



October 4, 2010

ICRA reaffirms the ratings assigned to the bank facilities of Tanglin Retail Reality Developments Private 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. 20 crore¹ term loan of Tanglin Retail Reality Developments Private Limited (TRRDPL)[†]. 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.

About the Company

TRRDPL, a wholly owned subsidiary of Tanglin Developments Ltd (TDL), was incorporated in November 2007 to make investment to acquire land and develop the same to accommodate Coffee Day outlets and other retail stores. The company has planned to develop 20 properties of around 3000 sft each and then to lease the entire property to Amalgamated Bean & Coffee Trading Company Limited (ABCTCL). TRRDPL is presently in its initial stage of implementation and in future, its main source of business income will be lease rentals from the developed properties.

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.
- b) 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. 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 profits of TDL in 2009-10 was Rs 11.38 Cr as against Rs 7.36 Cr in 2008-09.
- 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 and Global Edge Software Private Ltd.

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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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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