

Date: 1st January 2026

To,

National Stock Exchange of India Limited Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: SAPPHIRE	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 543397
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Dear Sir/Madam,

Subject: Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Press Release in relation to the Merger of Sapphire Foods India Limited with and into Devyani International Limited.

The said documents are also being made available on the Company's website <https://www.sapphirefoods.in/investors-relation>.

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

Devyani International and Sapphire Foods to Merge, Creating a Single Unified Yum! India Franchisee for KFC & Pizza Hut

The Board of Directors of Devyani International Limited (“DIL”) and Sapphire Foods India Limited (“SFIL”), at their respective meetings held today, approved a scheme of arrangement for the merger of SFIL with and into DIL, marking a strategic consolidation of the two companies.

The proposed merger is subject to receipt of all the customary regulatory & statutory approvals, including approvals from the stock exchanges, the Competition Commission of India, the National Company Law Tribunal(s), and the shareholders and creditors of both the Companies. The process of obtaining these approvals is expected to take approximately 12 to 15 months, following which the merger will become effective.

Upon completion, the transaction will result in DIL becoming one of the largest quick-service restaurant (QSR) operators in India by combining the operations of both companies, positioning the merged entity for the next phase of accelerated growth, scale, and profitability.

Key Highlights of the Proposed Transaction

- Merger Structure: Merger of Sapphire Foods India Limited (“SFIL”) with and into Devyani International Limited (“DIL”) through a share-swap mechanism.
- Swap Ratio: 177 equity shares of DIL to be issued for every 100 equity share of SFIL.
- Arctic International, a group company, to acquire approximately 18.5% of SFIL’s paid up equity share capital from the existing SFIL promoters, with an option to assign to a mutually agreed financial investor.
- Strategic Focus Areas of the Merged Entity:
 - Accelerated expansion of KFC
 - Strengthening & revitalisation of Pizza Hut for long-term sustainable growth
 - Scaled growth of the DIL emerging brands portfolio

Yum! Brands Approval and Key Commercial Terms

Yum! Brands has granted its approval for the consolidation of Devyani International Limited (“DIL”) and Sapphire Foods India Limited (“SFIL”). As part of this approval, DIL has agreed on the following key commercial terms with Yum! Brands:

- **Long-term and well aligned enhancement of certain waivers for Pizza Hut and KFC brands from Yum! brands:** To accelerate the transformation and growth of the Yum! Brands portfolio, a set of well-aligned enhancements of certain waivers has been agreed upon, aimed at strengthening long-term alignment on store expansion, and sustainable growth for both KFC and Pizza Hut.
- **Acquisition of KFC Stores:** DIL will acquire **19 KFC restaurants** currently operated by Yum! India in **Hyderabad**.
- **Merger Approval & Territory License Fee:** DIL will pay a one-time charge to Yum! India towards merger approval and the license fee for the additional territory.

Yum! Brands' approval underscores its renewed confidence in Devyani International Limited as the oldest and the largest franchise partner for a high-priority market such as India for its KFC and Pizza Hut brands. The continued backing and incremental investment by the RJ Corp Group further reinforces its strong conviction in the long-term growth potential and strategic value of the merged entity in India.

Expected Synergy Benefits from the Proposed Merger

- **Creation of a Market Leader:** Formation of one of the largest quick-service restaurant (QSR) platforms in India, with enhanced scale and national footprint excluding captive markets.
- **Unlock growth:** Unified brand strategy and consumer proposition will help unlock growth for both KFC and Pizza Hut.
- **Economies of Scale:** Cost efficiencies through consolidated procurement and stronger negotiating leverage with vendors, landlords, and other key stakeholders.
- **Operational & Capability Consolidation:** Integration of financial, managerial, and technical capabilities to strengthen execution, governance, and competitive positioning.
- **Margin Expansion:** Improved profitability driven by productivity gains, overhead optimization, scale benefits.
- **Balance Sheet Strengthening:** Enhanced financial flexibility and cash flow generation to support accelerated expansion and access to funding at better terms.
- DIL is expecting an overall synergy of INR 210 to 225 crores on an annual basis from 2nd full year operations of integrated company.

The full integration of the two entities, along with the realization of the identified synergy benefits, is expected to be completed within **15 to 18 months** from the effective date of the merger.

Commenting on the merger, Mr. Ravi Jaipuria, Non-Executive Chairman of Devyani International Limited, said:

“The consolidation of Devyani International Limited and Sapphire Foods India Limited marks a significant milestone and a decisive leap forward in our growth journey, resulting in DIL holding franchise rights across the entire Indian market for KFC and Pizza Hut brands. The merger also adds a strong international presence in Sri Lanka, which complements our existing overseas operations.

This combination will allow us to realize meaningful economies of scale, leverage a unified technology platform, and strengthen our supply-chain capabilities. Together, these advantages will help unlock sustained value creation and long-term growth for our shareholders, customers, employees, and partners. We are grateful to Yum! Brands and its management team for placing their confidence in DIL as the sole, long-term partner for the future growth of KFC and Pizza Hut in India and for their support of this transformative merger.”

Mr. Sumeet Narang, SFML nominee director of SFIL and Founder of Samara Capital, said:

“Sapphire Foods was conceptualized in 2015 through the consolidation of multiple Yum! Brands franchisees, with a clear vision of building a scaled, institutionally strong QSR platform over time. We are extremely excited about this development, which brings together a single, unified franchisee for KFC and Pizza Hut in India through the merger with Devyani International Limited.

This transaction reflects the shared long-term vision and strong partnership between Samara Capital Group and RJ Corp. We are confident that, under RJ Corp’s leadership, these iconic brands will continue to grow from strength to strength in the years ahead. India has the potential to become a true crown jewel within Yum!’s global markets, and this announcement represents a significant step in that journey.”

Ranjith Roy, Yum! Brands CFO said: *“Devyani International Limited and Sapphire Foods India Limited have been outstanding partners to Yum! for many years. India is a high-priority market for us with an abundance of white space for further growth and strong consumer reception for our brands. We are pleased to support this proposed merger to unlock a new phase of accelerated growth in the region and to advance supply chain operations, leading to a stronger, more resilient partner in India and greater value for both shareholder bases. We look forward to our continued partnership.”*

About Devyani International Limited (DIL)

Devyani International Limited is one of India's largest chain quick service restaurant (QSR) operators, with a network of over 2,000 stores across more than 280 cities in India, Thailand, Nigeria, and Nepal. The Company's portfolio represents a compelling blend of iconic global brands and successful homegrown concepts.

DIL holds the distinction of being the largest franchisee of Yum! Brands in India and Nepal. In addition, DIL is the sole franchisee in India for several international brands, including Costa Coffee, Tea Live, New York Fries, and Sanook Kitchen.

Complementing its global portfolio, DIL has developed strong indigenous brands such as Vaango, a South Indian vegetarian cuisine concept, and The Food Street, a food court format that brings multiple brands together under one roof to enhance consumer experience. DIL has also strengthened its Indian cuisine offerings through the acquisition of Sky Gate Hospitality, which owns popular brands such as Biryani By Kilo and Goila Butter Chicken.

About Sapphire Foods India Limited (SFIL)

Sapphire Foods India Limited was established in 2015 through the acquisition of KFC and Pizza Hut restaurants in India and Sri Lanka and has since grown into a major franchisee operator of these iconic brands.

SFIL operates restaurants across multiple formats, including dine-in, takeaway, and online delivery, catering to a wide and diverse consumer base. In India, the Company holds franchise rights to operate KFC outlets in 10 states and Pizza Hut outlets in 11 states.

Internationally, SFIL operates through its subsidiaries in Sri Lanka, where it manages a large and growing footprint of KFC, Pizza Hut, and Taco Bell restaurants. Across its India and Sri Lanka operations, SFIL operates over 1,000 restaurants, making it one of the most significant Yum! franchise partners in the region.