

Date: May 17, 2022

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051  Symbol: SAPPHIRE	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 40001  Scrip Code: 543397
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Dear Sir/Madam,

**Subject: Outcome of the Meeting of the Board of Directors of Sapphire Foods India Limited**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform that the Board of Directors of Sapphire Foods India Limited (“the Company”) at its meeting held today, i.e. on Tuesday, May 17, 2022, inter-alia, has considered/approved/recommended the following:

- 1) Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2022, duly considered and recommended by the Audit Committee, along with the Auditor’s Report (with unmodified opinion), as issued by M/s. S R B C & Co. LLP, Chartered Accountants, Statutory Auditors of the Company.

Please find enclosed herewith the Audited Financial Results (Standalone and Consolidated) along with the Audit Report on the said Financial Results issued by Statutory Auditors of the Company. The declaration pursuant to Regulation 33 of Listing Regulations is also enclosed herewith.

- 2) In connection with the aforesaid, Press Release and Earnings Presentation is enclosed herewith with this outcome letter.
- 3) Pursuant to recommendation of Nomination and Remuneration Committee, appointment of Mr. Norbert Fernandes (DIN: 06716549) as Alternate Director (in the capacity of Non-Executive Non-Independent Nominee Director) to Mr. Paul Robine (DIN:07828525), Non-Executive Non-Independent Nominee Director in accordance with the applicable provisions of the Companies Act, 2013 and such other act, rules, regulations, etc. The details as required under SEBI circular is enclosed herewith at Annexure A.
- 4) Dividend Distribution Policy, based on parameters as specified under Regulation 43A of Listing Regulations. The policy can be accessed from the website of the Company at <https://www.sapphirefoods.in/investors-relation/policies>



The meeting of Board of Directors commenced at 12.00 noon and concluded at 2.45 p.m.

Request you to kindly take the same on record.

Thanking you,

**For Sapphire Foods India Limited**



**Sachin Dudam**  
**Company Secretary and Compliance Officer**



**Encl.:** As above

**Annexure A**

<b>Particulars</b>	<b>Information w.r.t. the event</b>
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Mr. Norbert Fernandes as an Alternate Director (in the capacity of Non-Executive Non-Independent) to Mr. Paul Robine (Non-Executive Non-Independent Nominee Director) on the Board of Sapphire Foods India Limited.
Date of Appointment/cessation & Term of Appointment	Mr. Norbert Fernandes is appointed with effect from 17 <sup>th</sup> May, 2022 and he shall act as an Alternate Director to Mr. Paul Robine, Non-Executive Non-Independent Nominee Director, representing Sapphire Foods Mauritius Limited (“promoter shareholder”) on the Board of the Company.  The appointment of Mr. Norbert Fernandes on the Board of the Company will be valid till Mr. Paul Robine (original Director) returns to India or such period that is permissible to the Original Director in whose place he has been appointed, whichever is earlier.
Brief Profile of the appointee Director	Mr. Norbert Fernandes is a Director at TR Capital and leads the Mumbai office. Prior to TR Capital, Mr. Norbert Fernandes was co-founding principal at IvyCap Ventures. Before that, he worked at Temasek Holdings in Singapore and Mumbai, where he was an early member of the India Investment Team.  Mr. Norbert Fernandes holds an undergraduate degree from IIT Kanpur and Master's degree from IIM Calcutta.
Disclosures under SEBI Listing Regulations	Mr. Norbert Fernandes is not related with any Director of the Company and is not debarred from holding the office of Director by virtue of any SEBI order or any other such Authority.



Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Sapphire Foods India Limited

Report on the audit of the Standalone Financial Results

#### Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Sapphire Foods India Limited (the "Company") ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



# **S R B C & COLLP**

Chartered Accountants

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



# **S R B C & C O L L P**

Chartered Accountants

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter ended March 31, 2021 which have been presented solely based on the information compiled by the management and has been approved by the Board of Directors.

For S R B C & C O L L P  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Vikram Mehta  
Partner  
Membership No.: 105938  
UDIN: 22105938AJBYHI6010  
Place: Mumbai  
Date: May 17, 2022



**Sapphire Foods India Limited (formerly known as Sapphire Foods India Private Limited)**  
Registered address :702, Prism Tower, A-Wing, Mindspace, Link Road, Goregaon (W), Mumbai- 400062, India  
CIN: L55204MH2009PLC197005, Email : info@sapphirefoods.in, Website :www.sapphirefoods.in

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2022

(Rs. in Million except per share data)

Particulars	Quarter ended on			Year ended on	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	(Audited) (refer note 3)	(Unaudited)	(Audited) (refer note 3)	(Audited)	(Audited)
<b>1 Income</b>					
a) Revenue from operations	3,983.27	4,146.81	2,844.90	13,981.54	8,051.74
b) Other income	97.51	74.10	63.89	340.93	532.45
<b>Total income [1(a) + 1(b)]</b>	<b>4,080.78</b>	<b>4,220.91</b>	<b>2,908.79</b>	<b>14,322.47</b>	<b>8,584.19</b>
<b>2 Expenses</b>					
a) Cost of materials consumed	1,211.30	1,261.18	841.81	4,189.06	2,425.02
b) Employee benefits expense (refer note 6)	506.87	503.23	489.72	2,116.83	1,483.90
c) Finance costs	181.92	164.11	176.30	667.33	657.12
d) Depreciation, impairment and amortisation expense	492.98	432.22	505.18	1,801.48	1,744.53
e) Other expenses	1,489.62	1,463.85	1,068.67	5,299.70	3,240.64
<b>Total expenses [2(a) to 2(e)]</b>	<b>3,882.69</b>	<b>3,824.59</b>	<b>3,081.68</b>	<b>14,074.40</b>	<b>9,551.21</b>
<b>3 Profit/ (Loss) before tax [1 - 2]</b>	<b>198.09</b>	<b>396.32</b>	<b>(172.89)</b>	<b>248.07</b>	<b>(967.02)</b>
<b>4 Tax expense</b>					
a) Current tax	-	-	-	-	-
b) Deferred tax	-	-	-	-	-
<b>Total Tax expense [4(a) + 4(b)]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5 Profit/ (Loss) after tax [3 - 4]</b>	<b>198.09</b>	<b>396.32</b>	<b>(172.89)</b>	<b>248.07</b>	<b>(967.02)</b>
<b>6 Other comprehensive income/ (loss)</b>					
a) Items that will not be reclassified to profit or loss	(0.09)	0.68	(0.08)	(16.25)	(10.25)
b) Tax effect on above	-	-	-	-	-
<b>Total Other comprehensive income/ (loss) [6(a) + 6(b)]</b>	<b>(0.09)</b>	<b>0.68</b>	<b>(0.08)</b>	<b>(16.25)</b>	<b>(10.25)</b>
<b>7 Total comprehensive income/ (loss) [5 + 6]</b>	<b>198.00</b>	<b>397.00</b>	<b>(172.97)</b>	<b>231.82</b>	<b>(977.27)</b>
<b>8 Paid-up equity share capital [Face Value - Rs. 10/- per share]</b>	<b>635.43</b>	<b>635.43</b>	<b>527.90</b>	<b>635.43</b>	<b>527.90</b>
<b>9 Other equity (excluding revaluation reserve)</b>				<b>9,780.88</b>	<b>4,621.26</b>
<b>10 Earnings per equity share (of Rs. 10/- each) (not annualised)</b>					
a) Basic (Rs.)	3.12	6.24	(3.29)	4.16	(18.70)
b) Diluted (Rs.)	3.09	6.18	(3.29)	4.12	(18.70)

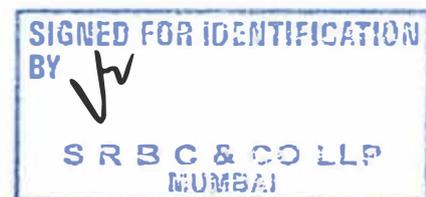




**Sapphire Foods India Limited (formerly known as Sapphire Foods India Private Limited)**  
Registered address :702, Prism Tower, A-Wing, Mindspace, Link Road, Goregaon (W), Mumbai- 400062, India  
CIN: L55204MH2009PLC197005, Email : info@sapphirefoods.in, Website :www.sapphirefoods.in

**Standalone Balance Sheet as on March 31, 2022**

Particulars	(Rs. in Million)	
	As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	4,741.99	3,192.17
Capital work-in-progress	265.18	160.21
Goodwill	1,058.61	1,058.61
Other Intangible assets	307.22	212.02
Right of use assets	5,784.45	4,247.23
Intangibles assets under development	4.76	91.40
Financial assets		
i) Investment in subsidiary	1,685.85	1,605.95
ii) Other financial assets	1,213.31	703.96
Other non-current assets	313.78	139.46
Income tax assets (net)	48.93	29.34
<b>Total Non-Current assets</b>	<b>15,424.08</b>	<b>11,440.35</b>
<b>Current Assets</b>		
Inventories	489.37	331.44
Financial assets		
i) Investments	1,525.22	267.41
ii) Trade receivables	118.35	59.84
iii) Cash and cash equivalents	342.34	311.85
iv) Bank balances other than cash and cash equivalents	1,954.20	49.47
v) Other financial assets	861.21	29.78
Other current assets	86.16	51.44
<b>Total current assets</b>	<b>5,376.85</b>	<b>1,101.23</b>
<b>Total Assets</b>	<b>20,800.93</b>	<b>12,541.58</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	635.43	527.90
Other equity	9,780.88	4,621.26
<b>Total equity</b>	<b>10,416.31</b>	<b>5,149.16</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Financial liabilities		
i) Borrowings	377.73	408.16
ii) Lease Liabilities	6,005.89	4,400.35
Long term provisions	76.34	60.33
<b>Total non current liabilities</b>	<b>6,459.96</b>	<b>4,868.84</b>
<b>Current liabilities</b>		
Financial liabilities		
i) Borrowings	166.51	208.78
ii) Lease Liabilities	707.78	681.94
iii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	35.06	15.07
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,623.30	1,114.17
iv) Other financial liabilities	1,172.21	327.72
Other current liabilities	165.53	125.57
Short term provisions	54.27	50.33
<b>Total current liabilities</b>	<b>3,924.66</b>	<b>2,523.58</b>
<b>Total Equity and Liabilities</b>	<b>20,800.93</b>	<b>12,541.58</b>





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**Standalone Cash Flow Statement for the year ended March 31, 2022**

*(Rs. in Million)*

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	(Audited)	(Audited)
<b>Cash flow from operating activities:</b>		
Profit/ (Loss) before exceptional items and tax	248.07	(967.02)
Adjustments for:		
Depreciation, impairment and amortisation expense	1,801.48	1,744.53
Finance cost	667.33	657.12
Interest income	(105.20)	(56.67)
Rental waiver due to COVID	(131.67)	(412.47)
Expenses on employee stock option scheme	383.43	146.24
Provision for slow moving inventories	7.02	4.08
Provision for doubtful deposits	4.05	19.04
Provision for doubtful debts written back (net of bad debts written off)	-	(3.58)
Gain on fair value/sale of mutual funds	(74.23)	(9.83)
Gain on sale/ discard of property, plant and equipment	(4.42)	(0.41)
Gain on termination of lease contract	(25.11)	(49.50)
<b>Operating profit before working capital changes</b>	<b>2,770.75</b>	<b>1,071.53</b>
<b>Changes in working capital</b>		
Increase in trade payables	529.12	10468
Increase/(Decrease) in other liabilities	578.76	20.50
Increase/ (Decrease) in provisions	3.71	2.32
Increase in inventories	(164.95)	(7.76)
(Increase)/Decrease in trade and other receivables	(62.56)	(16.77)
Increase in other assets	(1,238.24)	(18.14)
<b>Cash flow from operations</b>	<b>2,416.59</b>	<b>1,156.36</b>
Income tax paid (net of refunds)	(19.59)	(5.33)
<b>Net cash flow from operating activities (A)</b>	<b>2,397.00</b>	<b>1,151.03</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets	(2,466.26)	(617.48)
Proceeds from sale of property, plant and equipment	7.65	3.02
Investment in subsidiary	(75.50)	(42.53)
Inter corporate deposit given to Subsidiary	(120.00)	-
Repayment of inter corporate deposit given to Subsidiary	19.00	-
Purchase of current investments	(6,566.79)	(642.34)
Proceeds from sale of current investment	5,383.21	539.97
Interest received	8.10	6.55
Fixed/restricted deposits with banks (placed)/ realised	(1,975.56)	47.73
<b>Net cash used in investing activities (B)</b>	<b>(5,786.15)</b>	<b>(705.08)</b>
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of equity share capital (including securities premium and net off of share issue expenses)	4,690.05	443.82
Proceeds from long-term borrowings	266.64	627.46
Repayment of long-term borrowings	(339.79)	(521.25)
Payment of principal portion of lease liabilities	(531.30)	(193.99)
Interest paid on lease liabilities	(581.85)	(553.73)
Finance cost paid	(84.11)	(104.42)
<b>Net cash from/ (used) in financing activities (C)</b>	<b>3,419.64</b>	<b>(302.11)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>30.49</b>	<b>143.83</b>
Cash and cash equivalents at the beginning of the year	311.85	168.01
<b>Cash and cash equivalents at the end of the year</b>	<b>342.34</b>	<b>311.85</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In current accounts	298.63	278.37
Term deposits with maturity of less than 3 months	-	0.12
Cash on hand	43.71	33.36
<b>Total cash and cash equivalents at the end of the year</b>	<b>342.34</b>	<b>311.85</b>

**Note :**

The above cash flow excludes the proceeds received in the share escrow account amounting to Rs. 20,732.52 million on account of Offer for Sale made by the selling shareholder. Book running lead manager disbursed Rs. 20,191.54 (Net of issue expenses) to its selling shareholders and the remaining funds amounting to Rs. 540.98 million which are yet to be paid to the selling shareholders on account of IPO expenses is held in Share escrow account.



**Notes to Standalone financial results:**

1. The results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on May 17, 2022.
2. These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 (read with SEBI Circular CIR/CFD/FAC/62/2016 dated 05 July 2016 and other recognised accounting practices and policies).
3. The results for the quarter ended March 31, 2022 represents the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by the statutory auditor.

The comparative financial information for the quarter ended March 31, 2021 has not been subjected to limited review/audit by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for the above-mentioned period provides true and fair view of the Company's affairs.

4. The Board of Directors vide Resolution dated August 5, 2021 has raised Rs.4,742.04 million towards issuance and allotment of 93,73,471 Equity Shares of face value of Rs.10/- each to various investors who had applied for subscription.
5. During November, 2021, the company has completed its initial public offering (IPO) of its equity shares, comprising an offer for sale of 17,569,941 equity shares by its existing shareholder at an offer price of Rs. 1,180/- each aggregating to Rs. 20,732.53 million. Pursuant to the IPO, the equity shares of the Company have got listed on the NSE Limited and BSE Limited on 18 November 2021.
6. The Company had approved the accelerated vesting and exercise of stock options under employee stock option scheme in the month of September, 2021. Accordingly, employee benefit expenses for the year ended March 31, 2022 includes ESOP charge of Rs. 233.99 million on account of accelerated vesting. In pursuant to the above, the Company has issued and allotted 13,78,661 Equity shares on September 10, 2021 upon exercise of Stock options granted under the Company's ESOP Scheme.

Further, pursuant to the provisions under the applicable Act, the Company vide resolutions by Nomination and Remuneration Committee has granted 7,85,431 Stock Options and 4,747 Stock Options to eligible employees of the Company and its subsidiaries, effective September 15, 2021, and September 29, 2021, respectively. The vesting condition for these options are time based and shall be vested in a gradual manner latest by September 30, 2024.





7. The Board of Directors ("the Board") of the Company at its meeting held on February 11, 2022 has inter-alia, subject to requisite approvals/consents, considered and approved the Scheme of Merger by Absorption between Sapphire Foods India Limited (the "Transferee Company" or "Company") and wholly owned subsidiaries namely Gamma Pizzakraft Private Limited (Transferor Company 1) and Gamma Pizzakraft (Overseas) Private Limited (Transferor Company 2") under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approval of Hon' ble National Company Law Tribunal (NCL T), Mumbai bench. The Appointed Date of the Scheme is April 1, 2022. The scheme / application was filed and admitted with National Company Law Tribunal (NCLT), Mumbai Bench on May 5, 2022.
8. The Company holds Investment and has advanced Inter Corporate deposits to its subsidiary Gamma Pizzakraft Overseas Pvt. Limited (GPOPL) who has further invested in its subsidiary Gamma Pizzakraft (Lanka) Private Limited (GPLPL). GPLPL operates Pizza Hut brand in Sri Lanka. Considering the macroeconomic challenges currently faced by Sri Lanka on account of rising prices, depletion of forex reserves, significant depreciation of Sri Lankan currency to INR and other inflationary pressures, the management has considered all internal and external sources of information including economic forecasts and estimates from market sources as at the date of the approval of these financial results in determining the recoverable value for such investment held in GPOPL. On the basis of the evaluation and current indicators of future economic conditions, the Company has concluded that no adjustments are required as of reporting date at this point in time. Management will continue to monitor the situation. Further, management does not expect any uncertainties that may impact business in Sri Lanka in the near future.
9. The Company is in the business of operating restaurants and has only one reportable operating segment as per Ind AS 108 – Operating Segments.

For and on behalf of the Board of Directors  
**Sapphire Foods India Limited (Formerly known as Sapphire Foods India Private Limited)**

Sanjay Purohit  
Whole Time Director and Group CEO  
DIN: 00117676  
Place: Mumbai  
Date: May 17, 2022



Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Sapphire Foods India Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Sapphire Foods India Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial results of the subsidiaries, the Statement:

- i. includes the results of the following entities;

Holding Company:  
Sapphire Foods India Limited

Subsidiaries:

1. Gamma Pizzakraft (Overseas) Private Limited
2. Gamma Pizzakraft Private Limited
3. Gamma Pizzakraft (Lanka) Private Limited
4. French Restaurants Private Limited
5. Gamma Island Food Private Limited

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



## Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### Other Matter

The accompanying Statement includes the audited financial results in respect of:

Five subsidiaries, whose financial results include total assets of Rs 1,909.81 million as at March 31, 2022, total revenues of Rs 947.29 million and Rs. 3,234.18 million and total net profit after tax of Rs. 76.53 million and Rs. 256.43 million, total comprehensive income/(loss) of Rs. (137.95) million and Rs. 44.67 million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 110.75 million for the year ended March 31, 2022, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



# **S R B C & CO LLP**

Chartered Accountants

We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter ended March 31, 2021 which have been presented solely based on the information compiled by the management and has been approved by the Board of Directors.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Vikram Mehta  
Partner  
Membership No.: 105938  
UDIN: 22105938AJBYGO6691  
Place: Mumbai  
Date: May 17, 2022

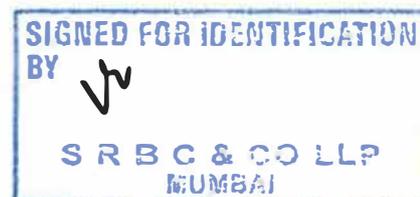


**Sapphire Foods India Limited (formerly known as Sapphire Foods India Private Limited)**  
Registered address : 702, Prism Tower, A-Wing, Mindspace, Link Road, Goregaon (W), Mumbai- 400062, India  
CIN: L55204MH2009PLC197005, Email : info@sapphirefoods.in, Website : www.sapphirefoods.in

Statement of Audited Consolidated financial results for the quarter and year ended March 31, 2022

(Rs. in Million except per share data)

Particulars	Quarter ended on			Year Ended on	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	(Audited) (refer note 3)	(Unaudited)	(Audited) (refer note 3)	(Audited)	(Audited)
<b>1 Income</b>					
a) Revenue from operations	4,968.26	5,075.42	3,406.16	17,215.72	10,196.19
b) Other income	97.78	78.46	86.87	379.78	616.16
<b>Total income [1(a) + 1(b)]</b>	<b>5,066.04</b>	<b>5,153.88</b>	<b>3,493.03</b>	<b>17,595.50</b>	<b>10,812.35</b>
<b>2 Expenses</b>					
a) Cost of materials consumed	1,554.68	1,565.13	1,006.34	5,277.97	3,099.26
b) Employee benefits expense (refer note 6)	678.32	683.68	618.87	2,739.94	1,956.00
c) Finance costs	233.32	184.84	196.44	780.93	755.65
d) Depreciation and amortisation expense	576.47	513.41	581.83	2,135.21	2,091.45
e) Other expenses	1,737.40	1,681.34	1,222.87	6,147.60	3,896.93
<b>Total expenses [2(a) to 2(e)]</b>	<b>4,780.19</b>	<b>4,628.40</b>	<b>3,626.35</b>	<b>17,081.65</b>	<b>11,799.29</b>
<b>3 Profit / (Loss) before tax [ 1 - 2 ]</b>	<b>285.86</b>	<b>625.48</b>	<b>(133.32)</b>	<b>513.85</b>	<b>(986.94)</b>
<b>4 Tax expense</b>					
a) Current tax	17.32	29.06	5.96	64.42	23.84
b) Deferred tax	3.56	(13.56)	(1.99)	(10.42)	(11.81)
<b>Total Tax expense [ 4(a) + 4(b) ]</b>	<b>20.88</b>	<b>15.50</b>	<b>3.97</b>	<b>54.00</b>	<b>12.03</b>
<b>5 Profit / (Loss) after tax [ 3 - 4 ]</b>	<b>264.97</b>	<b>509.98</b>	<b>(137.29)</b>	<b>459.85</b>	<b>(998.97)</b>
<b>6 Other comprehensive income</b>					
a) Items that will not be reclassified to profit or loss					
i) Remeasurments gain/(losses) of net defined benefit plan	(4.76)	0.10	1.25	(20.16)	(5.57)
ii) Tax effect on above	0.50	0.17	(0.31)	0.76	(1.27)
b) Items that will be reclassified to profit or loss					
i) Exchange difference on translation of foreign operations	(210.31)	(5.12)	(31.14)	(208.61)	(35.69)
<b>Total Other comprehensive loss [6(a)(i)+6(a)(ii)+6(b)(i)]</b>	<b>(214.57)</b>	<b>(4.85)</b>	<b>(30.20)</b>	<b>(228.01)</b>	<b>(42.53)</b>
<b>7 Total Comprehensive income/ (loss) [ 5 + 6 ]</b>	<b>50.40</b>	<b>505.13</b>	<b>(167.49)</b>	<b>231.84</b>	<b>(1,041.50)</b>
<b>8 Total Comprehensive income/ (loss) for the period / year attributable to -</b>					
Equity holders of the parent	50.85	505.57	(168.53)	237.11	(1,027.29)
Non-controlling interest	(0.45)	(0.44)	1.04	(5.27)	(14.21)
<b>9 Profit / (Loss) for the period / year attributable to -</b>					
Equity holders of the parent	265.12	510.36	(138.39)	464.60	(984.63)
Non-controlling interest	(0.15)	(0.38)	1.10	(4.75)	(14.34)
<b>10 Other comprehensive Income/ (loss) for the period / year attributable to -</b>					
Equity holders of the parent	(214.27)	(4.79)	(30.15)	(227.49)	(42.67)
Non-controlling interest	(0.30)	(0.06)	(0.05)	(0.52)	0.14
<b>11 Paid-up equity share capital [Face Value - Rs. 10/- per share]</b>	<b>635.43</b>	<b>635.43</b>	<b>527.90</b>	<b>635.43</b>	<b>527.90</b>
<b>12 Other equity (excluding revaluation reserve)</b>				<b>9,436.04</b>	<b>4,271.13</b>
<b>13 Earnings per equity share (of Rs. 10/- each) (not annualised)</b>					
a) Basic (Rs.)	4.17	8.03	(2.63)	7.78	(19.04)
b) Diluted (Rs.)	4.13	7.96	(2.63)	7.72	(19.04)

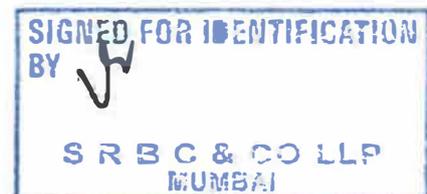




**Sapphire Foods India Limited (formerly known as Sapphire Foods India Private Limited)**  
Registered address :702, Prism Tower, A-Wing, Mindspace, Link Road, Goregaon (W), Mumbai- 400062, India  
CIN: L55204MH2009PLC197005, Email : info@sapphirefoods.in, Website :www.sapphirefoods.in

Consolidated Balance Sheet as on March 31, 2022

Particulars	(Rs. in Million)	
	As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	5,461.53	3,931.65
Capital work-in-progress	319.73	213.04
Goodwill	1,621.59	1,621.59
Other Intangible assets	566.07	550.96
Right of use assets	6,248.57	4,739.45
Intangibles under development	6.81	91.40
Financial assets		
i) Other financial assets	1,130.50	722.12
Other non-current assets	313.94	139.66
Income tax assets (net)	64.14	43.79
<b>Total Non-Current assets</b>	<b>15,732.88</b>	<b>12,053.66</b>
<b>Current Assets</b>		
Inventories	651.64	473.91
Financial assets		
i) Investments	1,525.22	267.41
ii) Trade receivables	140.71	77.75
iii) Cash and cash equivalents	591.73	450.50
iv) Bank balances other than cash and cash equivalents	1,954.43	49.70
v) Other financial assets	936.13	48.74
Other current assets	106.51	67.70
<b>Total current assets</b>	<b>5,906.37</b>	<b>1,435.71</b>
<b>Total Assets</b>	<b>21,639.25</b>	<b>13,489.37</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	635.43	527.90
Other equity	9,436.04	4,271.13
Non controlling interests	(16.98)	(11.71)
<b>Total equity</b>	<b>10,054.49</b>	<b>4,787.32</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Financial liabilities		
i) Borrowings	419.84	489.91
ii) Lease Liabilities	6,496.39	4,905.02
Provisions	109.74	98.84
Deferred tax liabilities (net)	87.27	106.73
<b>Total non current liabilities</b>	<b>7,113.24</b>	<b>5,600.50</b>
<b>Current liabilities</b>		
Financial liabilities		
i) Borrowings	192.37	266.65
ii) Lease Liabilities	784.08	787.19
iii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	36.28	16.02
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,954.87	1,423.68
iv) Other financial liabilities	1,223.75	385.76
Other current liabilities	214.17	157.87
Provisions	66.00	64.38
<b>Total current liabilities</b>	<b>4,471.52</b>	<b>3,101.55</b>
<b>Total Equity and Liabilities</b>	<b>21,639.25</b>	<b>13,489.37</b>





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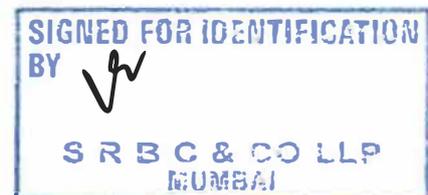
**Consolidated Cash Flow Statements for the year ended March 31, 2022**

*(Rs. in Million)*

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
	(Audited)	(Audited)
<b>Cash flow from operating activities:</b>		
Profit/ (Loss) before tax	513.85	(986.94)
Adjustments for:		
Depreciation, impairment and amortisation expenses	2,135.21	2,091.45
Finance cost	780.93	755.65
Interest income	(104.20)	(58.81)
Rental waiver due to COVID	(166.58)	(489.46)
Expenses on employee stock option scheme	387.88	146.24
Provision no longer required written back	-	(3.69)
Provision for doubtful deposits	4.05	19.04
Provision for slow moving inventories	-	4.08
Gain on fair value/sale of mutual funds	(74.23)	(9.83)
(Profit)/ loss on sale/discard of property, plant and equipment	(3.24)	9.29
Gain on termination of lease contract	(30.75)	(53.94)
<b>Operating profit before working capital changes</b>	<b>3,442.92</b>	<b>1,423.08</b>
<b>Changes in working capital</b>		
Increase in trade payables	551.44	133.03
Increase in other financial and non-financial liabilities	611.56	40.19
(Decrease)/ Increase in provisions	(7.63)	7.06
Increase in inventories	(237.08)	(34.14)
Increase in trade receivables	(62.96)	(28.01)
(Increase)/Decrease in financial and other assets	(263.79)	29.25
<b>Cash generated from operations</b>	<b>4,034.46</b>	<b>1,570.46</b>
Income tax paid (net of refunds)	(85.56)	(29.72)
<b>Net cash flow from operating activities (A)</b>	<b>3,948.90</b>	<b>1,540.74</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets	(2,852.73)	(739.82)
Proceeds from sale of property, plant and equipment	8.73	5.86
Purchase of current investments	(6,566.79)	(539.97)
Proceeds from sale of current investment	5,383.21	437.60
Interest received	6.22	9.36
Fixed/restricted deposits with banks (placed)/realised	(2,894.74)	47.73
<b>Net cash used in investing activities (B)</b>	<b>(6,916.10)</b>	<b>(779.24)</b>
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of equity share capital (including securities premium) (net of share issue expenses)	4,690.05	443.82
Acquisition of non-controlling interests	-	(21.53)
Proceeds from long-term borrowings	266.64	627.46
Repayment of long-term borrowings	(389.67)	(561.71)
Repayment of short-term borrowings	(53.18)	(4.42)
Payment of principal portion of lease liabilities	(604.27)	(241.11)
Interest paid on lease liabilities	(654.58)	(635.63)
Finance cost paid	(125.45)	(122.16)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>3,129.54</b>	<b>(515.28)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>162.34</b>	<b>246.22</b>
Cash and cash equivalents at the beginning of the year	420.16	173.94
Cash and cash equivalents at the end of the year	<b>582.50</b>	<b>420.16</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In current accounts	448.11	400.99
Term deposits with maturity of less than 3 months	97.05	12.12
Cash on hand	46.57	37.39
Bank overdraft	(9.23)	(30.34)
<b>Total cash and cash equivalents at the end of the year</b>	<b>582.50</b>	<b>420.16</b>

**Note :**

The above cash flow excludes the proceeds received in the share escrow account amounting to Rs. 20,732.52 million on account of Offer for Sale made by the selling shareholder. Book running lead manager disbursed Rs. 20,191.54 (Net of issue expenses) to its selling shareholders and the remaining funds amounting to Rs. 540.98 million which are yet to be paid to the selling shareholders on account of IPO expenses is held in Share escrow account.



**Notes to Consolidated financial results:**

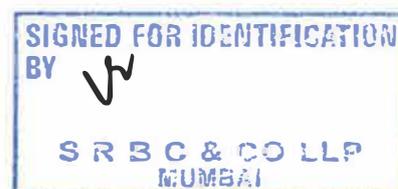
1. The consolidated financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on May 17, 2022.
2. These consolidated financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 (read with SEBI Circular CIR/CFD/FAC/62/2016 dated 05 July 2016 and other recognised accounting practices and policies).
3. The consolidated financial results for the quarter ended March 31, 2022 represents the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by the statutory auditor.

The comparative consolidated financial information for the quarter ended March 31, 2021 has not been subjected to limited review/audit by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for the above-mentioned period provides true and fair view of the Group's affairs

4. The Board of Directors of Parent Company vide Resolution dated August 5, 2021 has raised Rs.4,742.04 million towards issuance and allotment of 93,73,471 Equity Shares of face value of Rs.10/- each to various investors who had applied for subscription.
5. During November, 2021, the Parent Company has completed its initial public offering (IPO) of its equity shares, comprising an offer for sale of 17,569,941 equity shares by its existing shareholder at an offer price of Rs. 1,180/- each aggregating to Rs. 20,732.53 million. Pursuant to the IPO, the equity shares of the Parent Company have got listed on the NSE Limited and BSE Limited on 18 November 2021.
6. The Parent Company had approved the accelerated vesting and exercise of stock options under employee stock option scheme in September, 2021. Accordingly employee benefit expenses for the year ended March 31, 2022 includes ESOP charge of Rs. 233.99 million on account of accelerated vesting. In pursuant to the above, the Parent Company has issued and allotted 13,78,661 Equity shares on September 10, 2021 upon exercise of Stock options granted under the Company's ESOP Scheme.

Further, pursuant to the provisions under the applicable Act, the Parent Company vide resolutions by Nomination and Remuneration Committee has granted 7,85,431 Stock Options and 4,747 Stock Options to eligible employees of the Company and its subsidiaries, effective September 15, 2021, and September 29, 2021, respectively. The vesting condition for these options are time based and shall be vested in a gradual manner latest by September 30, 2024

7. The Group is in the business of operating restaurants and has only one reportable operating segment as per Ind AS 108 – Operating Segments.

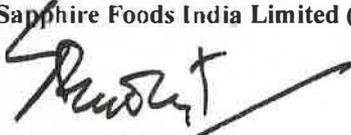




8. The Board of Directors ("the Board") of the Parent Company at its meeting held on February 11, 2022 has inter-alia, subject to requisite approvals/consents, considered and approved the Scheme of Merger by Absorption between Sapphire Foods India Limited (the "Transferee Company" or "Company") and wholly owned subsidiaries namely Gamma Pizzakraft Private Limited (Transferor Company 1) and Gamma Pizzakraft (Overseas) Private Limited (Transferor Company 2") under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approval of Hon' ble National Company Law Tribunal (NCL T), Mumbai bench. The Appointed Date of the Scheme is April 1, 2022. The scheme / application was filed and admitted with National Company Law Tribunal (NCLT), Mumbai Bench on May 5, 2022. This scheme has no impact on consolidated financial results of the group.
  
9. The consolidated financial results of the Group include financial results of one of the subsidiary Gamma Pizzakraft (Lanka) Private Limited (GPLPL) which operates Pizza Hut brand in Sri Lanka. Considering the macroeconomic challenges currently faced by Sri Lanka on account of rising prices, depletion of forex reserves, significant depreciation of Sri Lankan currency to INR and other inflationary pressures, the management has considered all internal and external sources of information including economic forecasts and estimates from market sources as at the date of the approval of these consolidated financial results. On the basis of the evaluation and current indicators of future economic conditions, the Company has concluded that no adjustments are required as of reporting date at this point in time. Management will continue to monitor the situation. Further, during the quarter ended March 21, 2022, the Group incurred Other comprehensive loss on account of exchange difference on translation of the foreign operation amounting to Rs. 218.58 million which includes remeasurement loss on consolidating the Sri Lankan Subsidiary GPLPL due to currency devaluation in Sri Lanka. Further, management does not expect any uncertainties that may impact business in Sri Lanka in the near future.

For and on behalf of the Board of Directors

**Sapphire Foods India Limited (Formerly known as Sapphire Foods India Private Limited)**

  
Sanjay Purohit  
Whole Time Director and Group CEO  
DIN: 00117676  
Place: Mumbai  
Date: May 17, 2022



Date: May 17, 2022

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051  Symbol: SAPPHIRE	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 40001  Scrip Code: 543397
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Dear Sir/Madam,

**Subject: Declaration pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of the provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that the Statutory Auditors of the Company, M/s. S. R. B. C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) have issued an Audit Report (Standalone and Consolidated) with unmodified opinion on the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2022.

Request you to kindly take the same on record.

Thanking you,

For Sapphire Foods India Limited

Vijay Jain  
Chief Financial Officer



## Sapphire Foods, on the back of a strong Q4 FY22 performance, delivers its best year in terms of Restaurant Sales, EBITDA, PAT and restaurant additions.

**Mumbai, 17<sup>th</sup> May, 2022** – Sapphire Foods India Ltd, a franchisee of Yum Brands in the Indian subcontinent announces its Audited Financial Results for the Quarter and 12 months ended 31<sup>st</sup> March 2022.

### Key Financial Highlights:

Particulars (Rs. mn)	Q4 FY22	Q4 FY21	Y-o-Y	FY22	FY21	Y-o-Y
Total Restaurants				579	437	32%
Restaurant Sales	4,943	3,386	46%	17,154	10,160	69%
EBITDA	1,036	623	66%	3,248*	1,787	82%
EBITDA Margins (%)	21.0%	18.4%	260 bps	18.9%*	17.6%	130 bps
Adjusted EBITDA	636	276	130%	1,808*	382	373%
Adj. EBITDA Margins (%)	12.9%	8.2%	470 bps	10.5%*	3.8%	670 bps
Profit After Tax	265	(137)	n.m.	460*	(999)	n.m.
PAT Margins (%)	5.4%	(4.1%)	n.m.	2.7%*	(9.8%)	n.m.

\*Annual figures include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

### Operational Highlights

Despite Q1 and Q4 FY22 being impacted by operational disruptions due to Covid pandemic, we delivered our best financial performance in FY22 with Highest ever Revenue, Profitability and Store additions

#### In Q4 FY22

- **Revenue Grew** in KFC by 43%, Pizza Hut by 33% and Sri Lanka business by 82%
- **Restaurant EBITDA:** Overall Restaurant EBITDA: 18.3% (up 30 bps) KFC 19.0%, Pizza Hut 11.5%, and Sri Lanka 24.4%
- **Company Adjusted EBITDA:** 12.9% (up 470 bps), **Company EBITDA:** 21.0% (up 260 bps), **PAT:** 5.4% (Previous year loss of 4.1%)
- **Number of Restaurants opened** – Q4 - KFC: 13 , Pizza Hut: 16 | FY22 - KFC: 60 , Pizza Hut: 79, Taco Bell: 3. Total Restaurant Count as on 31<sup>st</sup> Mar-22: 579
- **Strong Consolidated Balance Sheet:** Net Cash of ~ Rs. 3,990 mn and Negative Working Capital

## **Management Commentary**

We are pleased to announce our Q4FY22 & Full Year FY22 financial results.

In spite of operational disruptions on account of 3rd wave of the Covid pandemic, we have delivered a strong performance in Q4FY22. We have added 29 new restaurants, Revenue has grown by 46%, EBITDA by 66% (up 260 bps) and PAT of 5.4% (as against the loss of 4.1% in Q4FY21). Adjusted EBITDA (Pre-IND AS 116) rose to 12.9% (up 470 bps).

From a financial year perspective this has been by far the best year in Sapphire Foods short operating history. We added 142 new restaurants during the year, Revenue grew by 69%, EBITDA by 82% (up 130 bps) and PAT of 2.7% (as against loss of 9.8% in FY21). Adjusted EBITDA (Pre-IND AS 116) has risen to 10.5% (up 670 bps).

Looking back to Mar-20 when the Covid pandemic struck, we expected it to have a detrimental impact on our fledgling business. However, in reality, the last 2 years have helped us to transform our business and significantly improve the financial performance. This positive outcome is a consequence of the values and resilience shown by each and every employee of Sapphire Foods in responding to the travails of the pandemic.

All 3 businesses have seen a step change in performance in FY22. KFC has become Rs.1,000+ Cr Brand for Sapphire with its highest ever Restaurant EBITDA of 19.5%. Our Omnichannel strategy on Pizza Hut is playing out with the brand delivering double digit Restaurant EBITDA of 13.4%, with the more compact omnichannel stores opened from Apr-18 onwards delivering mid-teens Restaurant EBITDA. The Sri Lanka business continues to be the biggest and best QSR chain in the country despite the difficult macro economic conditions. In FY22 it has delivered best ever performance with 25 new restaurant additions, SSSG of 42%, Revenue growth of 60% and Restaurant EBITDA of 23.2% (up 360 bps).

Over the last few months, we are witnessing inflationary pressures on all our inputs, thereby requiring a fine balancing act between increasing prices, minimizing the impact on consumer wallets, sustaining revenue & profitability growth. However as operating conditions have normalized to pre Covid levels, we are seeing strong consumer demand for our brands. Given our organizational ability to cope with volatile situations and find ways to get better, we are confident about our future growth prospects.

### **About Sapphire Foods:**

Sapphire Foods started operations in September 2015, by the acquisition of about 250 KFC and Pizza Hut Stores in India and Sri Lanka, by a group of leading Private Equity firms and is managed by a team of professionals.

Sapphire Foods is a leading YUM franchisee operator in the Indian subcontinent with presence in India, Sri Lanka and Maldives. We are the largest international QSR chain in Sri Lanka in terms of revenue and number of restaurants operated as of March 31, 2021. *(Source: Technopak Report)* As of March 31, 2022, we own and operate 263 KFC and 219 Pizza Hut restaurants in India, 90 Pizza Hut and 5 Taco Bell restaurants in Sri Lanka and 1 KFC and Pizza Hut each in Maldives.

We aspire to be India's best restaurant operator by serving customers great food with great experience at great value. We operate our restaurants in high traffic and high visibility locations in key metropolitan areas and cities across India and develop new restaurants in new trade areas in existing and new cities as part of our brand and food category expansion.

### **Contact Details**

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<a href="http://www.sapphirefoods.in">www.sapphirefoods.in</a>	<a href="http://www.orientcap.com">www.orientcap.com</a>

### **Safe Harbor Statement**

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



# SAPPHIRE FOODS INDIA LIMITED

## Q4 FY22 AND FY22 EARNINGS PRESENTATION

MAY 2022



# SAFE HARBOR



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Sapphire Foods India Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in Restaurant Sales, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

# WHOLE TIME DIRECTOR & GROUP CEO'S COMMENTARY



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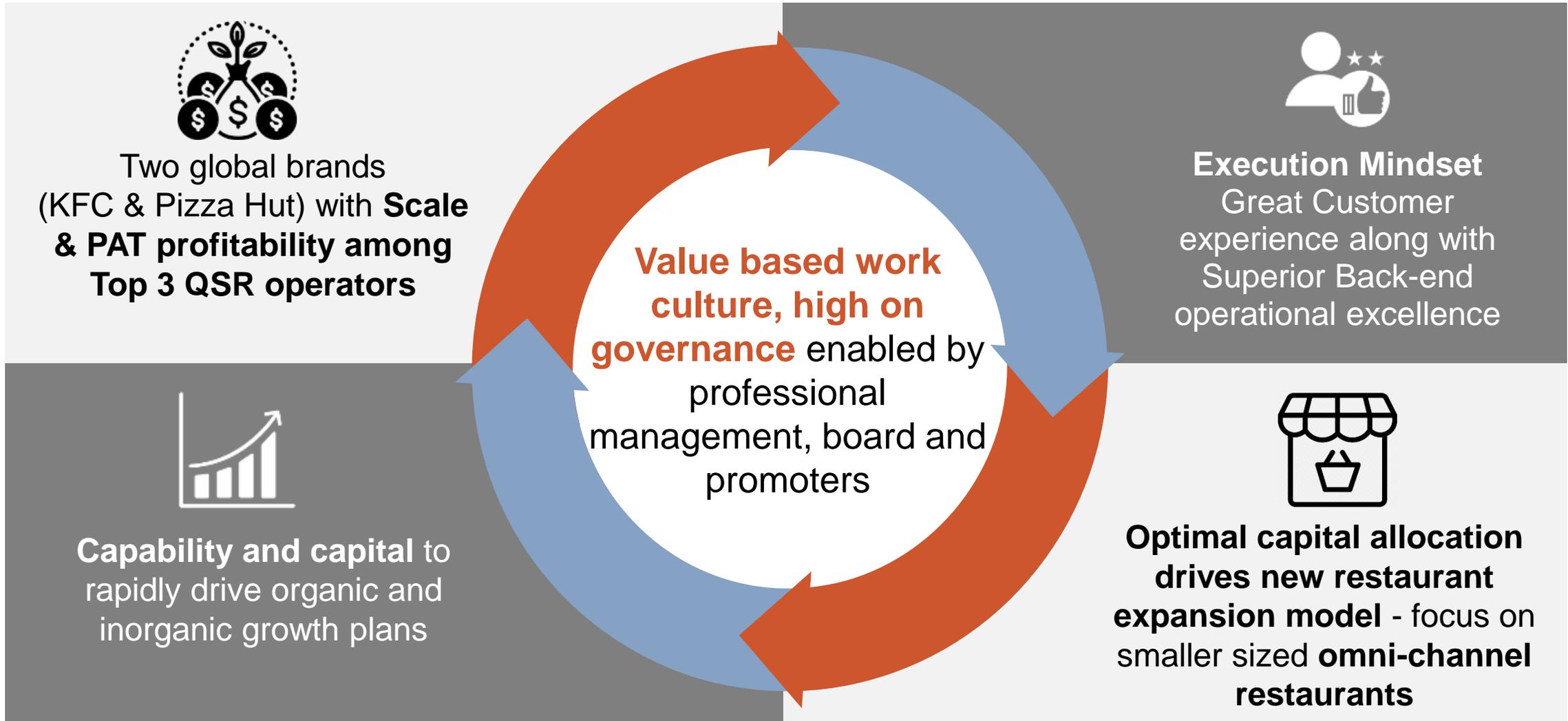
**Sanjay Purohit**  
Whole time Director and  
Group CEO

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# THE SAPPHIRE STORY





**Q4 FY22 & FY22**

**CONSOLIDATED FINANCIAL HIGHLIGHTS**

# SUMMARY CONSOLIDATED FINANCIALS

## Q4 & FY22



	Q4 FY22		FY22	
Restaurant Sales ₹ mn	4,943	▲ 46%	17,154	▲ 69%
EBITDA ₹ mn	1,036	▲ 66%	3,248 *	▲ 82%
EBITDA %	21.0%	▲ 260 bps	18.9%*	▲ 130 bps
PAT %	5.4%		2.7%*	
Restaurant Additions	INDIA	LANKA	INDIA	LANKA
	13 10	6 0	60 57	22 3
	<b>TOTAL</b>	<b>29</b>	<b>TOTAL</b>	<b>142</b>

Despite Q1 and Q4 FY22 being impacted by operational disruptions due to Covid pandemic, we delivered our best financial performance in FY22

### In Q4 FY22

- Revenue grew in KFC by 43%, Pizza Hut by 33% and Sri Lanka business by 82%
- Restaurant EBITDA; Overall 18.3% (up 30 bps), KFC 19.0%, Pizza Hut 11.5%, and Sri Lanka 24.2%
- Company Adjusted EBITDA; 12.9% (up 470 bps)
- Company EBITDA; 21.0% (up 260 bps)
- PAT; 5.4% (Last year loss of 4.1%)

29 restaurant additions. Total restaurant count at 579

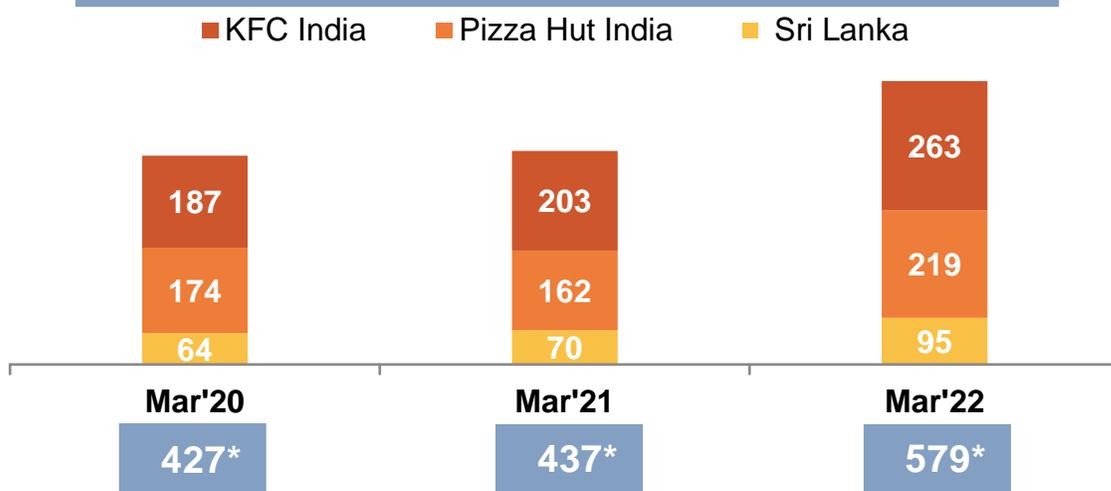
**Strong Consolidated Balance Sheet:** Cash (net of debt) of ~ ₹ 3990 Mn and Negative Working Capital

\*Annual figures include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

# SAPPHIRE FOODS CURRENT PRESENCE

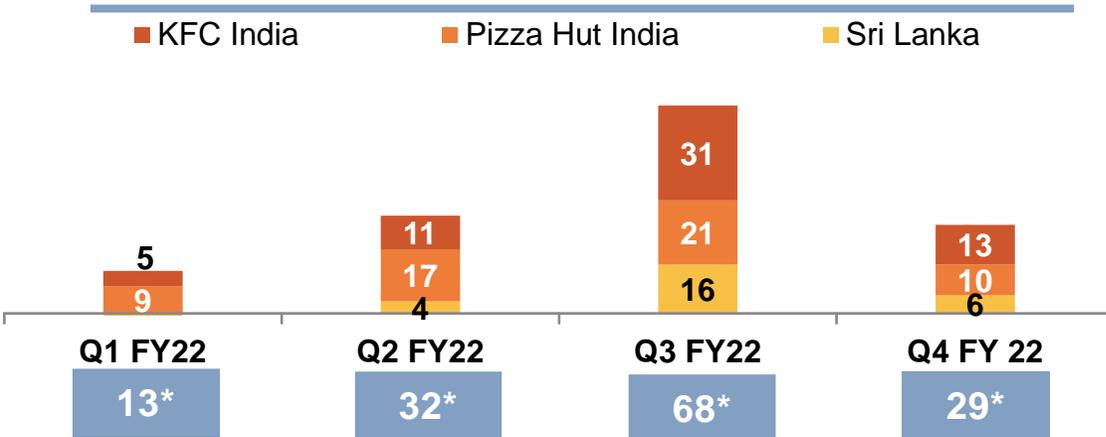


## RESTAURANT COUNT



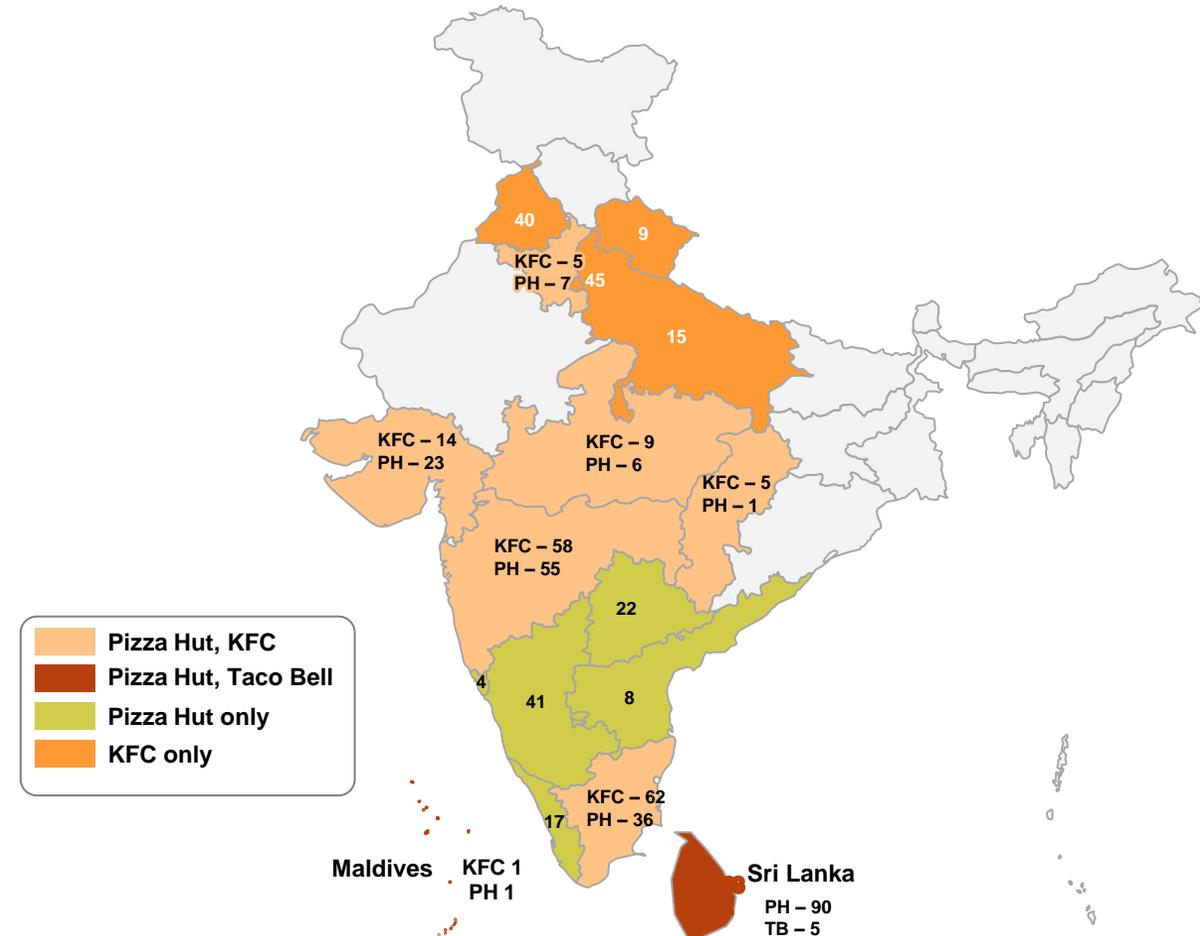
FY 21 count includes gross addition of 36, closure of 26, net addition of 10

## RESTAURANT ADDITION



\* Includes 2 restaurants in Maldives  
Net of 1 restaurant closure in Sri Lanka in Q1 FY22

## RESTAURANT DISTRIBUTION ACROSS INDIAN SUBCONTINENT

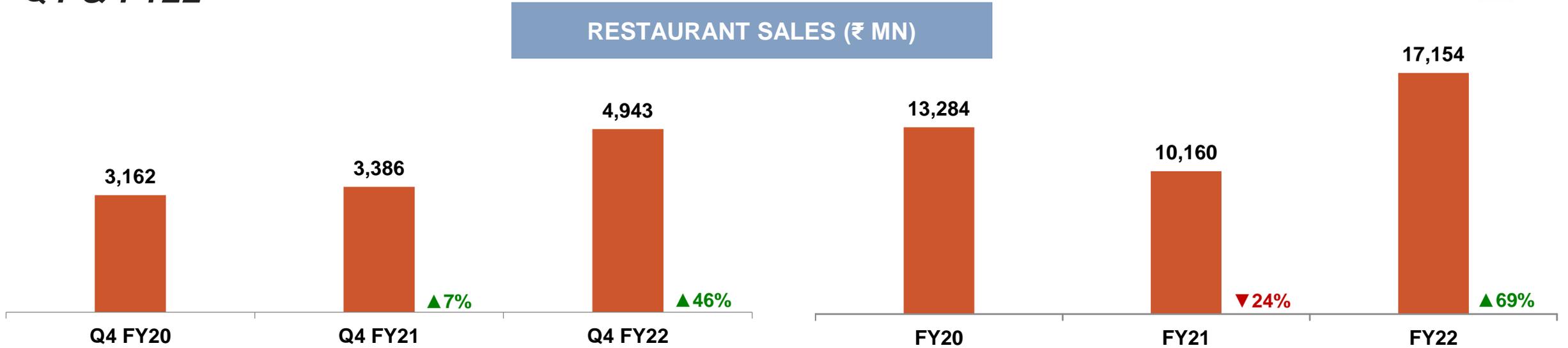


# CONSOLIDATED FINANCIAL HIGHLIGHTS

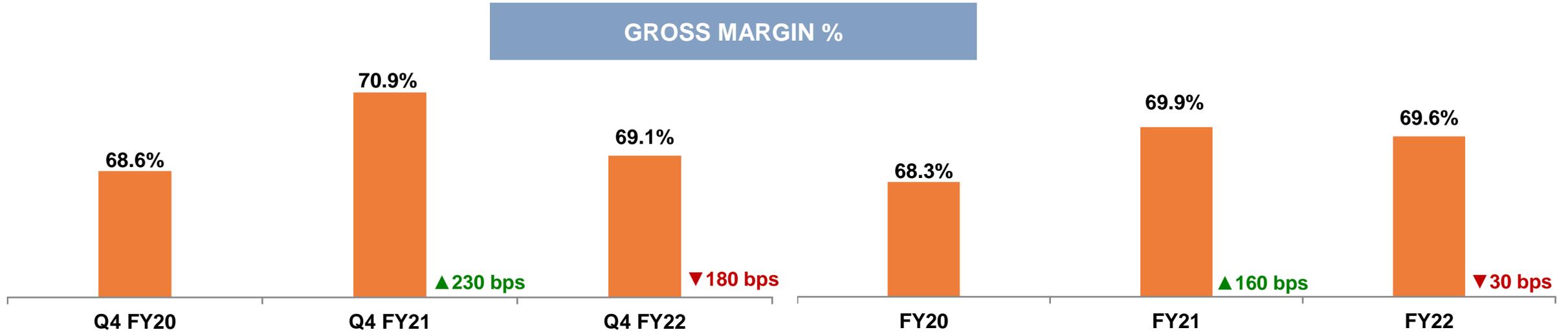
## Q4 & FY22



### RESTAURANT SALES (₹ MN)



### GROSS MARGIN %

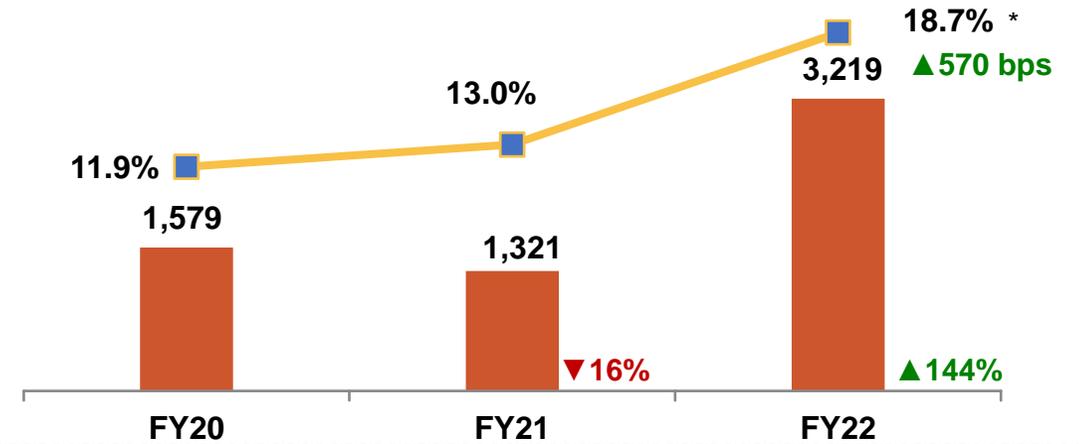
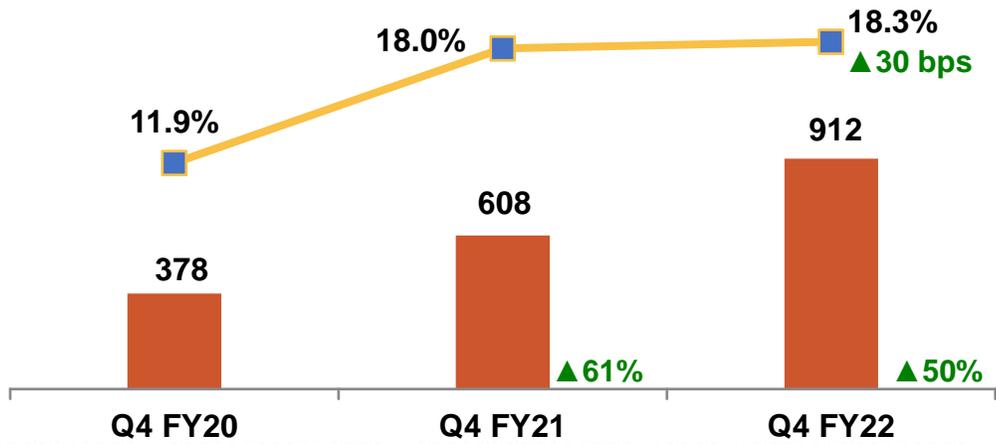


# CONSOLIDATED FINANCIAL HIGHLIGHTS

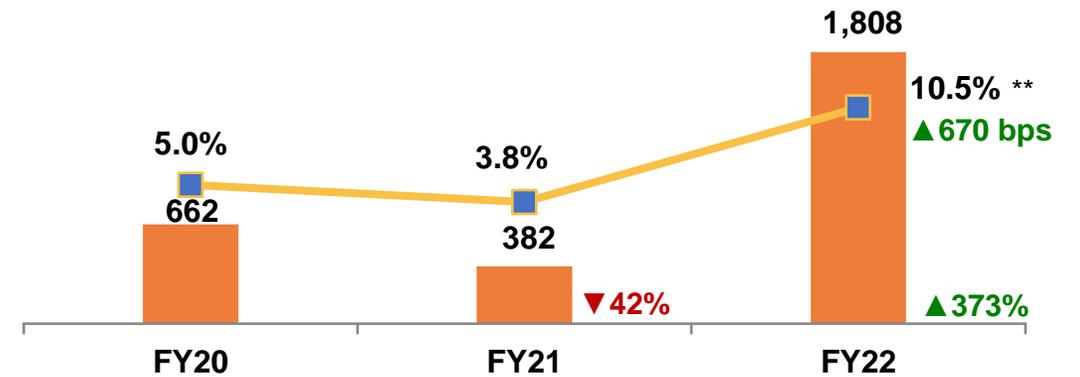
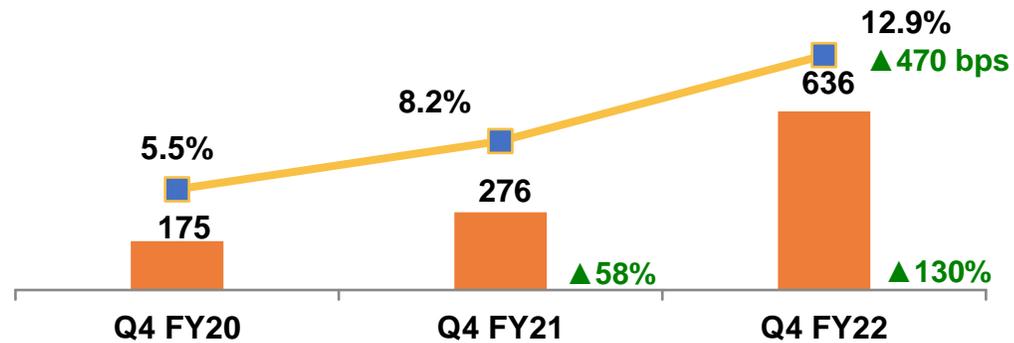
## Q4 & FY22



### RESTAURANT EBITDA (₹ MN)#



### COMPANY ADJ. EBITDA (₹ MN)#



# Restaurant EBITDA and Company Adjusted EBITDA is before Ind-AS 116 adjustments

\* Annual figures Include additional incentives of 1.1% accrued from Apr-Dec 21

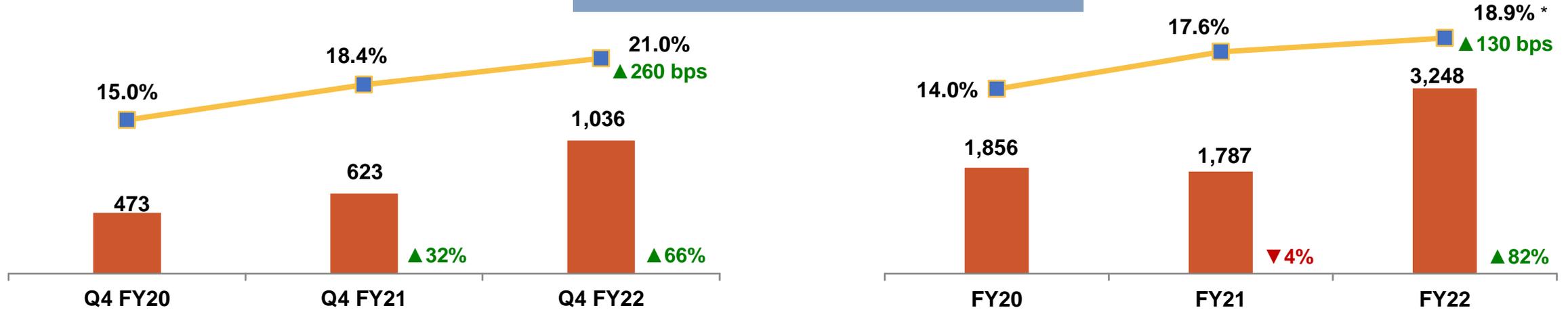
\*\* Annual figures Include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

# CONSOLIDATED FINANCIAL HIGHLIGHTS

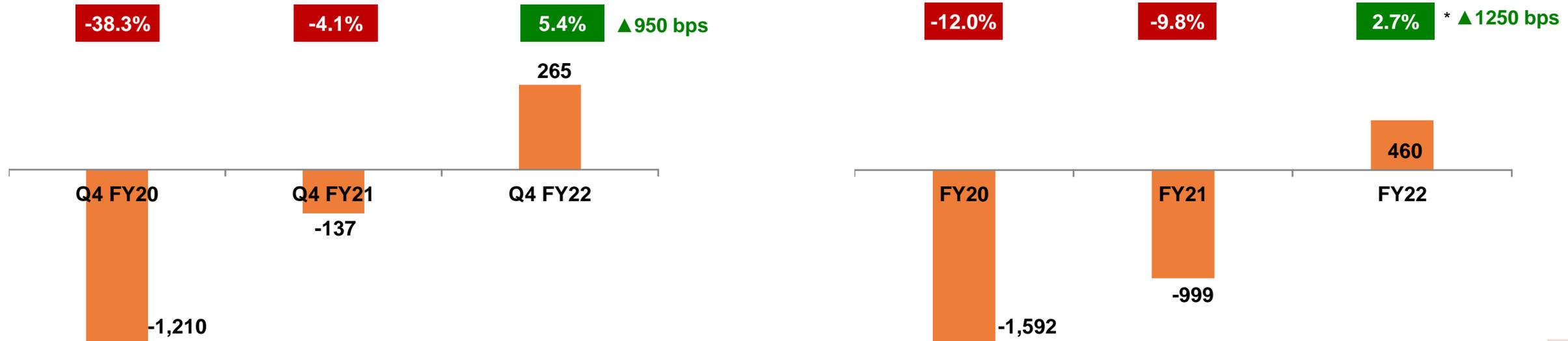
## Q4 & FY22



### COMPANY EBITDA (₹ MN)



### PROFIT AFTER TAX (₹ MN)



\* Annual figures Include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

# CONSOLIDATED PROFIT & LOSS STATEMENT



Sl No.	Particulars (In Rs mn)	Q4 FY22	Q4 FY21	YoY %	FY22	FY21	YoY %
A)	Restaurant Sales	4,942.91	3,385.81	46%	17,154.46	10,159.76	69%
B)	Other operating income	25.35	20.35		61.26	36.43	
C)	COGS	1,554.68	1,006.34		5,277.97	3,099.26	
D)	Gross Profit	3,413.58	2,399.82	42%	11,937.75	7,096.93	68%
E)	Gross Margin%	69.1%	70.9%		69.6%	69.9%	
F)	Employee Expenses	678.32	618.87		2,739.94	1,956.00	
G)	Other Expenses	1,699.60	1,158.34		5,950.27	3,353.53	
H)	EBITDA	1,035.66	622.61	66%	3,247.54	1,787.40	82%
I)	EBITDA Margin %	21.0%	18.4%		18.9%	17.6%	
J)	Depreciation	576.47	581.83		2,135.21	2,091.45	
K)	Finance Cost	233.32	196.44		780.93	755.65	
L)	Other Income	59.98	22.34		182.45	72.76	
M)	PBT	285.85	-133.32	N.M.	513.85	-986.94	N.M.
N)	Tax Expense	20.88	3.97		54.00	12.03	
O)	PAT	264.97	-137.29	N.M.	459.85	-998.97	N.M.
P)	PAT Margin %	5.4%	-4.1%		2.7%	-9.8%	

Figures are regrouped/reclassified for the purpose of representation

# CONSOLIDATED BALANCE SHEET



Particulars (In Rs mn)	FY22	FY21
<b>Total Assets</b>	<b>21,639.25</b>	<b>13,489.37</b>
Fixed assets other than Goodwill	6,354.14	4,787.05
Goodwill	1,621.59	1,621.59
Right of use assets	6,248.57	4,739.45
Inventories	651.64	473.91
Trade receivables	140.71	77.75
Cash and bank balances, investment in MF's	4,071.38	767.61
Other current and non - current asset	2,551.22	1,022.01
<b>Total Liabilities</b>	<b>11,584.76</b>	<b>8,702.05</b>
Lease Liabilities	7,280.47	5,692.21
Borrowings	612.21	756.56
Trade payables	1,991.15	1,439.70
Other Non-current and current liabilities	1,700.93	813.58
<b>Total Net Worth</b>	<b>10,054.49</b>	<b>4,787.32</b>
<b>Total Equity</b>	<b>10,054.49</b>	<b>4,787.32</b>
Equity share capital	635.43	527.90
Other equity	9,436.04	4,271.13
Non controlling interests	-16.98	-11.71

Figures are regrouped/reclassified for the purpose of representation

# CONSOLIDATED CASH FLOW



Particulars (In Rs mn)	FY22	FY21
Restated profit / (loss) before tax	<b>513.85</b>	<b>-986.94</b>
Operating profit before working capital changes (A)	3,442.92	1,423.08
Changes in working capital (B)	591.54	147.38
<b>Cash generated from operations (A+B)</b>	<b>4,034.46</b>	<b>1,570.46</b>
Income tax paid (net of refunds)	-85.56	-29.72
<b>Net cash from operating activities (C) = (A+B)</b>	<b>3,948.90</b>	<b>1,540.74</b>
Net Cash flow used in investing activities (D)	-6,916.10*	-779.24
Net Cash flow from / (used in) financing activities (E)	3,129.54**	-515.28
<b>Net increase/ (decrease) in cash and cash equivalents (C+D+E)</b>	<b>162.34</b>	<b>246.22</b>
Cash and cash equivalents at the beginning of the year	420.16	173.94
<b>Cash and cash equivalents at the end of the year</b>	<b>582.50</b>	<b>420.16</b>

**Cash (net of debt) including investments as on 31<sup>st</sup> Mar 22 is Rs. 3,990 Mn**

\* Includes capital expenditure of Rs. 2,853 mn

\*\* Includes net proceeds of Rs. 4,690 mn from issuance of share capital and securities premium from private placement

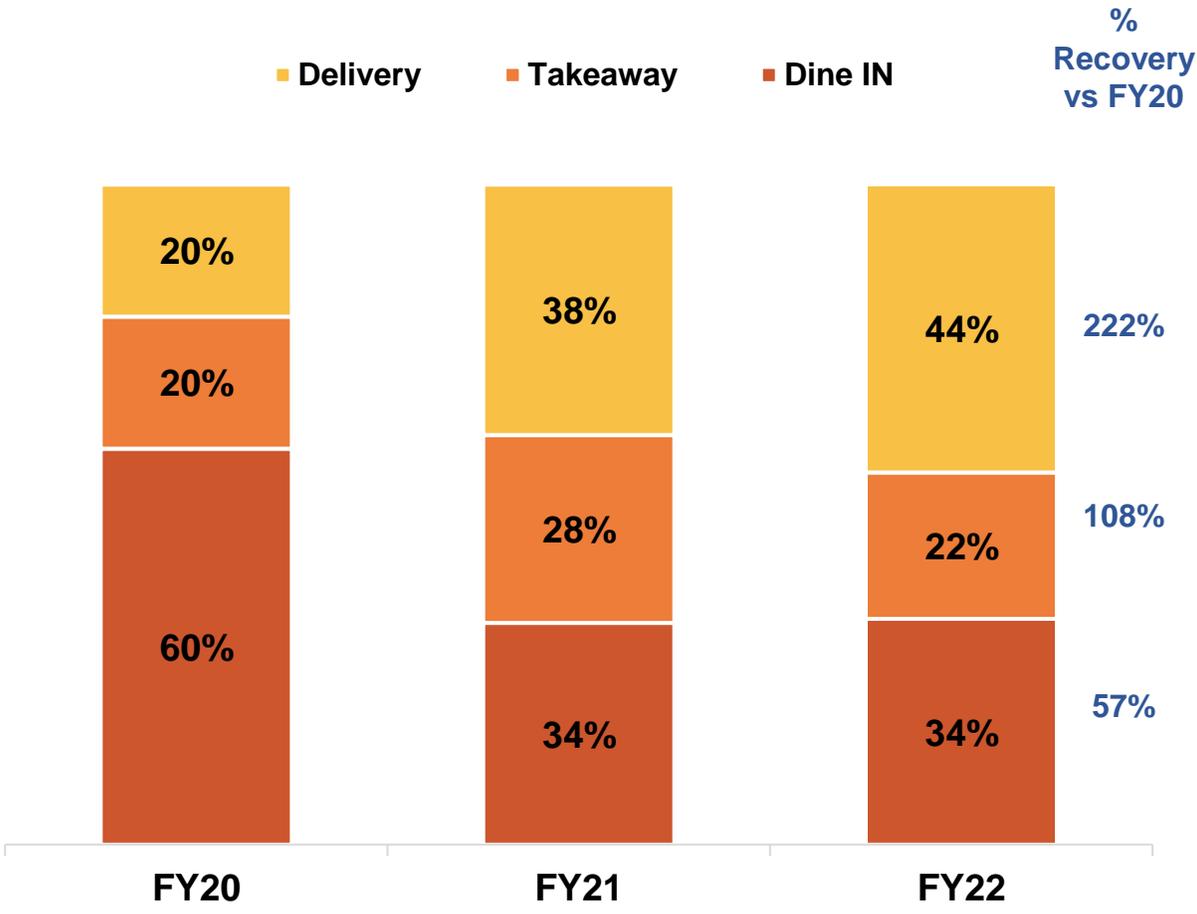
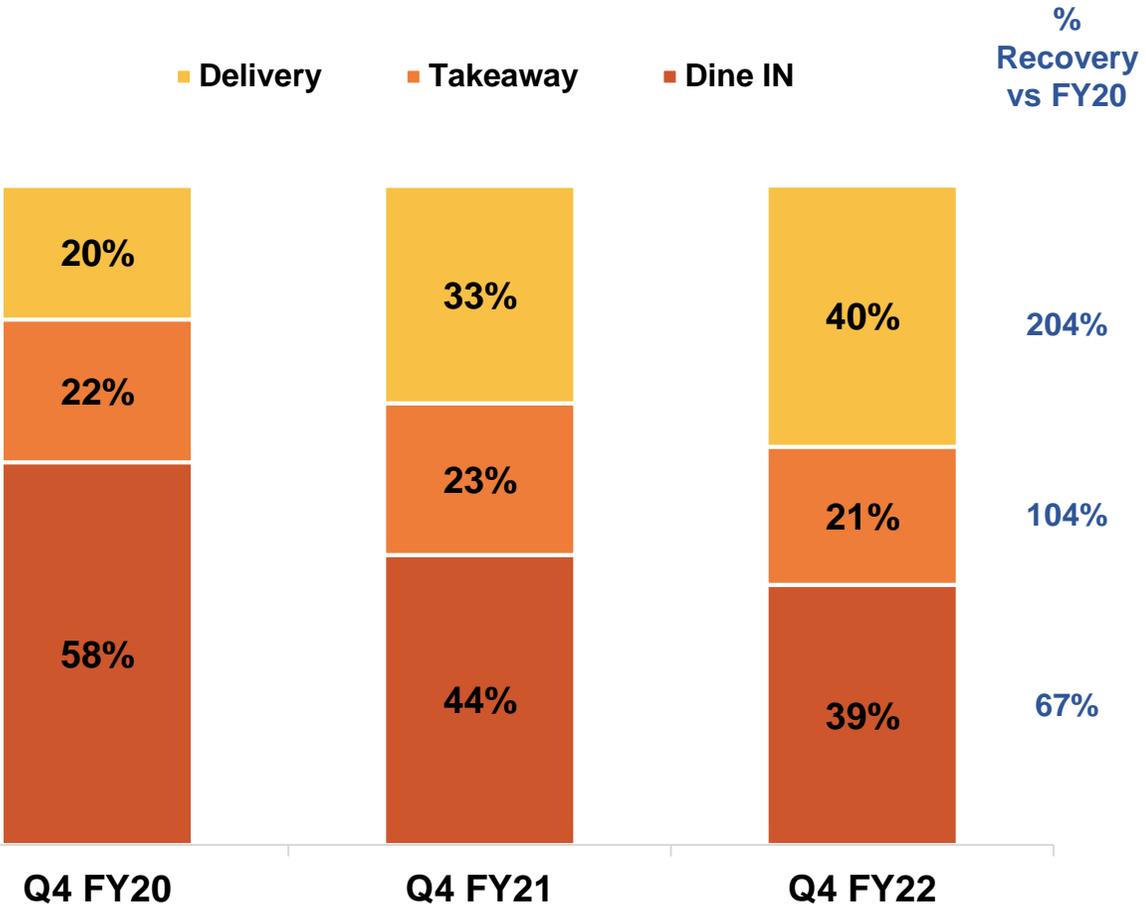


***KFC India***

**Business Performance**

# KFC INDIA

## Q4 & FY22 - CHANNEL SALES CONTRIBUTION



# KFC INDIA

## BRANDING & PROMOTIONS





# AMPLIFYING WITH INFLUENCERS & SOCIAL ENGAGEMENT



**GOVINDA**



**KARISHMA  
KAPOOR**



**VARUN  
DHAWAN**



**KALYANI &  
KALIDAS**

# KFC INDIA AWARDS



Brand Disruption Awards 2022



WINNER  
SILVER



KFC VALUE BURGERS  
KFC INDIA & EDELMAN INDIA

 LIVE

# KFC INDIA

## NEW RESTAURANT LAUNCHES



**KFC ATTUR SALEM**



**KFC DELTA MIRA ROAD MUMBAI**



**KFC PATHANKOT**



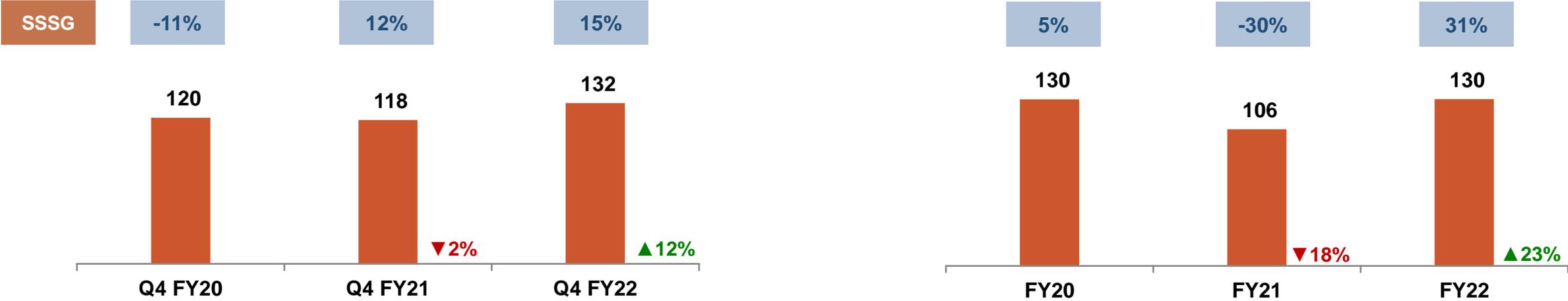
**KFC VIJAY NAGAR INDORE**

# KFC INDIA

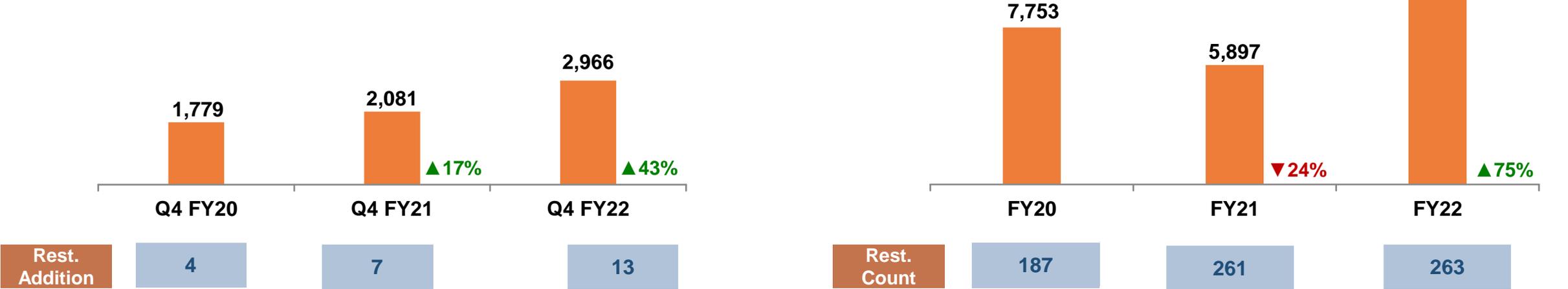
## Q4 & FY22



### AVERAGE DAILY SALES (₹ '000)



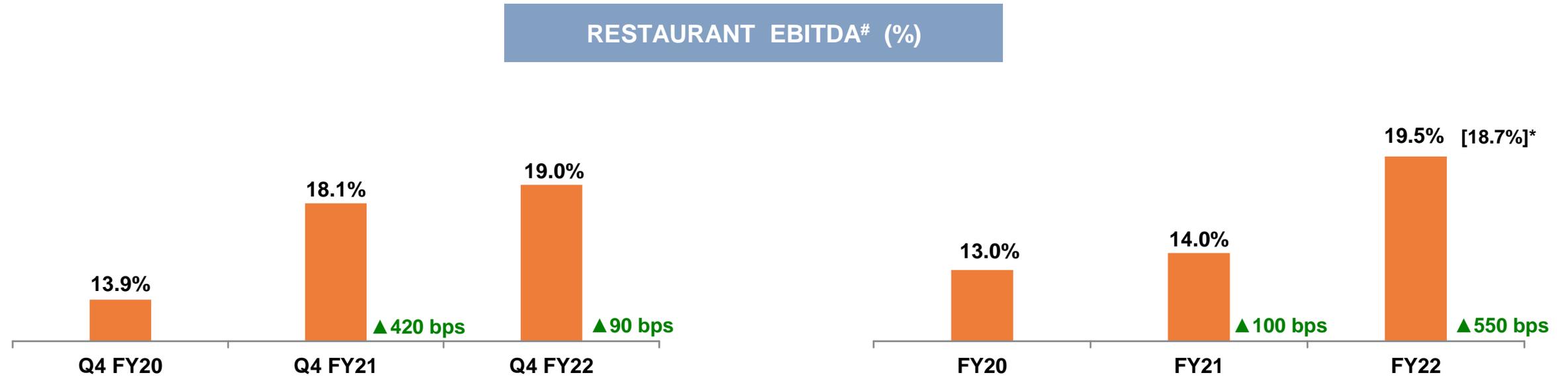
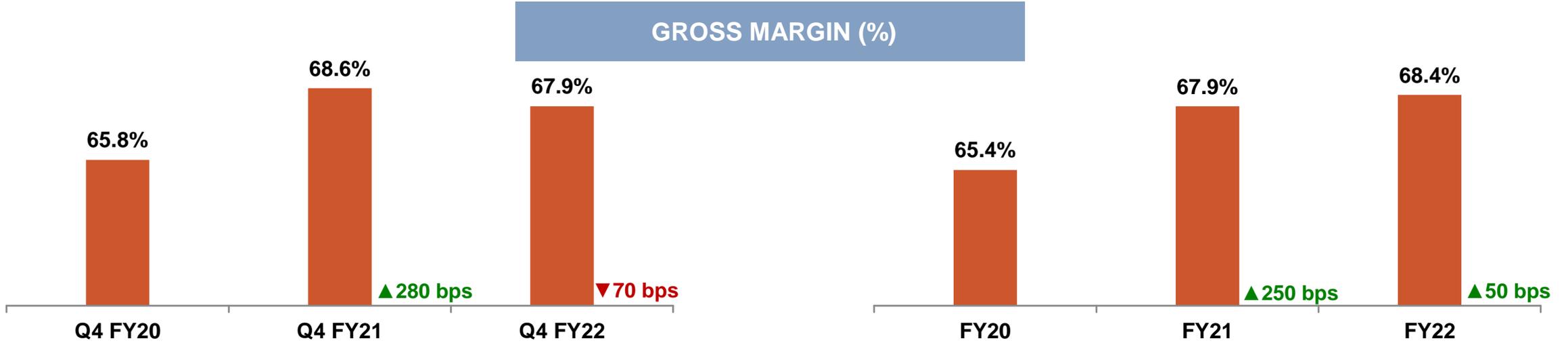
### RESTAURANT SALES (₹ MN)



Average daily sales includes like for like restaurants as well as new restaurants added during the period

# KFC INDIA

## Q4 & FY22



# Restaurant EBITDA figures are Pre-IND AS 116.

\* EBITDA after normalizing additional incentives of 0.8% accrued from Apr-Dec21



***Pizza Hut India***

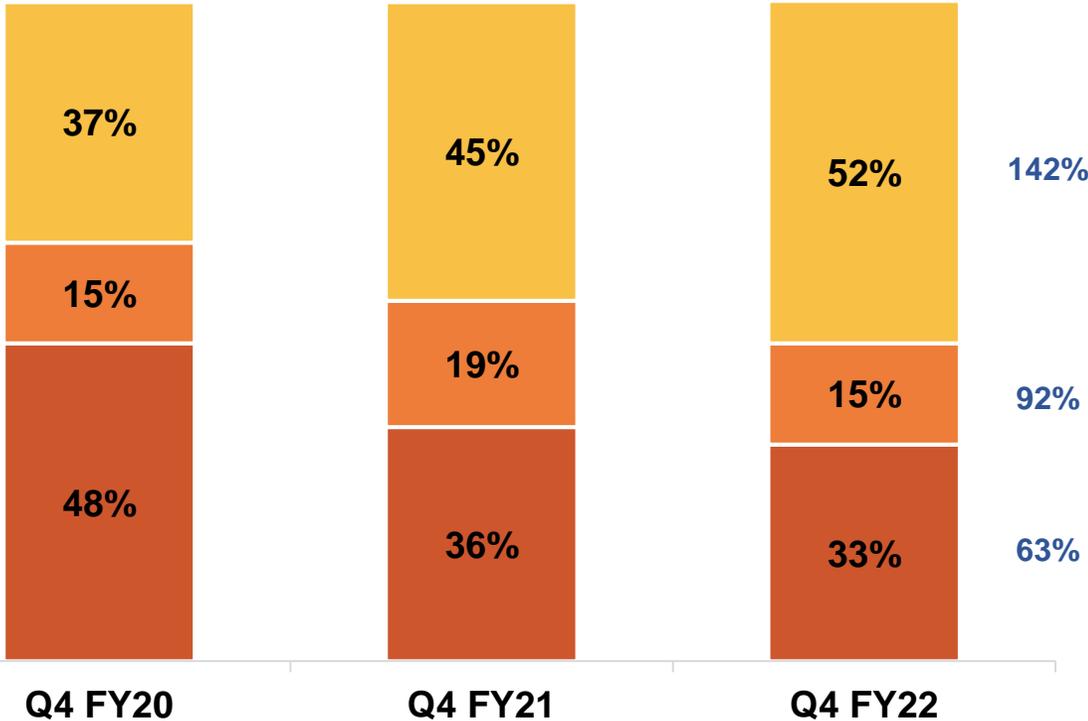
**Business Performance**

# PIZZA HUT INDIA

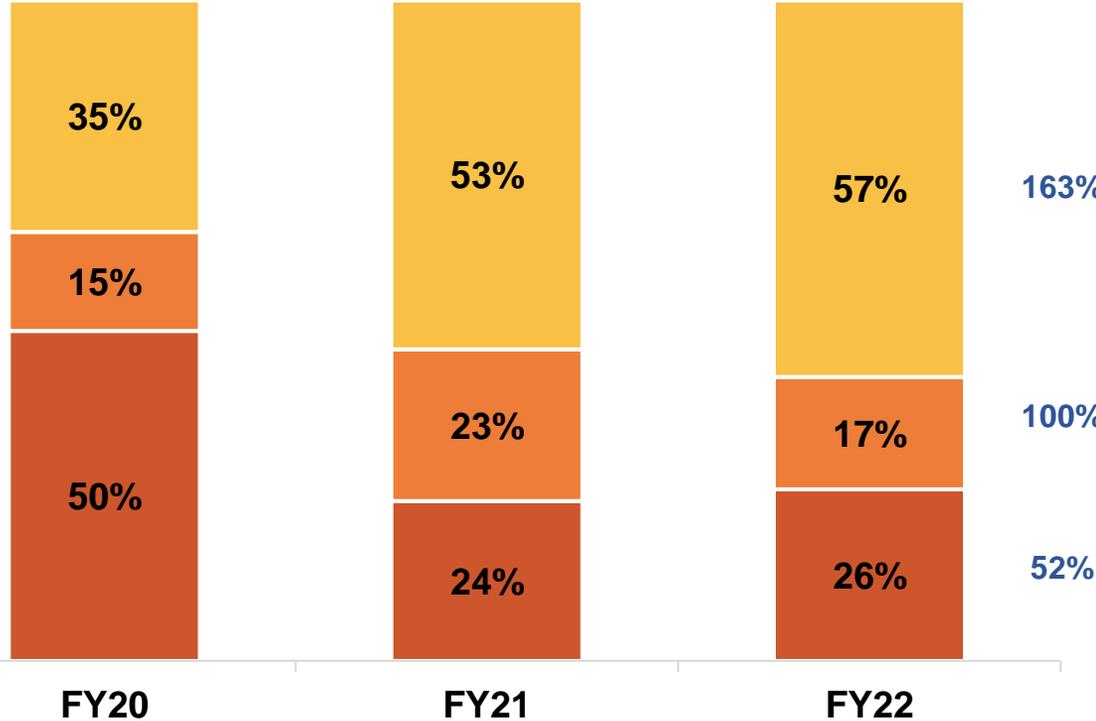
## Q4 & FY22 - CHANNEL SALES CONTRIBUTION



■ Delivery
 ■ Takeaway
 ■ Dine IN
 % Recovery vs FY20



■ Delivery
 ■ Takeaway
 ■ Dine IN
 % Recovery vs FY20



AS DINE IN SALE RECOVERS AND DELIVERY SALE GROWS, OUR OMNI-CHANNEL STRATEGY IS GETTING FURTHER STRENGTHENED

# PIZZA HUT INDIA

## NEW PRODUCT LAUNCH



# TRY THE **NEW** SAN FRANCISCO STYLE CRUST.

**LIGHTER, CRISPIER & TASTIER.**



Chef's special sauce



Virgin olive oil drizzle



Available with 27 topping combinations



**STARTING AT JUST 149\***



Also introducing the **new** Mexican Garlic Bread Stix



San Francisco style garlic bread stix. Topped with Mexican Salsa. Drizzled with olive oil.

Images are for illustration purpose. Price exclusive of applicable govt taxes. T&C apply.

# PIZZA HUT INDIA PROMOTIONS



**Pizza Hut**  
DIL KHOLKE DELIVERING

**SALUTING THE REPUBLIC OF INDIA.  
EPIC OF INDIA.**

**Pizza Hut**  
DIL KHOLKE DELIVERING

**LAPET  
LAPET  
LAPET!**

**HAPPY MAKAR SANKRANTI!**

**COUPLE'S TREAT**

**1 MED PIZZA** Upto Signature  
**PEPSI**  
**CHOCO VOLCANO**

**@ 369\***

**Pizza Hut**

# PIZZA HUT

## DIGITAL ACTIVATION



### FACEBOOK/INSTAGRAM



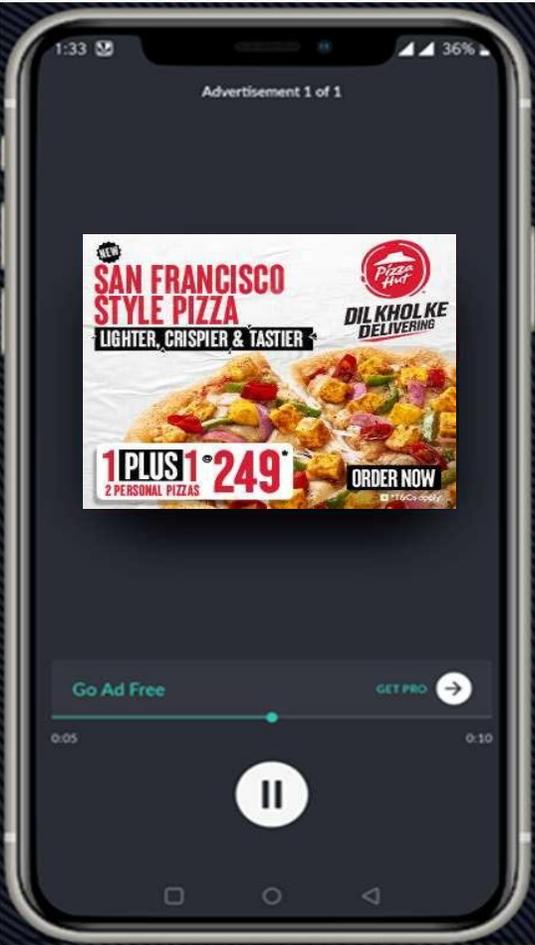
Physically we are here but mentally we are thinking about this delish pizza 🍕😋  
... See more



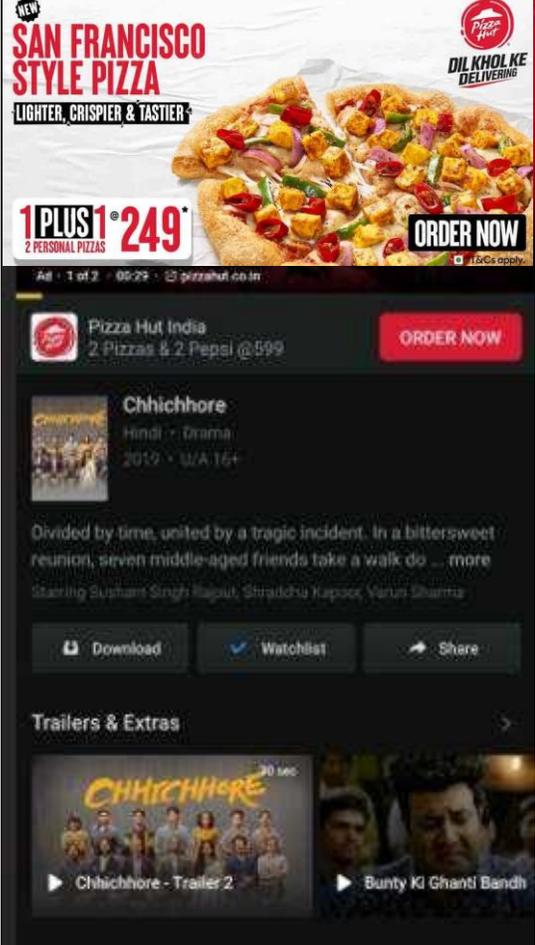
### INSHORTS



### SAAVN/GAANA



### HOTSTAR



# PIZZA HUT INDIA

## NEW RESTAURANT LAUNCHES



MAGADI ROAD, BANGALORE



BHAYANDAR, MUMBAI



FORT, MUMBAI



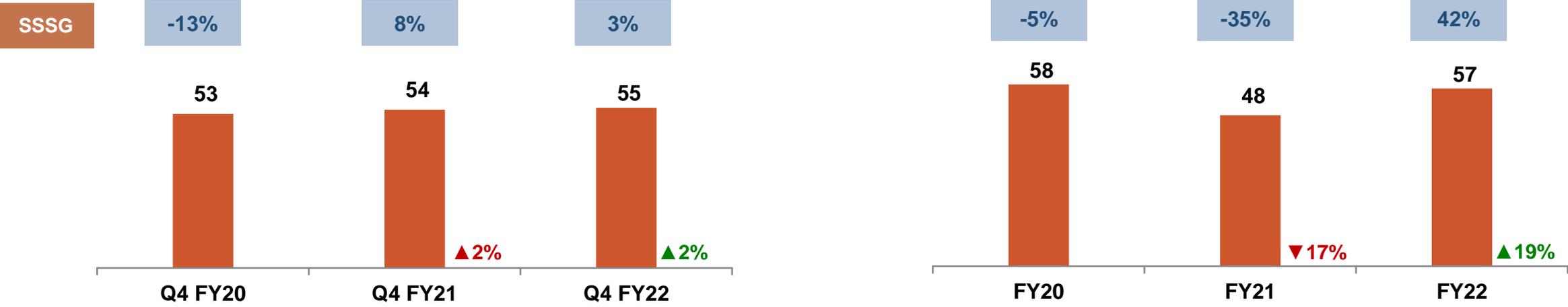
WALUJ, AURANGABAD

# PIZZA HUT INDIA

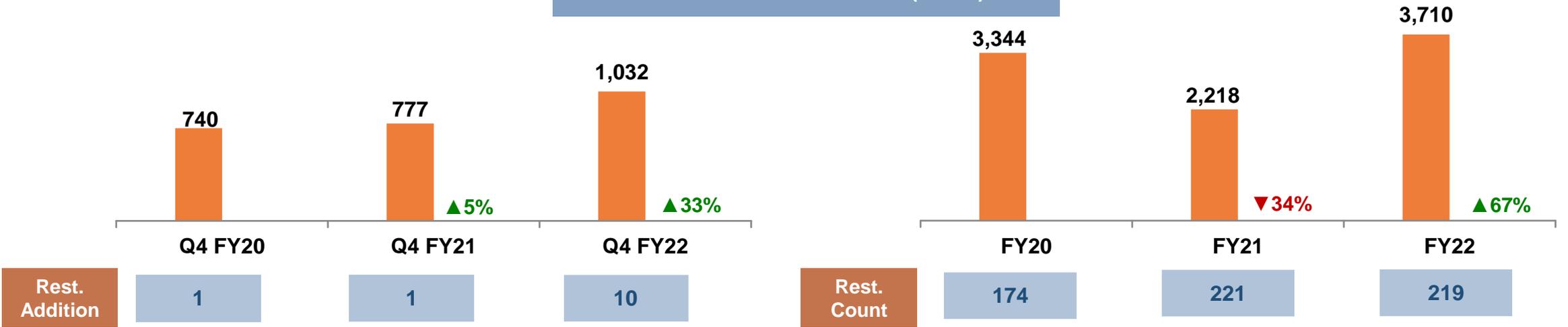
## Q4 & FY22



### AVERAGE DAILY SALES (₹ '000)



### RESTAURANT SALES (₹ MN)



Rest. Addition



Rest. Count



Average daily sales includes like for like restaurants as well as new restaurants added during the period

# PIZZA HUT INDIA

## Q4 & FY22



### GROSS MARGIN (%)



### RESTAURANT EBITDA# (%)



# Restaurant EBITDA figures are Pre-IND AS 116.

\* EBITDA after normalizing additional incentives of 2.0% accrued from Apr-Dec 21

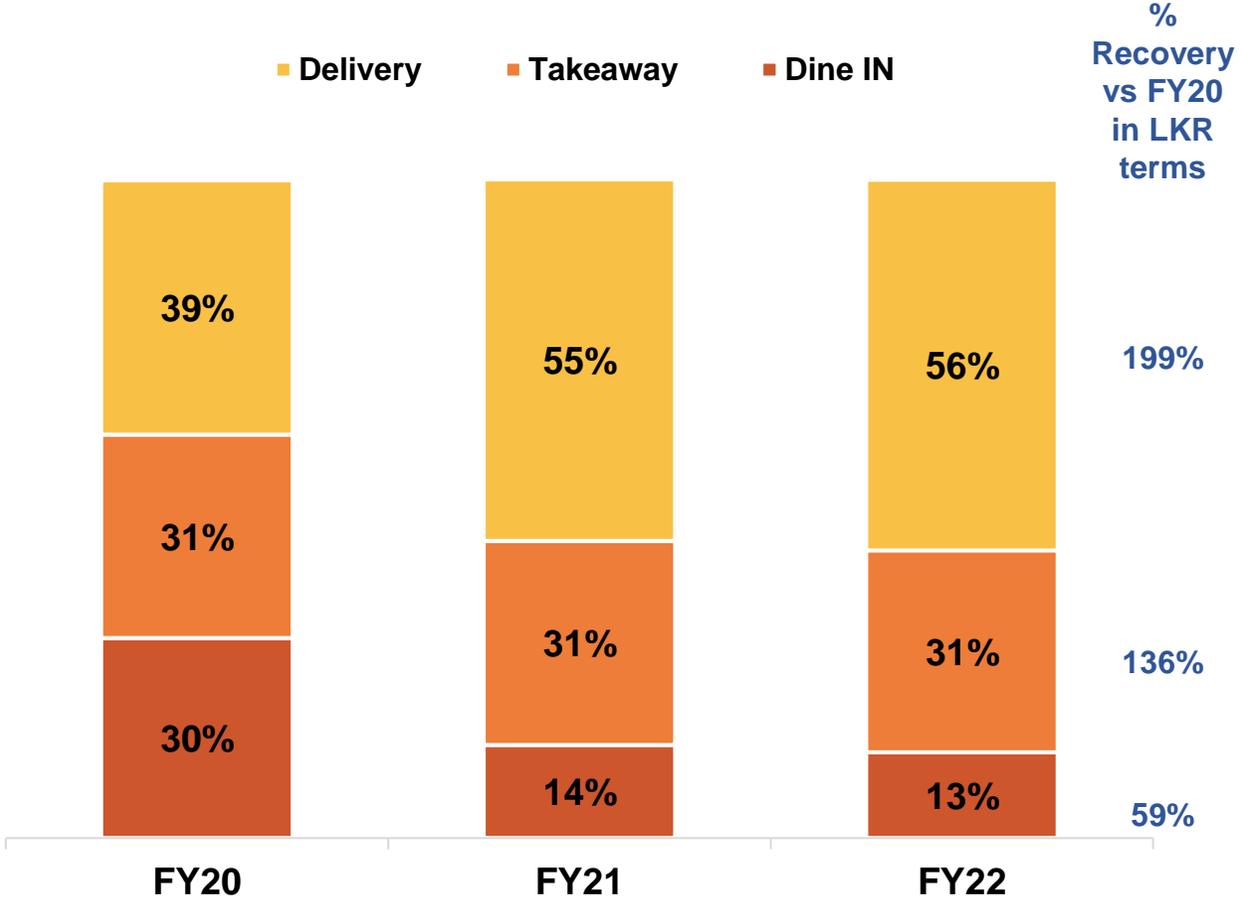
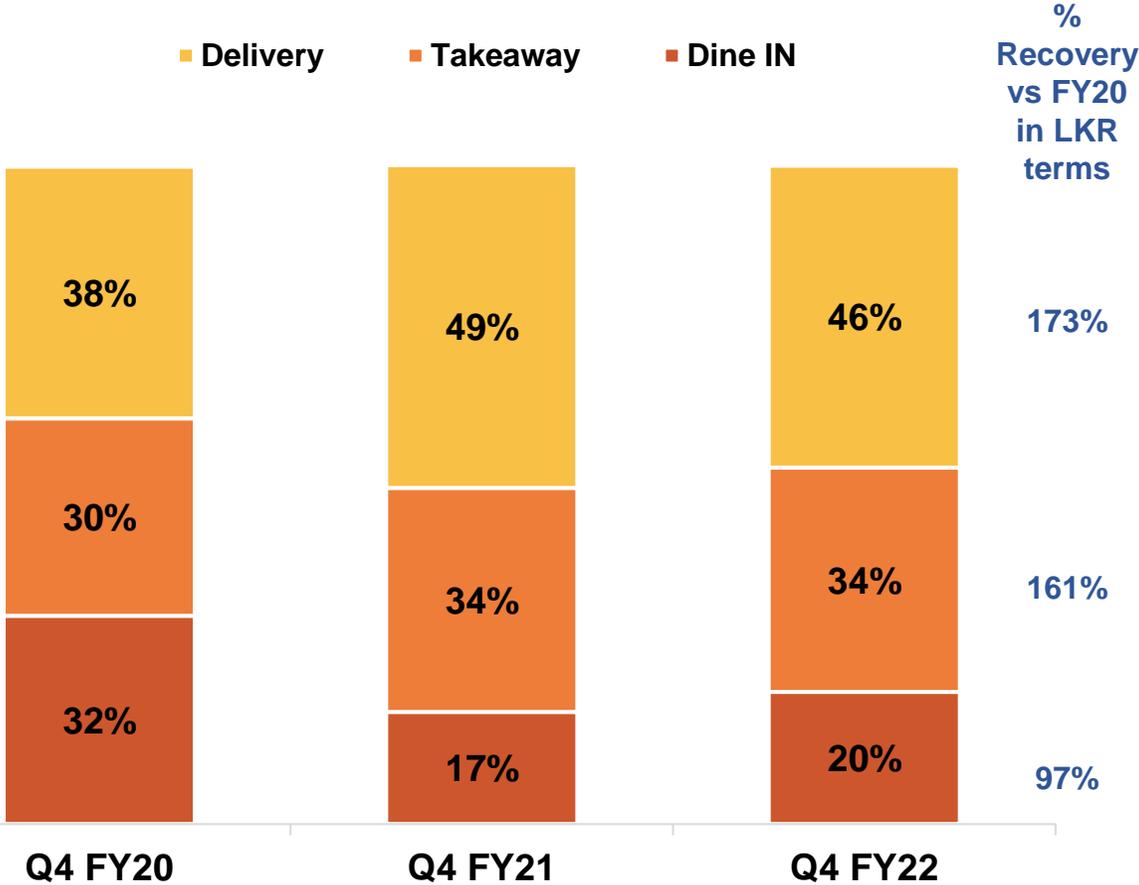


*Sri Lanka*  
**Business Performance**



# SRI LANKA BUSINESS

## Q4 & FY22 - CHANNEL SALES CONTRIBUTION



# SRI LANKA BUSINESS

## NEW PRODUCTS



**MY BOX PRO**

- 1 PERSONAL PAN PIZZA (CLASSIC | SIGNATURE)
- + 1/2 PORTION OF AN APPETIZER\*
- + 1 SWEET TREAT\* OR 1 LAVA CAKE
- + 1 PET COKE (400ML)

FOR **RS. 1,030**

**MY BOX**

**ORDER ONLINE**

\*T&C APPLY

MY BOX PRO

**BIRIZZA CHICKEN**

Fragrant basmati rice with butter chicken masala

**Rs.600**

SERVED WITH **GRAVY & ONION SAMBOL**

BIRIZZA CHICKEN

**BIRIZZA VEG**

Fragrant basmati rice with spicy veggie masala & paneer

**RS.650**

SERVED WITH **GRAVY & ONION SAMBOL**

BIRIZZA VEG

# SRI LANKA BUSINESS

## DIGITAL ACTIVATION



**CYBER Savings**  
Daily till 31st January 2022

BUY ANY 2 LARGE PIZZAS AND GET RS. 800 OFF

BUY ANY 2 MEDIUM PIZZAS AND GET RS. 400 OFF

Go to 'Promos' and click 'Exclusive Online Offers'.  
Valid on Pan & Thin Crust Pizzas. \*Conditions Apply.

**Valentine's Couple Contest**

UPLOAD PICTURE OF YOU & YOUR VALENTINE CAPTIONING A SONG TITLE THAT BEST DESCRIBES YOUR RELATIONSHIP & STAND A CHANCE TO WIN!

212 VIP WINS

**Celebrating the Wonder of World**

Post your favourite picture with the woman who brings joy to your life & tag her, and stand a chance to win!

2 Lucky winners will win

**Rs. 10,000** worth Spa Ceylon Vouchers!

Refer caption for details.

Conditions apply.

**Get creative WITH YOUR BIRIZZA**

**SNAP A PIC & TAG US!**

**COOLEST THREE PICS WILL WIN PIZZA HUT VOUCHERS WORTH RS. 5,000 EACH!**

#MyBirizzaMOMENT

# SRI LANKA BUSINESS

## NEW RESTAURANT LAUNCHES



KURUWITA



EMBILIPITIYA



GODAGAMA



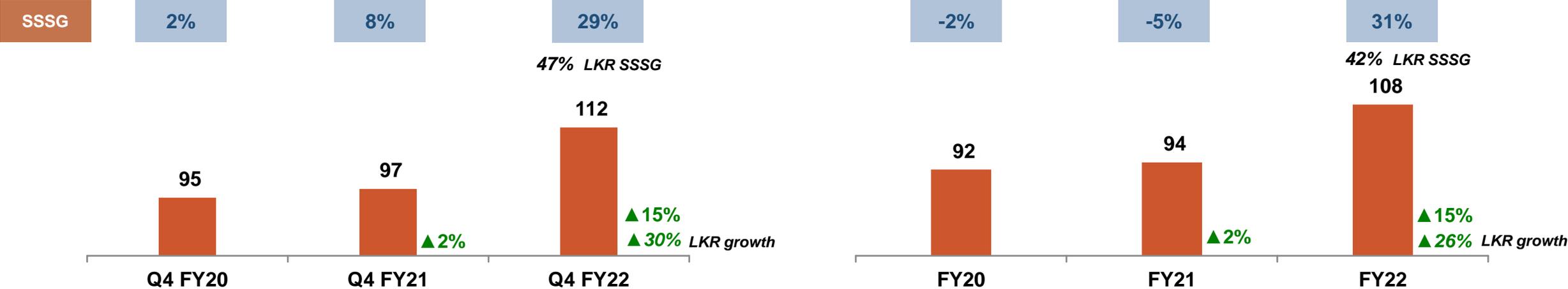
MONARAGALA

# SRI LANKA BUSINESS

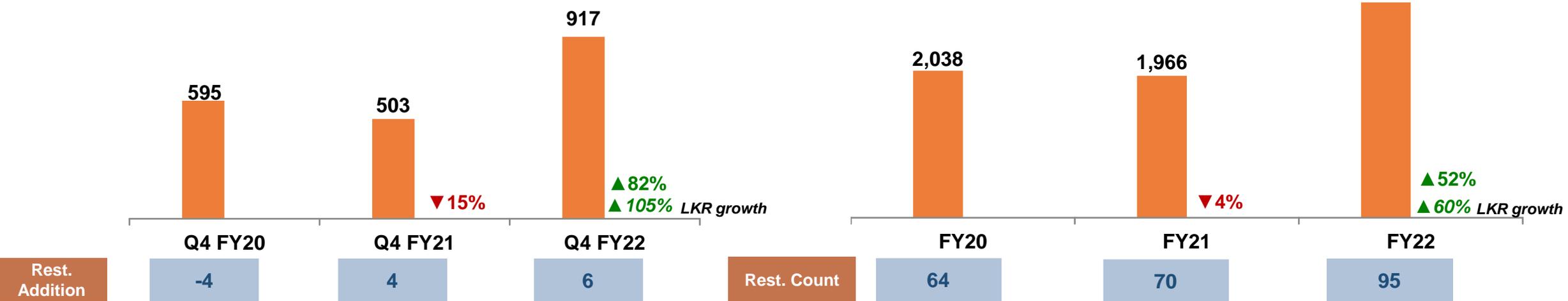
## Q4 & FY22



### AVERAGE DAILY SALES (₹ '000)



### RESTAURANT SALES (₹ MN)



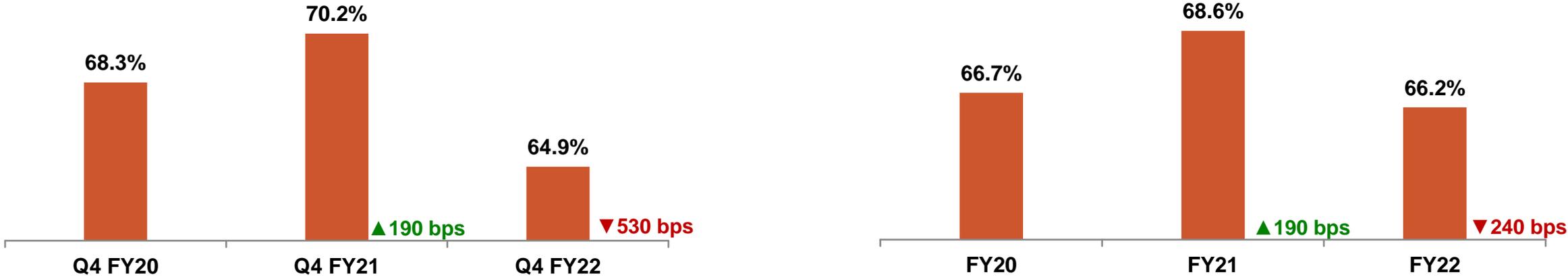
Average daily sales includes like for like restaurants as well as new restaurants added during the period

# SRI LANKA BUSINESS

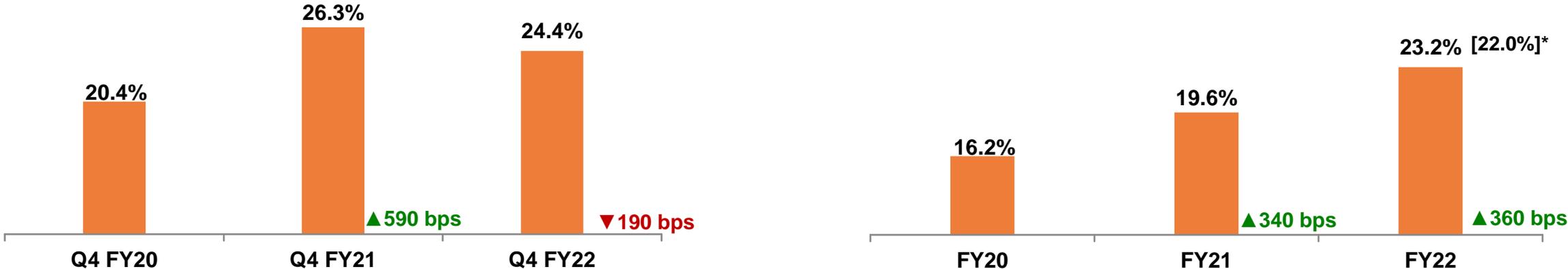
## Q4 & FY22



### GROSS MARGIN (%)



### RESTAURANT EBITDA# (%)



# Restaurant EBITDA figures are Pre-IND AS 116.

\* EBITDA after normalizing additional incentives of 1.2% accrued from Apr-Dec 21



# ESG AND OTHER INITIATIVES

# ESG INITIATIVES



- Defined policy for integration of ESG principles into regular operations
- Adherence to Global Quality Standards of YUM through regular operational audits
- Onboarded Professional Firm (PWC) for continuous engagement and review of progress on ESG



ENVIRONMENT

- Adherence to **FOOD SAFETY STANDARDS & Processes** (FSSAI & YUM Standards)
- **ENERGY CONSERVATION** – monitoring energy consumption, Internal benchmark for optimal consumption, exploring renewable energy sources
- **WASTE MANAGEMENT** – Identifying and disposing waste in accordance with regulatory standards. Waste Recycling.
- **SAFETY PROCEDURES** – Adherence to safety norms, restaurant Incident Management Tool in place to guide in the event of safety concerns



SOCIAL

- **FAIR EMPLOYMENT TERMS** with clear, non-discriminative and appropriate workplace conduct
- Building **VALUE BASED CULTURE** through continuous reiteration and reflection on Sapphire Values
- Variety of regular **EMPLOYEE ENGAGEMENT INITIATIVES** - Gallup Employee Engagement Survey, Great Place to Work, Talent Development
- **CSR ACTIVITIES** (for e.g. - World Hungry Relief fund contribution, Support to COVID warriors, Underprivileged children)
- **CUSTOMER SATISFACTION** Survey
- **GRIEVANCE REDRESSAL** System



GOVERNANCE

- **BOARD AND AUDIT COMMITTEE** Composition in accordance with the regulatory requirements
- **PROFESSIONAL AND EXPERIENCED** Board, Audit Committee, Management Team
- **RISK MANAGEMENT** Processes at the Entity & Business Level
- **INTERNAL FINANCE/ IT CONTROLS** – Auditors Deloitte & EY(SRB)
- **3 Layered BUSINESS CONTROLS** and **INTERNAL AUDIT** System

# ENVIRONMENT

## SOLAR PANEL IMPLEMENTATION



**12KW ROOFTOP SOLAR PLANT AT BARNALA, PUNJAB**



**SOLAR PLANT AT THE BACK OF THE RESTAURANT - T NAGAR, CHENNAI**

# ENVIRONMENT

## SUSTAINABLE STORE

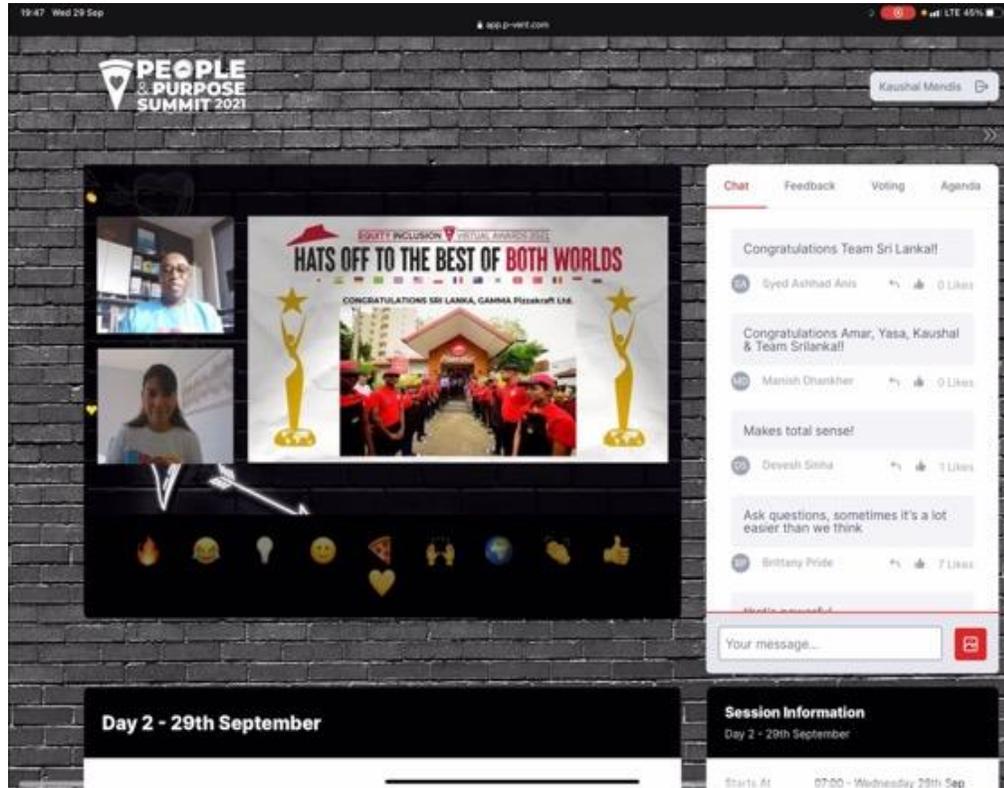


- Local cement texture and hand made tiles used over wooden panels
- Clay tile Finished with luster premium paint
- Laminate used from vendor that follows sustainable manufacturing process
- HVAC – used inverted duct units to improve energy efficiency
- Solar Panel - Power consumption on HVAC will be drawn from solar panel partially
- Extra dedicated membrane system installed to reduce discard water. Also, discarded water to be used in washrooms
- Energy management system implemented to reduce electricity consumption



**T Nagar, Chennai**

# SOCIAL PEOPLE INITIATIVES



## Equity & Inclusion Award at the Pizza Hut Global People & Purpose Summit 2021

Pizza Hut Sri Lanka was awarded the **Equity & Inclusion Award** at the **Pizza Hut Global People & Purpose Summit 2021** with a cash award of USD 5,000.



- **Silver Award** for the 'Best in Extra Large Sized Enterprises'
- **Best Work Place for Millennials**



# COMPANY OVERVIEW

# SAPPHIRE FOODS AT A GLANCE




YUM's **Franchisee** Operator in India, Sri Lanka and Maldives



Sri Lanka's **Largest** International QSR chain <sup>(1)</sup>



₹ **17,154 mn** FY22 Restaurant Sales



**18.9%** [17.8%]\* FY22 EBITDA margin  
₹ **3,248 MN** [3,054]\* FY22 EBITDA <sup>(2)</sup>




**21.0%** Q422 EBITDA margin  
₹ **1,036 MN** Q4FY22 EBITDA



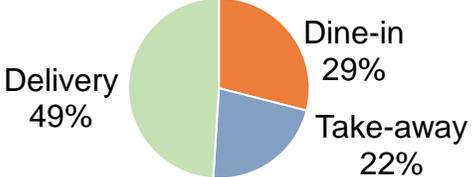
**579** Total Restaurants Across India, Sri Lanka and Maldives <sup>(3)</sup>



**264 KFC** Restaurants <sup>(2)</sup>  
**310 Pizza Hut** Restaurants <sup>(2)</sup>  
**5 Taco Bell** Restaurants <sup>(2)</sup>



Omni Channel Mix <sup>(3)</sup>



Channel	Percentage
Delivery	49%
Dine-in	29%
Take-away	22%

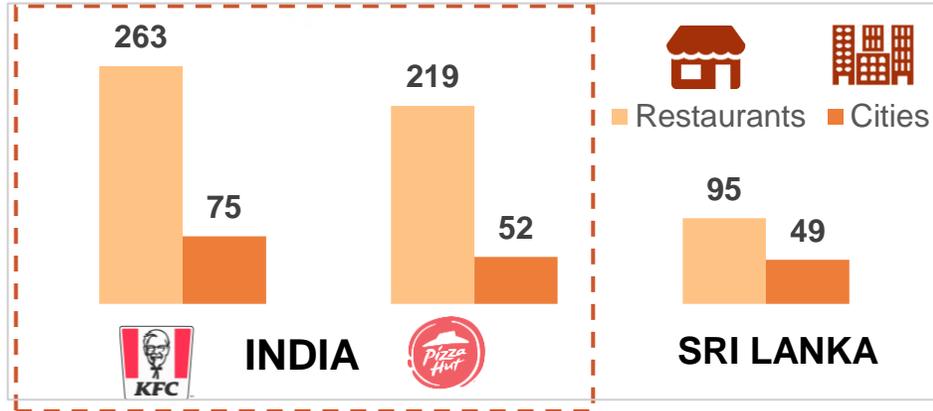
Source: Company data, Technopak industry report

(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021;; (2) As of March 31, 2022; (3) Pertains to FY22

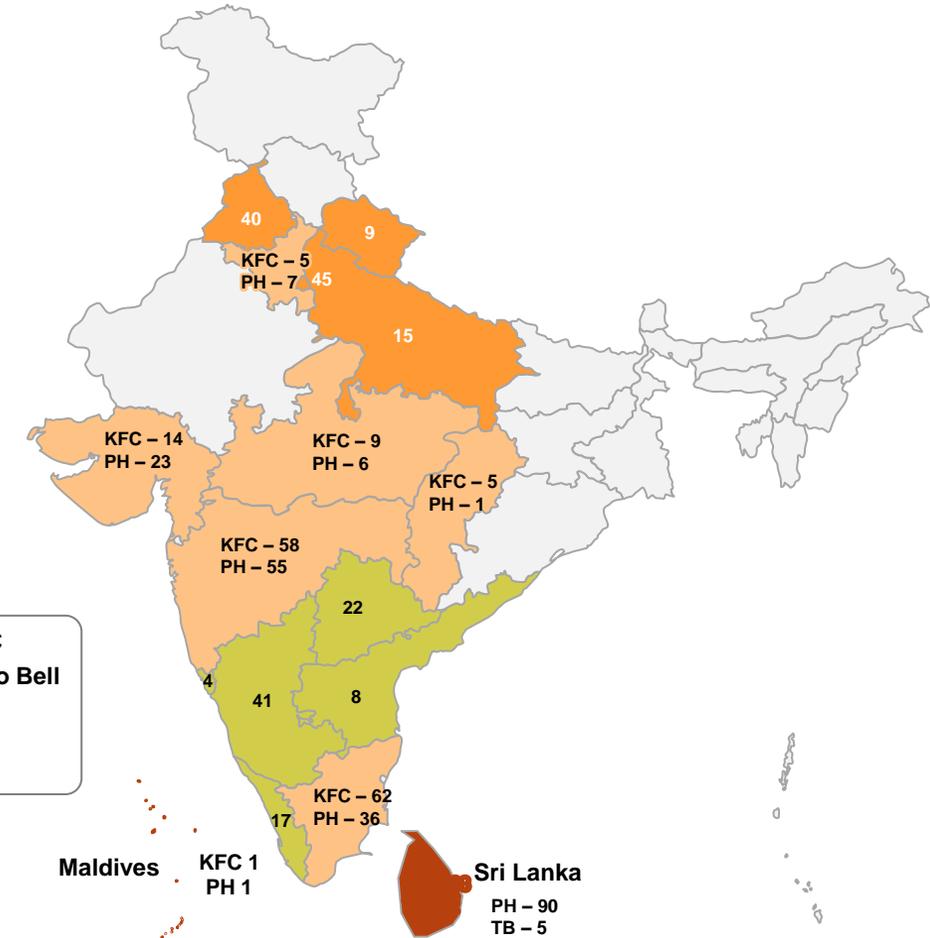
\* EBITDA after normalizing for additional incentives accrued from Apr-Dec 21

# JOURNEY OF SAPPHIRE FOODS

## BUILT A PLATFORM OF 579 OUTLETS (1)



## SAPPHIRE FOODS: GEOGRAPHICAL PRESENCE (1)



~ KFC and Pizza Hut Brands Operate in States that cover 56% of GDP (2)

KFC and Pizza Hut present in 10 and 11 states of India respectively

KFC and Pizza Hut present in 5 and 6 of the Top 8 cities of India respectively

Top 8 Cities in India contribute 87% of Chain Food Services Market (3)

20 Cities where 241 restaurants of both KFC and Pizza Hut are operated

Source: Company data, Technopak Industry Report

(1) As of March 31, 2022; (2) GDP contribution of states in FY19 where Pizza Hut and KFC restaurants are located; (3) In FY20

# THE SAPPHIRE STORY



Two global brands  
(KFC & Pizza Hut) with **Scale  
& PAT profitability among  
Top 3 QSR operators**



**Capability and capital to  
rapidly drive organic and  
inorganic growth plans**

**Value based work  
culture, high on  
governance** enabled by  
professional  
management, board and  
promoters



**Execution Mindset**  
Great Customer  
experience along with  
Superior Back-end  
operational excellence



**Optimal capital allocation  
drives new restaurant  
expansion model** - focus on  
smaller sized **omni-channel  
restaurants**

# STRONG RELATIONSHIP WITH YUM



 <p>FRANCHISEE ARRANGEMENT</p>	<p>Under franchisee arrangement YUM has provided us rights to operate restaurants as one of the franchisee operator in Indian subcontinent in the specified Territories</p>
 <p>TERM</p>	<p>With respect to each restaurant is 10 years (Original term) + 10 years (Renewal term)</p>
 <p>DEVELOPMENT AGREEMENT (DA)</p>	<p>Pursuant to these we are required to open minimum number of restaurants and in return we are eligible for certain incentives</p>
 <p>ROYALTY AND MARKETING</p>	<p>Royalty fee is 6 to 6.3% of Net sales and Marketing spend 6% (including 1% Local restaurant marketing) of Net sales. This doesn't include waiver benefit given to us by YUM (at its sole discretion)</p>
 <p>ACQUIRING / OPERATING NON-YUM BRANDS</p>	<p>Allowed in non-competing product categories with YUM's prior approval</p>

# CALIBRATED NEW RESTAURANT ECONOMIC MODEL FOR EXPANSION



INDIA



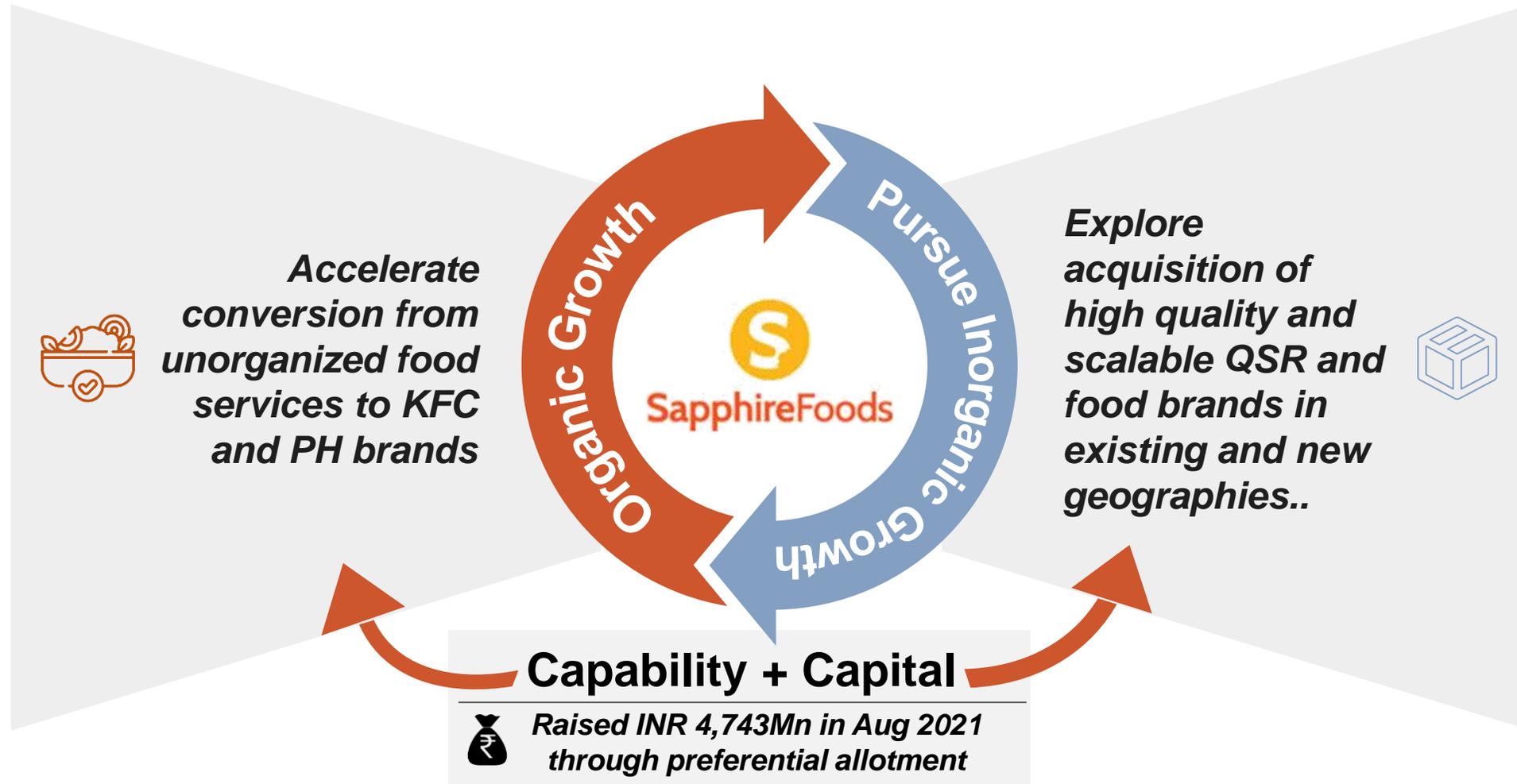
INDIA

	INDIA		INDIA	
	As of 31-Mar-19	Recent	As of 31-Mar-19	Recent
<b>Avg Size of Restaurant (in Sq. ft.)</b> 	2,736	~ 1,500 <sup>(1)</sup>	2,427	~ 1,300 <sup>(1)</sup>
		↓ Reduction in Avg Restaurant size ~45% <sup>(2)</sup>		↓ Reduction in Avg Restaurant size ~46% <sup>(2)</sup>
	<b>FY19</b>	<b>FY22</b>	<b>FY19</b>	<b>FY22</b>
<b>Average Daily Sales per Restaurant (in ₹ '000)</b> 	125	130	61	57
	<b>FY19</b>	<b>FY22</b>	<b>FY19</b>	<b>FY22</b>
<b>Restaurant EBITDA %</b> 	12.7%	19.5%	7.5%	13.4%

Source: Company data

(1) Average size of the recently opened or signed restaurants; (2) Average size of the recently opened or signed restaurant in comparison to average size of restaurants as of March 31, 2019

# WELL POSITIONED TO CAPTURE FUTURE OPPORTUNITIES



# EXPERIENCED LEADERSHIP SUPPORTED BY MARQUEE INVESTORS



## TOP MANAGEMENT



**Sanjay Purohit**  
Whole Time Director  
and Group CEO –  
Sapphire Foods

- Levi Strauss & Co India
- Cadbury India Limited
- Asian Paints (India) Limited

30+

Consumer Products and Retail



**Deepak Taluja**  
CEO – KFC

- Cafe Coffee Day
- Domino's Pizza India Limited
- Fun Multiplex Private Limited

24+

QSR and Entertainment Retail



**Vikrant Vohra**  
CEO – Pizza Hut

- Pune Marriott Hotel & Convention Centre
- Yum! Brands, Inc.
- Hyatt Regency
- Indian Hotels Co Limited

19+

Hospitality and QSR chain



**Vijay Jain**  
CFO

- Shoppers Stop Limited
- HyperCity Retail (India) Limited
- Nicholas Piramal India Limited

18

Pharmaceutical, Consumer Products and Retail

Years of Experience

## BOARD OF DIRECTORS



**Sanjay Purohit**  
Whole time Director and  
Group CEO



**Sunil Chandiramani**  
Chairman and Independent  
Director



**Sumeet Narang**  
Non- Executive  
Non- Independent Director



**Kabir Thakur**  
Non- Executive  
Non- Independent Director



**Paul Robine**  
Non- Executive  
Non- Independent Director



**Deepa Wadhwa**  
Non- Executive  
Independent Director



**Vikram Agarwal**  
Non- Executive  
Non- Independent Director



**Anu Aggarwal**  
Non- Executive  
Independent Director



**Vinod Nambiar**  
Non-Executive  
Non- Independent Director

# SHAREHOLDING PATTERN



Shareholding Pattern (As on 31st March 2022)	% Holding	Top Holders*
<b>Promoters &amp; Promoter Group</b>	<b>51.3</b>	
<b>Public Shareholding</b>		
<b>Foreign Company</b>	<b>12.5</b>	
WWD Ruby Limited (Goldman Sachs)		9.8
Fennel Private Limited (CX Partners)		2.8
<b>Alternate Investment Funds</b>	<b>3.2</b>	
Edelweiss Crossover Opportunities Fund		1.7
<b>Foreign Portfolio Investors</b>	<b>14.3</b>	
Government Of Singapore		2.1
Fidelity Funds - India Focus Fund		2.0
Abu Dhabi Investment Authority		1.6
HSBC Global Investment Funds - Asia		1.1
Morgan Stanley Asia (Singapore) Pte. – Odi		1.5
<b>Insurance Companies</b>	<b>4.5</b>	
ICICI Prudential Life Insurance Company Limited		3.1
<b>Mutual Funds</b>	<b>3.2</b>	
<b>Financial Institutions / Banks</b>		-
<b>Resident Individuals</b>	<b>5.7</b>	
Directors & Employees		2.3
<b>Non-Resident Indians</b>	<b>0.1</b>	
<b>Others</b>	<b>5.2</b>	
<b>Total</b>	<b>100.0</b>	

\* Top Holders are 1% and above of the total share capital



# THANK YOU

*Company:*



**Sapphire Foods India Limited**

CIN: L55204MH2009PLC197005

Mr. Rahul Kapoor

Email ID: [rahul.kapoor@sapphirefoods.in](mailto:rahul.kapoor@sapphirefoods.in)

[www.sapphirefoods.in](http://www.sapphirefoods.in)

*Investor Relations Partner:*



**Orient Capital** (a division of Link Group)

Mr. Nachiket Kale

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