

Shilpi Gupta

(Registered Valuer)

Regd. Address: I 1685 First Floor Chittaranjan Park, New Delhi-110019

IBBI Registration No: IBBI/RV/11/2022/149

E-mail: silpigupta_2015@rediffmail.com

Radhika Bansal

(Registered Valuer)

Regd. Address: T12, Landcraft Golflinks, NH 24, Ghaziabad - 201002

IBBI Registration No: IBBI/RV/11/2022/14683

E-mail: radhika.goel2507@gmail.com

To,

The Board of Directors

Devyani International Limited

Plot No. 18, Sector-35

Gurgaon, Haryana- 122004, India

To,

The Board of Directors

Sapphire Foods India Limited

702, Prism Tower, A wing

Mindspace, Link Road

Goregaon (West)

Mumbai – 400062, India

Date: 31 December 2025

Subject: Recommendation of Share Exchange Ratio for the proposed amalgamation of Sapphire Foods India Ltd ("The Transferor Company") into Devyani International Ltd ("The Transferee Company")

Dear Sir/Madam,

We refer to our appointment for the captioned subject whereby The Transferor Company & The Transferee Company (together referred to as "the Companies", "Clients", "Management") have requested the registered valuers with the IBBI registration no.s IBBI/RV/11/2022/149 & IBBI/RV/11/2022/14683, for the recommendation of the Share Exchange Ratio for the proposed amalgamation of The Transferor Company into The Transferee Company ("Transaction"), as part of Draft Scheme of Arrangement ("Scheme") under the provisions of Section 230 to 232 read with other applicable clauses of Companies Act 2013 as on 31 December 2025 (hereinafter "Valuation Date").

The Registered Valuers shall be collectively referred to as "RVs", "Valuers" and / or "we" or "us" and individually referred to as "Valuer" in this joint Share Exchange Ratio Report ("Share Exchange Ratio Report" or "Report").

In rendering the aforementioned advisory services, Valuers has reviewed and relied upon various materials/information provided by the management of respective Companies (the



“Management”). The premise of value of this valuation assignment is “Going Concern”; and we have adopted the standard of value as “Fair Value”.

Background of Companies

Devyani International Limited

Devyani International Limited (the “Transferee Company”) was incorporated on December 13, 1991, as Universal Ice Creams Private Limited, a private limited company, with the Registrar of Companies, Delhi, under the provisions of the Companies Act, 1956. Its name was changed to Devyani International Private Limited on June 7, 2000. Subsequently, the Transferee Company changed its status to a public company and its name changed to Devyani International Limited on May 9, 2005. The Corporate Identification Number of the Transferee Company is L15135DL1991PLC046758. The registered office of the Transferee Company as on the date the Board approves the Scheme is situated at F-2/7, Okhla Industrial Area, Phase-I, New Delhi, India-110020, but is in the process of shifting the same within the state of Haryana, subject to receipt of necessary approvals.

Sapphire Foods India Limited

Sapphire Foods India Limited (the “Transferor Company”) was incorporated on November 10, 2009, as Samarjit Advisors Private Limited, a private limited company, with the Registrar of Companies, Mumbai, under the provisions of the Companies Act, 1956. Its name was changed to Sapphire Foods India Private Limited on January 7, 2015. Subsequently, the Transferor Company changed its status to a public company and its name changed to Sapphire Foods India Limited with effect from July 8, 2021. The Corporate Identification Number of the Transferor Company is L55204MH2009PLC197005. The registered office of the Transferor Company as on the date its Board approves the Scheme is situated at 702, Prism Tower, A Wing, Mindspace, Link Road, Goregaon (West), Mumbai-400062, Maharashtra, India, but is in the process of shifting the same within the state of Haryana, subject to receipt of necessary approvals.

Scope and Purpose of this Report-

The Valuers understand that the Management of the Companies are contemplating the proposed amalgamation of these Companies as per the Scheme under the provisions of Section 230 to 232 read with other applicable clauses of Companies Act 2013 on a going concern basis. Both the RVs further understand, from the respective Managements and as per the extant clauses of the Scheme, as follows:

- 1.1. The Transferor Company is a franchisee of Yum! Brands operating quick service restaurants (“QSR”) under the globally recognized brands KFC, Pizza Hut and Taco Bell, primarily in southern and western parts of India and in Sri Lanka. The Transferee Company is the largest franchisee of Yum! Brands in India and is among the largest operators of chain QSR in India, on a non-exclusive basis, and operates in more than 280 cities in India, Nigeria, Nepal and Thailand. In addition, the Transferee Company is the sole franchisee for Costa Coffee, Tea Live, New York Fries and Sanook Kitchen in India. The Transferee Company also owns Biryani By Kilo, Goila Butter Chicken and Vaango brands, thereby contributing to customer diversification and margin enhancement.



1.2. The proposed amalgamation would be in the best interest of the Parties and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out, *inter alia*, below:

- (a) Consolidation of the QSR business under the brands KFC and Pizza Hut into a single entity, resulting in economies of scale, unified strategy and consumer proposition for both brands enabling growth, reduction of overheads, harmonization of sales and service channels, enhanced operational efficiencies including productivity gains, and pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and logistical advantages, thereby strengthening the competitive position of the Transferee Company.
- (b) Integration of the Transferor Company's regional presence in southern and western India and in Sri Lanka with the Transferee Company's pan-India operations and international presence in Nepal, Nigeria and Thailand, thereby creating a unified platform with an enlarged geographical footprint capable of serving customers across India and international territories with greater consistency, efficiency and quality of service.
- (c) Opportunities to leverage the Transferor Company's regional strength for the Transferee Company's own brands (Biryani By Kilo, Goila Butter Chicken and Vaango) and its exclusive Costa Coffee, Tealive, New York Fries and Sanook Kitchen franchisee(s) in India, thereby broadening customer choice and diversifying the brand portfolio of the Transferee Company.
- (d) Enhanced bargaining power with suppliers, landlords, technology providers and other stakeholders, leading to improved commercial terms, cost savings and higher profitability.
- (e) A single entity would benefit from increased scale, focus, innovations in technology and expanded reach with increased growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies leading to value creation for customers, lenders, employees, etc. and stronger cash flow generation.
- (f) Expanded financial strength and scale, facilitating improved access to domestic and international capital markets, enabling fund raising on favorable terms, and supporting accelerated expansion, modernization and growth plans of the Transferee Company.
- (g) A single entity will have a larger and more liquid equity base, improved market visibility, and wider investor participation, amongst others thereby creating value for shareholders.

1.3. The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the Scheme would be in the best interest of the shareholders, creditors, depositors and deposit trustee (if any), employees and other stakeholders of both the Companies and all concerned and the Scheme shall in no manner be prejudicial to the



interest of concerned shareholders, directors or creditors or key managerial personnel or general public at large. Both the Companies are public listed entities and there is no material interest of any director and/ or key managerial personnel of both the Companies in the present Scheme.

For the aforesaid purpose, the Companies have appointed the Valuers to submit a Report recommending the Share Exchange Ratio to be placed before the Audit Committees' and Board of Directors of the Companies for the proposed Amalgamation. The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and recommending a Share Exchange Ratio in accordance with generally accepted professional standards.

We have been appointed by the Companies and have worked in our analysis and assessment for the purpose of this Report. We have received information and clarifications from the Companies. For recommending Share Exchange Ratios, we have independently arrived at values of the Companies. The Share Exchange Ratio for the proposed amalgamations, is calculated by appropriate averaging and rounding off in the values arrived at.

The historical financial information for the Companies up to 30 September 2025 were sourced from either public domain where available or from the management of the Companies. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our Report. Our analysis do not factor impact of any event which is unusual or not in the normal course of business. We have relied on the above while arriving at the Share Exchange Ratio.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Sources of Information

In connection with this exercise, we have used the following information received from the Management and/or gathered from the public domain:

1. Audited financial statements of the Transferee Company for the year ended 31 March 2025 and 31 March 2024 and Annual Reports of the Transferee Company for the year ended 31 March 2023 to 31st March 2025.
2. Audited financial statements of the Transferor Company for the year ended 31 March 2025 and 31 March 2024 and Annual Reports of the Transferor Company or the year ended 31 March 2023 to 31st March 2025.
3. Half Yearly financial Statements as on 30 September 2025 for both the Transferor Company and the Transferee Company as provided in the public domain.
4. Business Plan for next 5 years prepared by respective Managements with relevant granular assumptions - Brand-wise bifurcation of revenue, as applicable to their business case.
5. Industry Analysis covering:



- a. Analyst Reports for the Transferor Company & the Transferee Company as available in the public domain
 - b. Other publicly available information
6. Discussion and consultation with the respective Managements of the Transferor Company and the Transferee Company to:
 - a. Understand the revenue model and historical financial performance of the Transferor Company, the Transferee Company on a consolidated basis
 - b. Enquire about business plans and future performance estimates
7. Draft Scheme of Arrangement.
8. Proprietary date-base: Screener.in, Trendlyne.com, Stockedge.com for calculating WACC
9. Volume weighted average pricing of the Companies for the last 90 days from the date of issuance of this Report to calculate Securities and Exchange Board of India (“SEBI”) pricing defined under the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (‘ICDR’ Regulations).

The Companies have been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; ii) the date of this Report and (iii) the latest available financial statements of the Companies and their subsidiaries and other information provided by the Management or taken from public sources till the date of this Report.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as at the date hereof. Events and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report, unless required by regulatory authorities.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors: There will always be several factors, e.g. management capabilities, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The recommendations rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies (or its executives / representatives) and other sources and the said recommendations) shall be considered to be in the nature of non-binding



advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement.

There is, therefore, no single Share Exchange Ratio approach available. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange/ entitlement ratio at which the proposed transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed transaction and input of other advisors.

In accordance with the terms of our engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management of the Companies that they have not omitted any relevant and material factors about the Companies. Our conclusions are based on the assumptions and information given by and on behalf of the Companies and reliance on public information. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

While carrying out this engagement we have relied extensively on historical information made available to us by the management of the Companies / available in public domain. We did not carry out any due diligence with respect to the information provided / extracted or carry out any verification of the assets save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

Accordingly, we assume no responsibility for any errors in the information furnished by the Companies or obtained from public domain and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies and their subsidiaries, reflected in their respective latest balance sheets remain intact as of the Report date.



This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

Therefore, no responsibility is assumed for matters of a legal nature. The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the Companies that has appointed us under the terms of our engagement letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken. Omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. Unless specifically agreed, in no circumstances shall the liability of Valuers, and their employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuers in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Valuation Report is subject to the laws of India only.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed Scheme of Arrangement, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges and SEBI.

This Report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.



Shareholding Pattern (as on 31 December 2025)

The Transferee Company

	Category of Shareholder	No. of fully paid up equity shares held	No. of outstanding ESOP Granted	Total No. of shares on fully diluted basis (including ESOP, warrants, Convertible Securities etc.)	% of Shareholding
(A)	Promoter & Promoter Group	756,602,190		756,602,190	61.31%
(B)	Public	476,270,101	1,276,800	477,546,901	38.69%
		1,232,872,291		1,234,149,091	

The Transferor Company

	Category of Shareholder	No. of fully paid up equity shares held	No. of outstanding ESOP Granted	Total No. of shares on fully diluted basis (including ESOP, warrants, Convertible Securities etc.)	% of Shareholding
(A)	Promoter & Promoter Group	83,778,225		83,778,225	25.35%
(B)	Public	237,604,680	9,080,300	246,684,980	74.65%
		321,382,905		330,463,205	

Approaches & Methodologies

The Scheme contemplates the amalgamation of the Transferor Company into the Transferee Company. Arriving at the Share Exchange Ratio for the proposed amalgamation would require determining fair value of the equity shares of the Transferor Company and the Transferee Company. These values are to be determined independently as per the prescribed valuation methodologies, and without considering the current transaction.

It is universally recognised that Valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court in Hindustan Lever Employee's Union vs. Hindustan Lever Limited and Others [(1995) 83 Company Cases 30].

The aforesaid decision endorses that a fair and appropriate approach for valuing the Companies would be to use a combination of various methods which in that case were:

- Market Approach- SEBI prescribed Market Price Method (MP)
- Asset Approach – Net Asset Valuation (NAV)
- Income Approach – Discounted Cash flow Method (DCF)



As discussed below for the proposed amalgamation of the Transferor Company into the Transferee Company, we have considered these methods, to the extent relevant and applicable by each Valuer independently.

This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies.

We have relied on the judgment of the Management as regards contingent and other liabilities. We are informed that there are contingent liabilities in the Transferee Company and, therefore, we have reduced them for arriving at the valuation.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The valuation methodologies used to arrive at the value attributable to the equity shareholders of the Transferor Company and the Transferee Company are discussed hereunder:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

Since, both the Transferor Company and the Transferee Company are listed companies, they are governed by the SEBI ICDR Regulations. Under the SEBI ICDR Regulations issuance of shares pursuant to order under Sections 230 to 234 of the Companies Act, 2013, requires to follow pricing conditions that apply to preferential issue, if such issue is to be made to shareholders of an unlisted company. We have given due consideration to this requirement.

In the present case, equity shares of the Transferor Company and the Transferee Company are listed on both the Bombay Stock Exchange (“BSE”) and the National Stock Exchange (“NSE”). The share price observed on NSE for both of the Companies over an appropriate period as prescribed under the SEBI ICDR Regulation prior to the Relevant Date has been considered for determining their value under the market price methodology owing to the higher volumes recorded on the NSE.

Under the Market Value Approach, we have considered the Relevant Date as 31 December 2025, the last working day immediately prior to the date of the Board Meeting to consider the Transaction and the Proposed Scheme of Arrangement for approval.



- **Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

At present, we have not considered NAV for companies' valuation since NAV is typically suited for asset-heavy or investment companies. It does not reflect the true earning potential or market outlook of going-concern businesses like the companies under consideration.

- **Discounted Cash Flows (DCF) Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

- *Estimating future free cash flows:*
Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital — both debt and equity.
- *Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The DCF method has been applied as respective Managements have provided detailed financial projections for each company, enabling a forward-looking valuation based on expected future cash flows.

This method appropriately captures the earning potential and business growth prospects, making it relevant for determining the Share Exchange Ratio.

Basis of Share Exchange Ratio

The basis of the Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies' shares. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies and / or their associates, joint ventures and subsidiaries but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies. The Share Exchange Ratio is based on the various methodologies explained herein



earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to information base, key underlying assumptions and limitations.

As considered appropriate, we have independently applied methodologies discussed above and arrived at their assessment of value of the Companies.

Both Companies belong to the same industry and are close in terms of financial parameters and business operations. Given this background, the valuation parameters of both the Companies are very similar. For any reason, if valuation of one company is to undergo a change, a similar change would be reflected in the underlying value of the other company, the relative value of the other company would also undergo a similar change in the underlying value. -

The equity value for each of the company is arrived at by averaging the values under the approaches discussed above, to the extent considered relevant. To arrive at the consensus on the Share Exchange Ratio suitable averaging and rounding off in the values have been done.

Conclusion

Based on the forgoing, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to the amalgamation of the Transferor Company into the Transferee Company we recommend the following Share Exchange Ratio:

1.77 equity shares of the face value of Re. 1 (rupee one) each fully paid- up of the Transferee Company credited for every 1 equity shares of the face value of Rs. 2 (rupees two) each fully paid-up held by such member in the Transferor Company(as provided in Annexure 1).

It should be noted that we have not examined any other matter, including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.







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Annexure 1

The Computation of Share Exchange Ratio for the Proposed Transaction as derived by us, is given below:

Valuation Approach	The Transferee Company		The Transferor Company	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Cost Approach*	N/A	N/A	N/A	N/A
Income Approach - DCF Method (i)	170.62	50%	301.29	50%
Market Approach				
- Market Price Method (ii)	158.24	50%	281.04	50%
Relative Value per Share [Weighted Average of (i) and (ii) (a)]	164.43	100%	291.17	100%
Price per share based on ICDR Regulations [b]	158.24		281.04	
Relative Value per share to be considered for Share Entitlement Ratio [Max of [a] and [b]	164.43		291.17	
Fair Share Entitlement Ratio (B:A) (Rounded)	1.77			

*Cost Approach based on the Net Asset Value Method would not capture the future outlook and the growth prospects of the Companies. Therefore, we have not used Cost Approach to determine the value.

Shilpi Gupta (Registered Valuer)   UDIN: 25512311YGKCOB2347 Date: 31-12-2025	Radhika Bansal (Registered Valuer)   UDIN: 25436344BWFTQW8491 Date: 31-12-2025
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