

September 07, 2021

## Burger King India Limited- Update on Material Event

### 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
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

\*Instrument details are provided in Annexure-1

### Material Event

On August 27, 2021, Burger King India Limited (BKIL) had disclosed on BSE website that the company has entered into a non-binding understanding with F&B Asia Venture (Singapore) Pte. Ltd (F&B Asia) for acquisition of a controlling stake in PT Sari Burger Indonesia (BK Indonesia). F&B Asia through its wholly owned subsidiary currently holds an indirect equity interest of 65.79% in BK Indonesia and remaining stake is held by MAP.

### Impact of Material Event

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.

As part of the transaction, BKIL is offered to acquire up to 85% stake in BK Indonesia by way of a combination of primary and secondary transaction and primary investment of up to USD 40 million, at a pre-money enterprise value of BK Indonesia at USD 183 million on a cash free and debt free basis. As per the management, the acquisition is expected to be funded entirely by equity. The proposed transaction is subject to terms of acquisition, finalization of the structure, satisfactory completion of a due diligence exercise, approval of the board and shareholders of the company, receipt of necessary regulatory approvals etc. The parties are subject to period of 90 days to explore and negotiate the proposed transaction.

ICRA will continue to monitor the developments on this front and take a suitable rating action as further clarity emerges on the non-binding offer regarding the acquisition.

### Rationale

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	<a href="#">Corporate Credit Rating Methodology</a>
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 June 31, 2021, BKIL operated 270 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%)<sup>1</sup>. 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 in		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
				Sept-7-2021	Apr-5-2021				
1 Unallocated amount	Long-term and Short-term	100.00	-	[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

<sup>1</sup> Shareholding as on December 31, 2020

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**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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