

November 25, 2021

Burger King India Limited- Update on entity

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term /Short Term Unallocated amount	100.00	100.00	[ICRA]A- (Stable)/[ICRA]A2+; Outstanding
Total	100.00	100.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has taken note of the recent development wherein the board of directors of Burger King India Limited (BKIL), has approved the submission of a binding offer to F&B Asia Ventures (Singapore) Pte. Ltd. for the proposed acquisition of a controlling stake in PT Sari Burger Indonesia (BK Indonesia). The said transaction is subject to negotiation, finalization and execution of definitive agreements; approval of the shareholders of the company and such other approvals and consents (including from the lenders and the franchisor), as may be required; and fulfilment of certain other conditions.

ICRA has taken note of the above event and the rating remains unchanged at the earlier ratings outstanding at [ICRA]A- (pronounced ICRA A minus) and [ICRA]A2+ (pronounced ICRA A two plus) on the Rs. 100.00-crore bank facilities of BKIL.

ICRA does not expect any material impact on the debt metrics on the standalone parent entity level (BKIL) as the proposed acquisition is expected to be funded entirely by equity. At consolidated level, ICRA will evaluate the impact once the transaction consummates and exact contours of the transaction and its impact thereon on the consolidated numbers are known to ICRA.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

BKIL was incorporated as a private limited company on November 11, 2013 and then later in September 2019, its constitution was changed to a public limited company and was renamed as Burger King India Limited (BKIL). BKIL is operating as the national master franchisee of the Burger King brand in India. As on September 30, 2021, BKIL operated 274 restaurants across India, including sub-franchised restaurants.

BKIL is promoted by QSR Asia Pte Ltd (QSR Asia), which is held by F&B Asia Ventures (Singapore) Pte. Ltd. (83.3%) and BK AsiaPac (14.8%)¹. The company came with an IPO in December 2020 and share of QSR Asia was diluted to 52.9% as on December 31, 2020 from 99.4% stake in September 30, 2020. The remaining stake of 47.1% is owned by public.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years					
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating			Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
				Nov-25-2021	Sept-7-2021	Apr-5-2021	29-May-2020	5-Dec-2019	-	
1	Unallocated amount	Long-term and Short-term	100.00	-	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-
2	Term Loan	Long-Term	-	-	-	-	-	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Stable)	-
3	Bank Overdraft	Long-Term	-	-	-	-	-	[ICRA]BBB+ (Negative)	-	-
4	Bank Guarantee	Short-Term	-	-	-	-	-	[ICRA]A2	-	-
5	Unallocated Limits	Long-term	-	-	-	-	-	-	[ICRA]BBB+ (Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term/short-term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

¹ Shareholding as on December 31, 2020

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Unallocated Amount	NA	NA	NA	100.00	[ICRA]A-(Stable)/ [ICRA]A2+

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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For more information, visit www.icra.in

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