

April 11, 2025

## Sapphire Foods India Limited: Change in limits

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Term Loan	15.82	12.41	[ICRA]A (Stable)
Long-term – Non-Fund Based	60.00	60.00	[ICRA]A (Stable)
Long-term/Short-term – fund/non fund based – working capital facilities	-	42.00	[ICRA]A (Stable)/ [ICRA]A2+
Short term – fund based - interchangeable Limits	-	(35.00)	[ICRA]A2+
Long term - non fund based - interchangeable Limits	-	(42.00)	[ICRA]A (Stable)
Unallocated amount-Short-term and Long-term	124.18	85.59	[ICRA]A (Stable)/ [ICRA]A2+
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position, environmental and social risks and rating sensitivities: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of SFIL. The subsidiaries of SFIL as of March 31, 2024, are enlisted in Annexure-2.

### About the company

Incorporated in November 2009 as Samarjit Advisors Private Limited, the entity was renamed as Sapphire Foods India Private Limited in 2015. SFIL is a franchise partner of Yum! for Pizza Hut and KFC brands. It was promoted by QSR Management Trust (QMT), which is owned by Samara Capital. In FY2016, QMT's stake diluted to 7.24%, pursuant to fresh investment by Sapphire Foods Mauritius Limited, Goldman Sachs and CX Partners. The Edelweiss Group subscribed to CCPS and joined the company as an investor in FY2019. The company's IPO was consummated in November 2021, whereby promoters and certain set of investors had a partial exit through an offer for sale.

The company is promoted by Sapphire Foods Mauritius and QSR Management Trust. The current investor profile includes Samara Capital, Creador and other high-marquee foreign and domestic institutional investors.

The company operated 496 KFC stores in West, North, South and Central India and 339 PH outlets in western, southern and central India as on December 31, 2024. SFIL also operates, 116 PH and 10 Taco Bell outlets in Sri Lanka through its subsidiaries/group.

### Key financial indicators (audited)

SFIL Consolidated	FY2023*	FY2024*
Operating income	2265.57	2594.27
PAT	233.19	51.96
OPBDIT/OI	19.0%	17.8%
PAT/OI	10.3%	2.0%
Total outside liabilities <sup>^</sup> /Tangible net worth (times)	1.0	1.0
Total debt <sup>^</sup> /OPBDIT (times)	2.2	2.5
Interest coverage (times)	4.9	4.6

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; All the figures mentioned in the above table and in the rationale are as per ICRA's calculations; \*as per INDAS; <sup>^</sup>includes Lease Liabilities

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	Apr 11, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term Loan	Long Term	12.41	[ICRA]A (Stable)	Oct 07, 2024	[ICRA]A (Stable)	Aug 11, 2023	[ICRA]A (Stable)	Aug 05, 2022	[ICRA]A (Stable)
Bank Guarantee	Long Term	60.00	[ICRA]A (Stable)	Oct 07, 2024	[ICRA]A (Stable)	Aug 11, 2023	[ICRA]A (Stable)	Aug 05, 2022	[ICRA]A (Stable)
Unallocated Limits	Long-term and Short-term	85.59	[ICRA]A (Stable)/[ICRA]A2+	Oct 07, 2024	[ICRA]A (Stable)/[ICRA]A2+	Aug 11, 2023	[ICRA]A (Stable)/[ICRA]A2+	Aug 05, 2022	[ICRA]A (Stable)/[ICRA]A2+
Working Capital Facilities	Long-term and Short-term	42.00	[ICRA]A (Stable)/[ICRA]A2+	-	-	-	-	-	-
Fund based - Interchangeable Limits	Short-term	(35.00)	[ICRA]A2+	-	-	-	-	-	-
Non fund based - Interchangeable Limits	Long Term	(42.00)	[ICRA]A (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term Fund based facilities – Term Loan	Simple
Long Term Non-Fund based facilities – Bank Guarantee	Simple
Long-Term/Short-term – fund/non fund based – working capital facilities	Simple
Short Term - fund based - interchangeable Limits	Simple

Instrument	Complexity Indicator
<b>Long Term - non fund based - interchangeable Limits</b>	Very Simple
<b>Unallocated Limits</b>	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 analysing 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 are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan II	February 24, 2021	8.24%	October 2026	7.07	[ICRA]A(Stable)
NA	Term Loan IV	June 11, 2021	9.00%	June 2027	5.34	[ICRA]A(Stable)
NA	Bank Guarantee	-	-	-	60.00	[ICRA]A(Stable)
NA	Fund/non fund based – working capital facilities	-	-	-	42.00	[ICRA]A(Stable)/[ICRA]A2+
NA	Short Term - fund based - interchangeable Limits	-	-	-	(35.00)	[ICRA]A2+
NA	Long Term - non fund based - interchangeable Limits	-	-	-	(42.00)	[ICRA]A (Stable)
NA	Unallocated	-	-	-	85.59	[ICRA]A(Stable)/[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Gamma Pizzakraft Lanka Private Limited	100%	Full Consolidation
French Restaurants Private Limited	100%	Full Consolidation
Gamma Island Food Private Limited	74.74%	Full Consolidation

Source: Company

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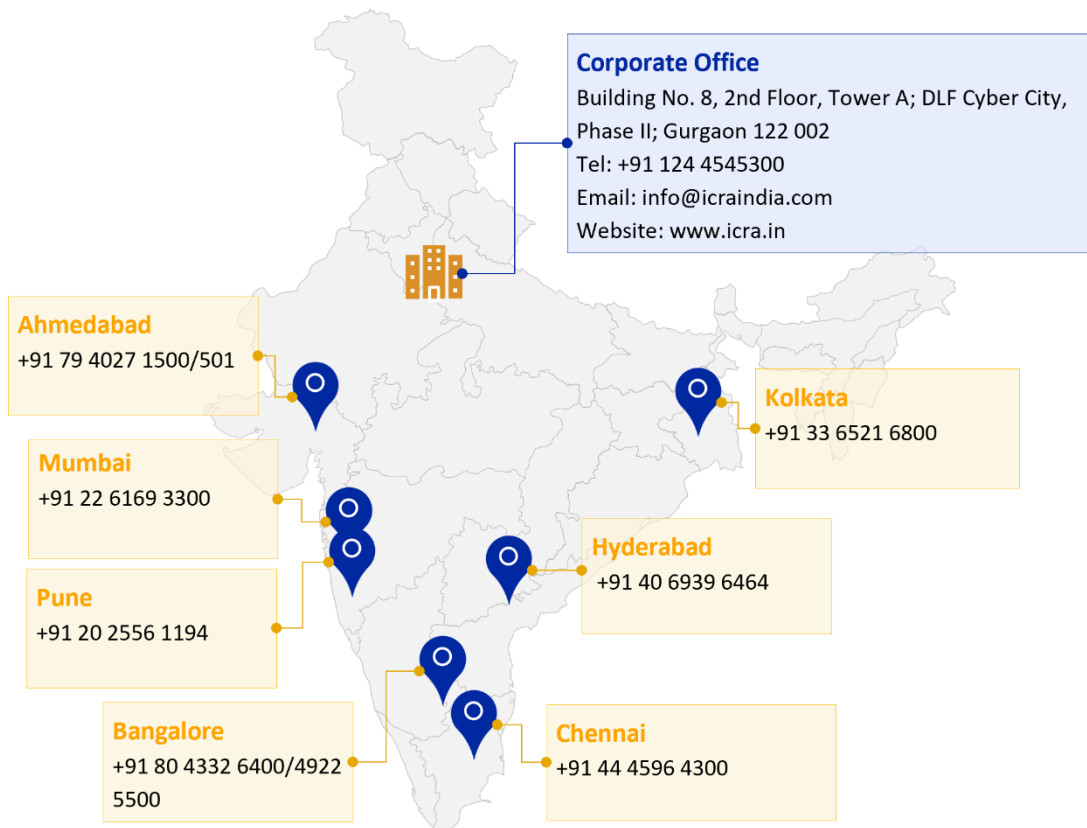
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