REPORT OF THE AUDIT, RISK MANAGEMENT AND ETHICS COMMITTEE OF DEVYANI INTERNATIONAL LIMITED RECOMMENDING THE AMENDED SCHEME OF ARRANGEMENT AMONGST DEVYANI INTERNATIONAL LIMITED AND SAPPHIRE FOODS INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ADOPTED AT THE MEETING OF THE AUDIT, RISK MANAGEMENT AND ETHICS COMMITTEE HELD ON AUGUST 26, 2026

The following members of the Audit, Risk Management and Ethics Committee were present virtually:

1.	Dr. Ravi Gupta	-	Chairman & Independent Director
2.	Dr. Girish Kumar Ahuja	-	Member & Lead Independent Director
3.	Ms. Rashmi Dhariwal	-	Member & Independent Director

1. Background:

1.1. The Board of Directors of Devyani International Limited ("**Transferee Company**"), ("**Board**"), in its meeting held on January 1, 2026, approved the draft scheme of arrangement of Sapphire Foods India Limited ("**Transferor Company**") with the Transferee Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") ["**Scheme**"], *inter alia* based on the recommendation of this Committee, subject to receipt of statutory and other third party approvals. Further, pursuant to the Scheme, with effect from the Appointed Date, i.e. opening hours of April 1, 2026, the Transferor Company was proposed to be amalgamated with and absorbed into the Transferee Company. Upon the Scheme becoming effective and in consideration of the amalgamation, the Transferee Company shall issue and allot 177 (One Hundred Seventy Seven) fully paid up equity shares of Re. 1/- each of the Transferee Company for every 100 (One Hundred) fully paid up equity shares of Rs. 2/- each held by shareholders of the Transferor Company based on the joint valuation report dated December 31, 2025 of Shilpi Gupta (IBBI Registration Number: IBBI/RV/11/2022/149) and Radhika Bansal (IBBI Registration Number: IBBI/RV/11/2022/14683), Registered Valuers and Fairness Opinion dated December 31, 2025, issued by Sundae Capital Advisors Private Limited, a SEBI registered Category I Independent Merchant Banker [SEBI Registration Number: INM000012494]. This Committee had issued a recommendation in favour of the Transferee Company entering into the Scheme at its meeting dated January 1, 2026 ("**Initial Committee Recommendation**")

1.2. The Transferor Company, Transferee Company, Sapphire Foods Mauritius Limited ("**SFML**", promoter of the Transferor Company), Sagista Realty Advisors Private Limited (Trustee of QSR Management Trust and promoter of the Transferor Company) ("**QMT**"), and RJ Corp Limited (promoter of the Transferee Company) had also entered into a merger framework agreement dated January 1, 2026, to record their understanding regarding implementation of the Scheme ("**Merger Framework Agreement**").

1.3. One of the conditions precedent to the effectiveness of the Scheme was the consummation of the "**Secondary Sale Transaction**" – i.e., the sale by **SFML** of 5,94,55,837 (Five Crore Ninety Four Lakh Fifty Five Thousand Eight Hundred and Thirty Seven) fully paid up equity shares of the Transferor Company to Arctic International Private Limited ("**Arctic**") pursuant to a share purchase agreement executed between SFML and Arctic, which was executed subsequently, on January 1, 2026 ("**SPA**"). The condition precedent described in this paragraph is referred to as the "**Secondary Sale CP**".

1.4. Arctic, promoter group company of the Transferee Company, has informed the Transferee Company that the SPA has been terminated by mutual agreement of the parties, pursuant to commercial discussions. As a result, SFML would receive equity shares of the Transferee Company in accordance with the Scheme, similar to the other shareholders of the Transferor Company. Arctic has also informed the Transferee Company that Arctic and SFML may continue exploring a secondary transaction, which may be undertaken at a later date, in compliance with all applicable laws. Accordingly, the Scheme is proposed to be amended such that the Secondary Sale CP will no longer be a condition precedent to the effectiveness of the Scheme, with consequential amendments to the Scheme ("**Amended Scheme**") as well as the Merger Framework Agreement by entering into an amended and restated Merger Framework Agreement ("**Amended and Restated MFA**").

1.5. The Committee has been requested to examine the Amended Scheme and provide a report recommending the Amended Scheme.

1.6. The Transferee Company and the Transferor Company are public companies, both incorporated under the provisions of the Companies Act, 1956, with their respective equity shares each listed on both, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**").

1.7. This report of the Committee is made in order to comply with the requirements of Part I of the SEBI Master Circular on Scheme of Arrangement dated June 20, 2023, bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

1.8. The Committee has considered, inter-alia, drafts of the following documents:

1.8.1 Amended Scheme.

1.8.2 Amended and Restated MFA.

1.8.3 Letter dated August 26, 2026 from Shilpi Gupta (IBBI Registration Number: IBBI/RV/11/2022/149) and Radhika Bansal (IBBI Registration Number: IBBI/RV/11/2022/14683) ("**Registered Valuers Letter**"), being the registered valuers who issued the joint valuation report dated December 31, 2025, recommending the fair equity share exchange ratio ("**Joint Valuation Report**").

2. Proposed Amendments to the Scheme by way of the Amended Scheme:

2.1. The key modifications proposed by way of the Amended Scheme are as follows:

2.1.1 Deletion of Clause 5.7, which set out the definition of "Arctic"; Clause 5.28, which set out the definition of "SFIL Secondary Sale" and Clause 5.29, which set out the definition of "SFML".

2.1.2 Deletion of Clause 27.2 of the Scheme, which read as follows: "*SFIL Secondary Sale: Notwithstanding anything otherwise provided in the Scheme, the Record Date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company will be a date occurring after (and in no event prior) to the SFIL Secondary Sale having been* *concluded. It is clarified that the effectiveness of the Scheme is subject to the SFIL Secondary Sale having been consummated."*

2.1.3 Revision to Schedule I of the Scheme (*Shareholding of the Promoters/ Persons Belonging to the Promoter Group of the Transferor Company and who will not be part of the Promoters/ Persons Belonging to the Promoter Group of the Transferee Company after the Effective Date*)

(a) Earlier, Schedule I was as follows:

Sr. No.	Name of the Shareholder	Promoter / Public Category	As on the date of board approval		Transfer pursuant to SFIL Secondary Sale	After the Scheme becoming effective (shareholding in the Transferee Company considering share exchange ratio)	
			No. of Shares	Shareholding (%)	No. of Shares being transferred	No. of Shares	Shareholding (%)
1.	Sagista Realty Advisors Private Limited (Trustee of QSR Management Trust)	Promoter in Transferor Company, Public category in Transferee Company at Effective Date	72,43,375	2.25	0	1,28,20,774	0.71
2.	Sapphire Foods Mauritius Limited	Promoter in Transferor Company, Public category in Transferee Company at Effective Date	7,65,34,850	23.81	(5,94,55,837)	3,02,29,853	1.68

(b) In the Amended Scheme, Schedule I will be as follows:

Sr. No	Name of the Shareholder	Promoter/ Public Category	As on the date of board approval (i.e., August 26, 2026)		After the Scheme becoming effective (shareholding in the Transferee Company considering share exchange ratio)	
			No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
1.	Sagista Realty Advisors Private Limited (Trustee of QSR Management Trust)	Promoter in Transferor Company, Public category in Transferee Company at Effective Date	72,43,375	2.25	1,28,20,774	0.71
2.	Sapphire Foods Mauritius Limited	Promoter in Transferor Company, Public category in Transferee Company at Effective Date	7,65,34,850	23.81	13,54,66,684	7.52

2.2. Based on discussions with the management team of the Transferee Company and the documents presented before the Committee, the Committee noted that the need and rationale of the Scheme and synergies of business of the Transferor and the Transferee Company (as noted in the Initial Committee Recommendation) continued to remain unmodified.

2.3. Impact of the Amended Scheme on the Transferee Company and its shareholders

2.3.1 The Committee reviewed the modifications proposed to be made in the Amended Scheme and noted that there is no adverse impact on the shareholders of the Company on account of such modifications.

2.3.2 The Committee noted from the Registered Valuers Letter that according to the valuers, (i) the valuation set out in the Joint Valuation Report was not impacted by the Secondary Sale Transaction, and (ii) the termination of the SPA and non-consummation of the Secondary Sale Transaction has no impact on the share exchange ratio as suggested in the Joint Valuation Report. Therefore, this Committee is of the opinion that the Amended Scheme does not have any impact on the share valuation of the Transferee Company.

2.3.3 The conclusions of this Committee in its report dated January 1, 2026, on the impacts of the Scheme on the Transferee Company and its shareholders as well as the cost-benefit analysis of the Scheme, equally apply to the Amended Scheme.

3. Recommendation of the Committee:

3.1. Having considered (i) its own recommendation by way of its report dated January 1, 2026, (ii) the documents referred to in paragraph 1.8 above, and (iii) the impact of the Amended Scheme on the Transferee Company and its shareholders as described in paragraph 2.3 above, the Audit, Risk Management and Ethics Committee is of the informed opinion that the Amended Scheme with the share exchange ratio as suggested in the Joint Valuation Report is in the best interests of and not detrimental to the interest of the shareholders of the Company. Therefore, the Committee unanimously recommends the Amended Scheme for the favourable consideration and approval to the Board.

By order of the Audit, Risk Management and Ethics Committee
for and on behalf of **Devyani International Limited**

Dr. Ravi Gupta
Chairman- Audit, Risk Management and Ethics Committee
DIN: 00023487

Date: August 26, 2026
Place: New Delhi