Summary of the Combination

(Under Regulation 13(2) of the Competition Commission of India (Combinations) Regulations, 2024)

A. Name of the Parties to the Proposed Combination

1. Devyani International Limited ('Devyani')

Devyani, part of the RJ Corp Group, is a listed company on the stock exchanges in India and is primarily engaged in the business of operating restaurants and delivery outlets in the Quick Service Restaurant ('QSR') segment. Devyani is one of the franchisee operators of Yum! Brands Inc. in India.

2. Sapphire Foods India Limited ('Sapphire')

Sapphire is also a QSR operator that manages and operates restaurants of KFC and Pizza Hut brand in India and operates Pizza Hut and Taco Bell outlets in Sri Lanka. Sapphire is also a listed company on the Indian stock exchanges and holds non-exclusive rights to these brands and operates numerous outlets across India and Sri Lanka.

3. Yum Restaurants (India) Private Limited ('YRIPL')

YRIPL is indirect wholly owned by Yum! Brands, Inc., the ultimate holding company of Yum which operates and franchises QSR chains including KFC and Taco Bell across India.

B. Nature and Purpose of the Combination

Step 1: Merger

4. The Parties have proposed to combine operations under a single licensee entity, i.e. Devyani, and to streamline the functions and achieve operational efficiencies for the franchise outlets of KFC and Pizza Hut in India ("Proposed Transaction").

5. The Proposed Transaction involves the merger of Sapphire with and into Devyani, pursuant to the amended and restated Merger Framework Agreement ("MFA") dated August 26, 2026 and the amended draft scheme of arrangement approved by their respective board of directors on dated January 01 2026 and subsequently amended on August 26, 2026 ("Merger Scheme").

Step 2: Merger approval, territory rights from Yum to Devyani

6. Devyani has entered into a binding term sheet *inter alia* with Yum group entities and Sapphire dated January, 1 2026 ("Yum Term Sheet"). As per the Yum Term Sheet, Yum will grant merger approval and additional territory rights to Devyani.

Step 3: Transfer of KFC Outlets from YRIPL to Devyani

7. As per the Yum Term Sheet, Devyani will also acquire the business of running, maintaining and operating 19 KFC restaurants in Hyderabad from YRIPL.

8. **Key purpose of the Proposed Transaction and Other Transactions are:**

(a) The merger is being undertaken to achieve synergies between the two businesses, including operational efficiencies and streamlining decision making, product & packaging innovation, promotions, supply chain management and ensure consistent customer experience across all outlets.

(b) It will improve business and consumer benefits as the integration will result in a unified platform with an enlarged geographical footprint capable of serving customers across India with greater consistency, efficiency and quality of service.

C. Products, services and business(es) of the parties to the combination

9. **Devyani:** Operates KFC and Pizza Hut franchise outlets across India, and also operates KFC in Nigeria, Nepal, and Thailand. Devyani is also the exclusive franchisee of Costa Coffee, New York Fries, and Sanook Kitchen in India. In addition to the franchise brands, Devyani also owns and operates homegrown brands.

10. **Sapphire**: Operates KFC and Pizza Hut franchise outlets in India and Taco Bell in Sri Lanka.

11. **YRIPL**: runs restaurants under brands including KFC, Taco Bell etc, either directly or through franchisees.

D. Respective markets in which the parties to the combination operate

The Proposed Combination does not raise competition concerns in any plausible relevant market and therefore, the relevant market delineations may be left open. However, to aid the Hon'ble Commission in its assessment of the Proposed Combination, the following relevant markets have been identified:

12. **Product Market:** Both Parties primarily operate in the food services market under the QSR segment. The relevant product markets from broadest to narrowest have been identified as follows:

    A. Broadest – Food services (Organised and Unorganised)

    B. Broad – Food Services (Organised)

    C. Narrow – QSR (Organised and Unorganised)

    D. Narrowest – QSR (Organised)

13. **Geographic Market:** Both Devyani and Sapphire operate their respective franchise outlets across India and accordingly, the relevant geographic market may be considered as pan-India.

E. Vertical Linkages

14. Devyani and Sapphire do not exhibit any vertical linkages between each other. However, they have identified a limited vertical linkage with the supply of beverages, primarily soft drinks, by Varun Beverages Limited, a RJ Corp group company, which are sold as accompaniment to their primary product offerings. Accordingly, the upstream and downstream markets have been identified as:

Upstream: distribution of beverages

Downstream: market for the provision of foods services in India