the Standalone Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We are independent in accordance with the ethical requirements in accordance with the Code of ethics and provisions of the Act, that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with the code of ethics and the requirements under the Act.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





2. As required by section 143(3) of the Act, we report that:

a. As stated in Basis for Disclaimer of Opinion section above, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. Due to the possible effects of the matters described in the Basis of Disclaimer opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account, except for matters described in the Basis of Disclaimer paragraph.

d. Due to the possible effects of the matter described in the Basis for Disclaimer Opinion and the Emphasis of Matter Section above, we are unable to state whether the aforesaid IND AS Standalone Financial Statements comply with the Indian accounting standards specified under section 133 of the Act read with relevant rules issued thereunder.

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the matter to be included in the Auditors' Report under section 197(16), in our opinion and according to the information and explanations given to us, the Company has paid remuneration to its directors during the current year and the same is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Financial Statements - Refer Note 40 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and





- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year Hence we have no comments on the compliance with section 123 of the Companies Act, 2013.

For Venkatesh & Co.,
Chartered Accountants
Firm registration number: 004636S



CA Dasaraty V
Partner
Membership Number: 026336

Chennai, May 30, 2023

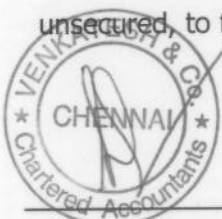
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Annexure A to Independent Auditors Report

As referred to in our Independent Auditor's Report to the members of Coffee Day Global Limited ('the Company') on the Standalone Financial Statements of the Company for the year ended March 31, 2023, we report that:

- i)
- a. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment subject to the fact that the company is in the process of updating the location details of the fixed assets.
- B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme of physical verification of fixed assets carried out during the year. The company noted material discrepancies and a sum of Rs.19.18 Crores was written off as depreciation for the year as stated in Note 4 of the standalone financial statements.
- c. According on the information and explanation provided to us and on the basis of our examination of the records of the company, title deed of immovable properties is held in the name of the company.
- d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) A) According to the information and explanations given to us and on the basis of our examination of the records, the inventories have been physically verified by the company. In our opinion the frequency is reasonable. There were no material discrepancies identified on physical verification of inventories.
- B) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. And the working capital loans are not renewed during the year.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.





(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to one fellow subsidiary and one Related party –

Particulars	Loans	Guarantees
Aggregate amount granted/provided during the year *		
--> Related parties	Nil	Nil
--> Others	Nil	Nil
` Balance outstanding as on 31/03/2023		
--> Related parties	Rs.1,02,802 lakhs	Rs.2,500 lakhs
--> Others	Nil	Nil

* Net amount of granted less recoveries if any have been considered

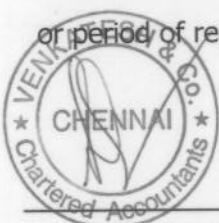
(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are prejudicial to the interests of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the principal are repayable on demand, and no interest is charged on these loans.

(d) According to the information provided to us and based on our examination of the records of the company, the company has not sought repayment of the loans till the date of Balance Sheet, hence there is no amount overdue for a period of more than ninety days.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans repayable on demand and without specifying terms of period of repayment –





Particulars	All Parties	Promoters	Related Parties
Aggregate amount of Loans: - Repayable on demand (A)	Nil	Nil	Nil
Aggregate amount of Loans: - Agreement does not specify any terms or period of repayment (B)	Rs.1,02,802 lakhs	Nil	Rs.1,02,802 lakhs
TOTAL (A+B)	Rs.1,02,802 lakhs	Nil	Rs.1,02,802 lakhs
Percentage of Loans/advance in nature of loans to the total loans	100%	Nil	100%

iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Act, to the extent applicable, with respect to loans, investments, guarantee and security. None of the loans are covered under the provisions of section 185 of the act.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the central government of India for maintenance of cost records under sub-section (1) of Section 148 of the act, in respect of processing of coffee beans and are of the opinion that, prima facie, the prescribed accounts and books have been made and maintained. However, we have not made a detailed examination of the records.

vii)

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax dues, Goods and Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

b. According to the information and explanations given to us, there are no dues of Goods and Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except those referred to in Note 40 to the Standalone Financial Statements and the amounts described in point (a) above. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Duty of Customs and Cess during the year. The Company has the below outstanding disputes as of March 31, 2023:





Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Tax and interest	1.97	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax and interest	5.39	AY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax and interest	2.00	AY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax and interest	9.84	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax and interest	9.61	AY 2018-19	Commissioner of Income Tax (Appeals)
The Finance Act 1994	Tax interest and penalty	1.60 *(0.07)	April 2008 to September 2010	Customs , Excise and Service tax Appellate Tribunal ,Bangalore
The Finance Act 1994	Tax interest and penalty	17.27 *(0.72)	October 2008 to March 2013	Customs , Excise and Service tax Appellate Tribunal ,Bangalore
The Finance Act 1994	Tax interest and penalty	2.22 *(0.16)	April 2013 to September 2014	Customs , Excise and Service tax Appellate Tribunal ,Bangalore
The Finance Act 1994	Tax and penalty	4.24 *(0.29)	October 2014 to March 2016	Customs , Excise and Service tax Appellate Tribunal ,Bangalore





The Finance Act 1994	Tax and penalty	4.01 *(0.27)	April 2016 to June 2017	Customs , Excise and Service tax Appellate Tribunal ,Bangalore
Uttar Pradesh Value Added Tax Act 2008	Tax	0.05 *(0.09)	2008-09 to 2011-12	Commercial Tax Tribunal, Noida Bench
Kerala Value Added tax act, 2003	Penalty	0.26 *(0.26)	2006-07 to 2013-14 (up to Jan 2014)	Commercial Tax Tribunal, Trivandrum
Kerala Value Added Tax Act 2003	Tax and Penalty	0.63	April 2014 to March 2015	Deputy Commissioner (Appeals)
Maharashtra VAT Act, 2002	Tax, Interest and Penalty	0.76 *(0.04)	April 2006 to March 2007	Maharashtra Sales Tax Tribunal, Pune
Maharashtra VAT Act, 2002	Tax, Interest and penalty	1.32 *(0.11)	April 2007 to March 2008	Joint Commissioner of Sales Tax (Appeals)
Maharashtra VAT Act, 2002	Tax, Interest and Penalty	1.00 *(0.06)	April 2009 to March 2010	Maharashtra Sales Tax Tribunal, Pune
Maharashtra VAT Act, 2002	Tax, Interest and Penalty	1.17 *(0.07)	April 2010 to March 2011	Maharashtra Sales Tax Tribunal, Pune
Tamilnadu Vat Act,2006	Tax and penalty	35.81	2010-11 to 2016-17	Madras High Court

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has defaulted in repayment of following loans including interest as specified below:





Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date	Whether Principal or Interest	No. of days delays or unpaid	Remarks, if any
Term loan	Rabobank International	76.67 crores	Principal	2 to 3 years	
Term loan	Rabobank International	4.58 crores	Interest	2 to 3 years	
Term loan	Rabobank International	202.85 crores	Principal	2 to 3 years	
Term loan	Rabobank International	10.36 crores	Interest	2 to 3 years	
Term loan	JC Flowers ARC Pvt limited	118.69 crores	Principal	2 to 3 years	Loans were recalled by Yes bank and assigned to ARC
Term loan	JC Flowers ARC Pvt limited	16.48 crores	Interest	2 to 3 years	Loans were recalled by Yes bank and assigned to ARC
Term loan	Deutsche Investitions	156.50 crores	Principal	2 to 3 years	
Term loan	Deutsche Investitions	8.37 crores	Interest	2 to 3 years	
Term loan	Convertible Debentures to FMO	105.69 Crores	Principal	3 to 4 years	
Term loan	Convertible Debentures to FMO	4.49 crores	Interest	3 to 4 years	
Working capital loan	Karnataka bank limited	104.56 crores	Principal	2 to 3 years	Loans have been recalled by the bank
Working capital loan	Karnataka bank limited	11.98 crores	Interest	2 to 3 years	Loans have been recalled by the bank
Working capital loan	Indusind Bank	47.51 crores	Principal	2 to 3 years	
Working capital loan	Indusind Bank	7.50 crores	Interest	2 to 3 years	





Working capital loan	Kotak Mahindra Bank Limited	14.07 crores	Principal	2 to 3 years	
Working capital loan	Kotak Mahindra Bank Limited	10.13 crores	Interest	2 to 3 years	
Working capital loan	Ratnakar Bank Limited	120.33 crores	Principal	2 to 3 years	
Working capital loan	Ratnakar Bank Limited	13.53 crores	Interest	2 to 3 years	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised during the year on short-term basis by the Company during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.





(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) a. The company has an internal audit system commensurate with the size and nature of its business.

b. The reports of the Internal auditors for the period under audit were considered by us.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 during the FY 2019-20.

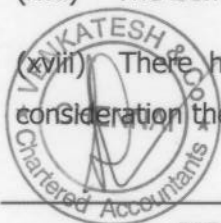
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities and hence clause 3(xvi)(b) is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred Cash Loss during the year.

(xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.





VENKATESH & CO
Chartered Accountants

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions we report the following –

The current liabilities are more than current assets. Further, the current assets include a sum of Rs.1028.02 crores which is due from related parties. In the absence of any conclusive evidence demonstrated by the company for recoverability of the same, we are unable to comment on the recoverability, requirement or otherwise of provision on those receivables. Under the above circumstances we are unable to comment whether or not material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) The company has average loss in last 3 years and accordingly there is no obligation for the company under sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Venkatesh & Co.,

Chartered Accountants

Firm registration number: 004636S



CA Dasaraty V

Partner

Membership Number: 026336

Chennai, May 30, 2023

UDIN: 23026336BGULEQ7766



**Annexure B to the Independent Auditors' report on the Standalone Financial Statements of
Coffee Day Global Limited for the year ended March 31, 2023**

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We were engaged to audit the internal financial controls with reference to Standalone Financial Statements of the Company as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Disclaimer of Opinion

Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS Standalone Financial Statements as at March 31, 2023.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company, and the disclaimer per se does not affect our Disclaimer of Opinion on the Standalone Financial Statements of the Company.

Basis for Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS Standalone Financial Statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on the internal financial controls over financial reporting with reference to the Standalone Financial Statements of the Company.





Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

Because of the matter described in Disclaimer of Opinion paragraph above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.





Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Venkatesh & Co.,

Chartered Accountants

Firm registration number: 004636S



CA Dasaraty V
Partner

Membership Number: 026336
Chennai, May 30, 2023

UDIN: 23026336BGULEQ7766