



October 4, 2010

ICRA reaffirms the ratings assigned to the bank facilities of Tanglin Developments Limited; assigns Stable outlook

Based on the guarantee provided by Coffee Day Resorts Private Limited (CDRPL), ICRA has reaffirmed "LBBB+(SO)" [pronounced as L Triple B plus Structured Obligation] rating to the Rs. 10 crore¹ term loan of Tanglin Developments Limited (TDL). The letters SO in parenthesis suffixed to a rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its terms, and its structure. SO rating does not represent ICRA's opinion on the general credit quality of the issuers concerned. The outlook on the rating is stable.

The LBBB+(SO) rating is solely based on the strength of the guarantee provided by CDRPL. The LBBB+(SO) rating addresses the servicing of the loan to happen as per the terms of the underlying loan and the guarantee arrangement and the rating assumes that the guarantee will be duly invoked, as per the terms of the underlying loan and guarantee agreements, in case there is a default in payment by the borrower. Further, the rating factor in TDL's experienced management, the low cost of land for the project in Bangalore and substantial cash & equivalents which will fund TDL's ongoing projects in the short to medium term.

Recent Results

In 2009-10, TDL had a net loss of Rs. 2.84 crore on an operating income of Rs. 36.59 crore as compared to a net loss of Rs. 1.32 crore on an operating income of Rs. 22.5 crore in 2008-09. However the net cash profit of TDL was Rs 11.38 Cr in 2009-10 as against Rs 7.36 Cr in 2008-09.

About the Company

Tanglin Developments Limited (TDL) is a wholly owned subsidiary of CDRPL. TDL is the real estate development company of the group. Technology parks developed by TDL are Global Village Technology Park (GVTP) on 91 acres of land on the outskirts of Bangalore and TechBay on 23 acres of land on the oceanfront at Mangalore, Karnataka. TDL has developed facilities for the companies such as Mindtree Consulting, Kshema Technologies, Mphasis, Ivega Corporation, Kyocera, Keane, Textron, Sonata Software and Texas. TDL has so far constructed 2 million sq.ft. in Bangalore and Managalore for the above companies.

About the Guarantor Company

CDRPL (formerly known as Coffee Day Holding Company Private Limited), promoted by Mr. V.G.Siddhartha in June 2008, is the holding company of the Coffee Day Group. Its investee companies are:

- a) Amalgamated Bean & Coffee Trading Company Limited (ABCTCL) which is the flagship company of the Coffee Day Group. It is a fully integrated coffee conglomerate with business ranging from retail of coffee under its brand 'Café Coffee Day' in different formats such as Café outlets, Kiosks, Vending Machines to export of coffee Beans. The Café Outlets are wide spread with presence in 120 cities/towns in India and having some outside India. In FY2010, ABCTCL reported a Profit after Tax (PAT) of Rs. 12.11 crore on an operating income (OI) of Rs. 594.69 crore as compared to Rs.3.3 crore of PAT on an OI of Rs. 540.32 crore in 2008-09.

¹100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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ICRA Limited

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- b) Tanglin Developments Limited
- c) Global Technology Ventures Ltd (GTVL) is an investment company for the Group's investment in companies such as MindTree Consulting Ltd, Ittiam Systems Ltd, Way2Wealth Securities Private Ltd, Global Edge Software Private Ltd.

The promoters are further in the process to transfer their holding in Coffeeday Hotels & Resorts Pvt. Ltd. (CHRPL), which operates 3 premium resorts, to CDRPL. In March 2010, CDRPL received private equity infusion of Rs.960 crore, which would be utilised for expansion of existing business of the group and for new ventures.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex".
The classification of instruments according to their complexity levels is available on the website www.icra.in

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