



Tanglin Developments Limited

ICRA has reaffirmed [ICRA]BBB+(SO) [pronounced ICRA triple B plus Structured Obligation] rating to the Rs. 10 crore term loan of Tanglin Developments Limited (TDL) based on the guarantee provided by Coffee Day Resorts Private Limited (CDRPL). The outlook on the rating is stable. 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 [ICRA]BBB+(SO) rating is solely based on the strength of the guarantee provided by CDRPL. The 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

Tanglin Developments Limited (TDL) is a wholly owned subsidiary of CDRPL and is the real estate development company of the group. It has developed two technology parks viz. Global Village Technology Park (GVTP) on 91 acres of land on Mysore Road, Bangalore and TechBay on 23 acres of land on the oceanfront at Mangalore, Karnataka. It develops and leases commercial space on its campus on a built-to-suit model and has developed and leased office space to companies such as Mindtree, Accenture, Kshema Technologies, Mphasis, Ivega Corporation, Kyocera, Keane, Textron, Sonata Software and Texas. TDL has so far developed ~2.18 million square feet (msf) of commercial space in GVTP, Bangalore (1.88 msf) and Techbay, Mangalore (0.29 msf) and ~0.81 msf is under construction (0.78 msf in GVTP and 0.28 msf in Techbay). During 2010-11, TDL had a net loss of Rs. 2.61 crore on an operating income of Rs. 45.92 crore as compared to a net loss of Rs. 2.84 crore on an operating income of Rs. 36.59 crore in 2009-10. However, TDL's net cash accrual was Rs 16.39 crore in 2010-11 as against Rs 11.59 crore in 2009-10.

About the Guarantor Company

Incorporated in June 2008, CDRPL (formerly known as Coffee Day Holding Company Private Limited) is a holding company for the investments in ABCTCL, GTVL, TDL and CHRPL. CDRPL was 100% owned by the promoter Mr. V.G.Siddhartha and Promoter Group Companies till Feb'10. Thereafter, with the private equity infusion of Rs.960 crore in March 2010, the promoter group diluted 4% on outstanding shareholding basis and 29% on diluted shares basis.

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 some outside India. In FY2011, ABCTCL reported a Profit after Tax (PAT) of Rs. 10.50 crore on an operating income (OI) of Rs. 953.50 crore as compared to Rs.12.11 crore of PAT on an OI of Rs. 594.69 crore in 2009-10.
- 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 and Global Edge Software Private Ltd.
- d) Coffeeday Hotels & Resorts Pvt. Ltd (CHRPL) is a hospitality venture of the group and owns and operates three resorts viz. The Serai, at Chikmangalur, Cicada at Kabini and Cicada at Bandipur.

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