



March 19, 2023

To,

The Board of Directors,
GMR Airports Limited
Skip House, 25/1,
Museum Road,
Bangalore – 560025, Karnataka

Sub: Fairness opinion to the Board of Directors of GMR Airports Limited (“GAL”) and GMR Infra Developers Limited (“GIDL”) on the recommendation of Security Exchange Ratio for the proposed merger of GAL and GIDL and GMR Airports Infrastructure Limited (“GIL”) (together referred to as “Companies”)

In terms of our engagement with GAL dated March 17, 2023, GAL has requested ICICI Securities (“I-Sec”) to provide a fairness opinion to the Board of Directors of GAL and GIDL on the share exchange ratio and non-convertible debenture (“NCD”) exchange ratio (together referred to as Security Exchange Ratio) suggested by the Registered Valuer in relation to the proposed amalgamation of GAL into GIDL and merger of resultant GIDL into GIL by way of merger under the Composite Scheme of Amalgamation.

BACKGROUND, PURPOSE AND USE OF THIS FAIRNESS OPINION

GAL is an unlisted public limited company with certain debt securities issued by it being listed on the BSE Limited (“BSE”). GAL is a systematically important core investment company (an SI-CIC) and is in the business of holding the shares and securities of, and lending funds to, group companies, which in turn own and/or operate airports and related infrastructure. GAL is also engaged in certain airport-related businesses, including the provision of engineering, procurement and construction (EPC) services. GAL is a subsidiary of GIL.

GIDL is an unlisted public limited company incorporated with the object of, inter alia, undertaking infrastructure business, providing financial assistance for development, construction, operation, maintenance, etc., of infrastructure projects in India. GIDL is a wholly owned subsidiary of GIL.

GIL (formerly known as GMR Infrastructure Limited) is a public limited company with its equity shares being listed on the National Stock Exchange (“NSE”) and the BSE. GIL is engaged in infrastructure activities, executing projects either by itself or through special purpose vehicles, providing support activities, as well as, supervisory and management functions, to its group entities.



We understand that the Board of Directors of the Companies are contemplating the merger of GAL and GIDL into GIL in two steps:

- (i) GAL into GIDL (“Proposed Transaction 1”); and
- (ii) GIDL (after the consummation of the merger envisaged in point (i) above) into GIL (“Proposed Transaction 2”).

(Proposed Transaction 1 and Proposed Transaction 2 collectively referred to as the “Proposed Transaction”) (the entity in existence after the completion of such restructuring being the “Resultant Entity”) on a going concern basis, pursuant to a Composite Scheme of Amalgamation under the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act (the “Scheme”).

Rationale of the Scheme: The Scheme has provided that merger of GAL and GIDL with and into GIL pursuant to Sections 230 to 232 of the Act and other applicable provisions of the Act, and also read with Section 2(1B) and other relevant provisions of the IT Act, has been done with the view to achieve the following benefits:

1. Consolidation of the business of the Companies, leading to synergies of operations and resulting in the expansion and long-term sustainable growth of the Companies’ business, which will create greater value for the Resultant Entity;
2. Streamlining the corporate organizational structure of the Companies by reducing the number of legal entities involved in the business and by reducing the number of layers of legal entities. This would provide several benefits, including enhanced managerial focus in a single amalgamated entity (being the Resultant Entity), seamless implementation of policy changes, reduction in the multiplicity of legal and regulatory compliances, costs rationalization and enhancement of the efficiency and control of the Companies, as well as improving the mechanisms for upstreaming of free cashflows and shareholder returns. This, in turn, will also assist shareholders and investors in better understanding and evaluating the structure and strength of the operations of the Companies, with the Resultant Entity also being more attractive to investors looking to invest in the airports sector;
3. Ensuring a stronger and wider capital and financial base for the Resultant Entity, along with greater access to capital, the reduction of cost of capital, and efficient and optimal utilisation of cash resources of the Companies, and thereby facilitating future growth and expansion;
4. Bringing about greater integration, operational and organisational rationalisation and effective utilisation of the combined resources of the Companies to enhance the operational efficiency of the Resultant Entity; and
5. Enabling greater economies of scale and reduction in/avoiding duplication of overheads, administrative, managerial and other common costs, and adoption of an integrated approach to internal policies, including those pertaining to remuneration, employee benefits, workplace rules and policies.



The Board of GAL has appointed KPMG Valuation Services LLP (“KPMG” or “Registered Valuer”) to determine and recommend the Security Exchange Ratio for the Proposed Transaction, on a going concern basis with 31 December 2022 being the valuation date.

In this connection, pursuant to the requirements of SEBI Operational Circular SEBI/HO/DDHS/DDHS_DIV1/P/CIR/2022/0000000103 dated 29 July 2022, updated as on 1 December 2022 and SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021, we have been requested by the Board of Directors of GAL to render an opinion on whether the Security Exchange Ratio determined and recommended by the Registered Valuer vide their report dated March 19, 2023, is fair.

The Registered Valuer has recommended the following for the Proposed Transaction 1 and Proposed Transaction 2:

Share Exchange Ratio 1:

15,918 (Fifteen Thousand Nine Hundred and Eighteen Only) equity shares of GIDL of INR 10/- each fully paid up for every 1,000 (One Thousand Only) equity shares of GAL of INR 10/- each fully paid up.

OCRPS Exchange Ratio 1:

15,918 (Fifteen Thousand Nine Hundred and Eighteen Only) OCRPS of GIDL of INR 400/- each fully paid up for every 40,000 (Forty Thousand Only) equity shares of GAL of INR 10/- each fully paid up.

NCD Exchange Ratio 1:

1 (One NCD) of GIDL for every 1 (one) NCD of GAL

Share Exchange Ratio 2:

10,000 (Ten Thousand Only) equity shares of GIL of INR 1/- each fully paid up for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine Only) equity shares of GIDL of INR 10/- each fully paid up.

OCRPS Exchange Ratio 2:

10,000 (Ten Thousand Only) OCRPS of GIL of INR 40/- each fully paid up for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine Only) OCRPS of GIDL of INR 400/- each fully paid up

NCD Exchange Ratio 2:

1 (One NCD) of GIL for every 1 (one) NCD of GIDL

Resultant Share Exchange Ratio:

8,531 (Eight Thousand Five Hundred Thirty One Only) equity shares of GIL of INR 1/- each fully paid up for every 1,000 (One Thousand Only) equity shares of GAL of INR 10/- each fully paid up.



Share Exchange Ratio 1, Share Exchange Ratio 2, Resultant Share Exchange Ratio, OCRPS Exchange Ratio 1 and OCRPS Exchange Ratio 2 is collectively referred to as the “Share Exchange Ratio”. NCD Exchange Ratio 1 and NCD Exchange Ratio 2 are collectively referred to as the “NCD Exchange Ratio”. Share Exchange Ratio and NCD Exchange Ratio are collectively referred to as the “Security Exchange Ratio”

This fairness opinion is intended only for the sole use and information of the Board of Directors of GAL and GIDL and only in connection with the Proposed Transaction. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Transaction or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Transaction as aforesaid can be done only with our prior permission in writing.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- a) Discussions (including oral) with, the draft and final valuation report and workings of the Registered Valuer;
- b) Discussions (including oral) with the managements of the Companies in connection with the operations of the respective Companies/ subsidiaries, past and present activities, future plans and prospects, details of the proposed deal in certain subsidiaries of the Companies as recently announced, share capital and shareholding pattern of the Companies including but not limited to the following:
 - Conversion of compulsorily convertible preference shares of GAL into equity shares.
 - Issuance of Foreign Currency Convertible Bond (“FCCB”) to ADP by GIL.
 - Cebu Transaction details as mentioned in Cebu Airport Transaction Slides dated 2 September 2022.
 - Contingent liability schedule for GIL as at 31 December 2022.
 - Details of Ratchet settlement between ADP & GIL.
- c) Salient features of the Composite Scheme of Amalgamation and Arrangement
- d) Historical financials of the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses
- e) Projections of the Companies and the subsidiaries, as applicable
- f) Other relevant information and documents for the purpose of this engagement



SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of GAL and GIDL and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information up to December 31, 2022 in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of GIL post the consummation of the Scheme.



No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Scheme.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the Security Exchange Ratio, as recommended by the Registered Valuer is fair.

Yours faithfully,

For ICICI Securities Limited,



Raghwendra Pande
Executive Vice President
ICICI Securities, Mumbai
Date: March 19, 2023

March 19, 2023

To,

The Board of Directors,
GMR Infra Developers Limited
Plot No. C-31, G Block,
Naman Centre, 7th Floor,
Bandra Kurla Complex, Bandra (East),
Mumbai, 400051, Maharashtra

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1. Consolidation of the business of the Companies, leading to synergies of operations and resulting in the expansion and long-term sustainable growth of the Companies’ business, which will create greater value for the Resultant Entity;
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3. Ensuring a stronger and wider capital and financial base for the Resultant Entity, along with greater access to capital, the reduction of cost of capital, and efficient and optimal utilisation of cash resources of the Companies, and thereby facilitating future growth and expansion;
4. Bringing about greater integration, operational and organisational rationalisation and effective utilisation of the combined resources of the Companies to enhance the operational efficiency of the Resultant Entity; and
5. Enabling greater economies of scale and reduction in/avoiding duplication of overheads, administrative, managerial and other common costs, and adoption of an integrated approach to internal policies, including those pertaining to remuneration, employee benefits, workplace rules and policies.



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NCD Exchange Ratio 1:

1 (One NCD) of GIDL for every 1 (one) NCD of GAL

Share Exchange Ratio 2:

10,000 (Ten Thousand Only) equity shares of GIL of INR 1/- each fully paid up for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine Only) equity shares of GIDL of INR 10/- each fully paid up.

OCRPS Exchange Ratio 2:

10,000 (Ten Thousand Only) OCRPS of GIL of INR 40/- each fully paid up for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine Only) OCRPS of GIDL of INR 400/- each fully paid up

NCD Exchange Ratio 2:

1 (One NCD) of GIL for every 1 (one) NCD of GIDL

Resultant Share Exchange Ratio:

8,531 (Eight Thousand Five Hundred Thirty One Only) equity shares of GIL of INR 1/- each fully paid up for every 1,000 (One Thousand Only) equity shares of GAL of INR 10/- each fully paid up.



Share Exchange Ratio 1, Share Exchange Ratio 2, Resultant Share Exchange Ratio, OCRPS Exchange Ratio 1 and OCRPS Exchange Ratio 2 is collectively referred to as the “Share Exchange Ratio”. NCD Exchange Ratio 1 and NCD Exchange Ratio 2 are collectively referred to as the “NCD Exchange Ratio”. Share Exchange Ratio and NCD Exchange Ratio are collectively referred to as the “Security Exchange Ratio”

This fairness opinion is intended only for the sole use and information of the Board of Directors of GAL and GIDL and only in connection with the Proposed Transaction. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Transaction or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Transaction as aforesaid can be done only with our prior permission in writing.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- a) Discussions (including oral) with, the draft and final valuation report and workings of the Registered Valuer;
- b) Discussions (including oral) with the managements of the Companies in connection with the operations of the respective Companies/ subsidiaries, past and present activities, future plans and prospects, details of the proposed deal in certain subsidiaries of the Companies as recently announced, share capital and shareholding pattern of the Companies including but not limited to the following:
 - Conversion of compulsorily convertible preference shares of GAL into equity shares.
 - Issuance of Foreign Currency Convertible Bond (“FCCB”) to ADP by GIL.
 - Cebu Transaction details as mentioned in Cebu Airport Transaction Slides dated 2 September 2022.
 - Contingent liability schedule for GIL as at 31 December 2022.
 - Details of Ratchet settlement between ADP & GIL.
- c) Salient features of the Composite Scheme of Amalgamation and Arrangement
- d) Historical financials of the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses
- e) Projections of the Companies and the subsidiaries, as applicable
- f) Other relevant information and documents for the purpose of this engagement



SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of GAL and GIDL and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information up to December 31, 2022 in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of GIL post the consummation of the Scheme.



No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Scheme.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the Security Exchange Ratio, as recommended by the Registered Valuer is fair.

Yours faithfully,

For ICICI Securities Limited,



Raghwendra Pande
Executive Vice President
ICICI Securities, Mumbai
Date: March 19, 2023



Morgan Stanley

March 19, 2023

Board of Directors

GMR Airports Infrastructure Limited

7th floor, Naman Center, Plot no C-31, G Block,

Bandra Kurla Complex, Bandra (East), Mumbai, 400051

Members of the Board:

We understand that GMR Airports Limited (the "**Transferor Company 1**"), GMR Infra Developers Ltd (the "**Transferor Company 2**") and GMR Airports Infrastructure Limited (the "**Transferee Company**") propose to enter into a composite scheme of amalgamation and arrangement substantially in the form of the draft dated 19 March, 2023 (the "**Scheme**"), which provides, among other things, (i) merger of Transferor Company 1 into Transferor Company 2 ("**Merger 1**"); and (ii) merger of Transferor Company 2 into Transferee Company ("**Merger 2**") (collectively referred to as "**Merger**").

Pursuant to Merger 1, the Transferor Company 2 will issue (i) 15,918 (Fifteen Thousand Nine Hundred and Eighteen) equity shares of face value INR 10 (Indian Rupees Ten) per share each credited as fully paid-up in the Transferor Company 2 for every 1,000 (One Thousand) fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten) per share of the Transferor Company 1 ("**Share Exchange Ratio 1**"); and (ii) 15,918 (Fifteen Thousand Nine Hundred and Eighteen) optionally convertible redeemable preference shares of face value INR 400 (Indian Rupees Four Hundred) per share ("**OCRPS 1**") each credited as fully paid-up in the Transferor Company 2 for every 40,000 (Forty Thousand) fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten) per share of the Transferor Company 1 ("**OCRPS Exchange Ratio 1**").

As per the terms of the Scheme, the Indian shareholders of Transferor Company 1 shall be issued equity shares and OCRPS 1 of Transferor Company 2 in lieu of their existing shareholding in Transferor Company 1, such that 91% (Ninety One percent) of the value of the securities being issued is in the form of equity shares of Transferor Company 2 and 9% (Nine percent) of the value of the securities being issued is in the form of OCRPS 1 of Transferor Company 2. Further, 100% (One Hundred percent) of the value of the securities issued to foreign shareholders in lieu of their existing shareholding in Transferor Company 1 shall be in the form of equity shares of Transferor Company 2.

Post completion of Merger 1, the Transferor Company 2 will merge into the Transferee Company pursuant to Merger 2. Pursuant to Merger 2, the Transferee Company will issue (i) 10,000 (Ten Thousand) equity shares of face value INR 1 (Indian Rupee One) per share (the "**Transferee Company Common Stock**") each credited as fully paid-up in the Transferee Company for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine) fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten) per share of the Transferor Company 2 ("**Share Exchange Ratio 2**"); and (ii) 10,000 (Ten Thousand) optionally convertible redeemable preference shares of face value of INR 40 (Indian Rupees Forty) per share in the Transferee Company ("**OCRPS 2**") for every 18,659 (Eighteen Thousand Six Hundred and Fifty Nine) OCRPS 1 ("**OCRPS Exchange Ratio 2**"). Share Exchange Ratio 1, OCRPS Exchange Ratio 1, Share Exchange Ratio 2 and OCRPS Exchange Ratio 2 are hereinafter collectively referred to as "**Exchange Ratios**".

We understand that the Transferee Company has appointed Ernst & Young Merchant Banking Services LLP (Registration no.: IBBI/RV-E/05/2021/155) ("**EY**") as the registered valuer for the purposes of recommending



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the Exchange Ratios for the Merger. The Exchange Ratios have been recommended under the report dated March 19, 2023 provided by EY (“**Valuation Report**”).

You have asked for our opinion as to whether the Exchange Ratios as recommended under the Valuation Report, are fair from a financial point of view to the Transferee Company. We were not asked to opine on and this opinion does not address any other aspects or implications related to the proposed Merger (including, without limitation, the form or structure thereof) or any other transactions. This opinion also does not address the relative merits of the Merger as compared to alternative transactions or strategies that might be available to the Transferee Company, nor does it address the underlying business decision or economic rationale of the Transferee Company to proceed with the Merger. This opinion should not be construed as a certification or opinion on the compliance of the Merger with the provisions of applicable laws or as regards any legal, accounting or taxation implications or issues arising from the Merger. This opinion should also not be construed as an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of any securities, assets, business or undertaking of any entity or company specified herein.

For purposes of the opinion set forth herein, we have:

- 1) Reviewed certain publicly available financial statements and other business and financial information of the Transferor Company 1 and the Transferee Company, respectively;
- 2) Reviewed certain internal available financial statements of the Transferor Company 1, Transferor Company 2 and Transferee Company;
- 3) Reviewed certain internal financial and operating data concerning the Transferor Company 1 and the Transferee Company, respectively;
- 4) Reviewed certain financial projections for Transferor Company 1 and its underlying operating subsidiaries provided by the management;
- 5) Reviewed information relating to certain strategic, financial and operational benefits anticipated from the Merger, provided by the management;
- 6) Discussed the past and current operations and financial condition and the prospects of the Transferor Company 1 with senior executives of the Transferee Company;
- 7) Discussed the past and current operations and financial condition and the prospects of the Transferee Company with senior executives of the Transferee Company;
- 8) Reviewed the reported prices and trading activity for the Transferee Company Common Stock;
- 9) Compared the prices and trading activity of the Transferee Company Common Stock with that of certain other publicly-traded companies comparable with the Transferee Company, respectively, and their securities;
- 10) Reviewed the Valuation Report and held discussions with EY on the valuation methodologies adopted and the rationale for assumptions included in the Valuation Report;
- 11) Reviewed the Scheme;
- 12) Reviewed heads of terms including terms of Foreign Currency Convertible Bonds issued to Aéroports De Paris SA, terms of OCRPS I;
- 13) Reviewed terms of Transferor Company 1 CCPS Settlement/ Ratchet Settlement;
- 14) Reviewed terms of Cebu airport transaction; and
- 15) Performed such other analysis and considered such other factors as we have deemed appropriate.

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This opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein. We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us or discussed with us by the Transferor Company 1, the Transferor Company 2 and the Transferee Company, and formed a substantial basis for this opinion and have further relied upon the assurances of the management of the Transferee Company that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections and information relating to certain strategic, financial and operational benefits anticipated from the Merger, we have assumed that they have been reasonably prepared on basis reflecting the best currently available estimates and judgments of the management of the Transferee Company of the future financial performance of the Transferor Company 1, the Transferor Company 2 and the Transferee Company. We have been given to understand that all information required by us and that was relevant for the purposes of our exercise has been disclosed to us. We have assumed that the management of the Transferee Company has drawn our attention to all pertinent information and matters relating to the Transferor Company 1, the Transferor Company 2 and the Transferee Company and otherwise which may have an impact on our opinion. The management of the Transferee Company has indicated to us that it has understood that any omissions, inaccuracies or misstatements in the information and documents shared with us may materially affect our fairness opinion.

In addition, we have assumed that the final version of the Scheme will not be materially different from the draft of the Scheme shared with us and the Merger will be consummated in accordance with the terms set forth in the Scheme without any waiver, amendment or delay of any terms or conditions. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. We are not legal, tax or regulatory advisors and have relied upon, without independent verification or due diligence, the assessment of the Transferee Company and its legal, tax and regulatory advisors with respect to legal, tax and regulatory matters. We have not undertaken an independent analysis of any potential or actual litigation, possible unasserted claims or regulatory action to which the Transferor Company 1, the Transferor Company 2 or the Transferee Company may be subject or by which they may be affected. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the directors or employees of any parties to the Merger, or any class of such persons, relative to the Exchange Ratios or as to the economic rationale of the Merger. We are expressing no opinion herein as to the price at which any securities of the Transferee Company will trade at any time. We have not undertaken any independent evaluation or appraisal of the assets or liabilities of the Transferor Company 1, the Transferor Company 2 or the Transferee Company, nor have we been furnished with any such evaluations/valuations or appraisals other than the Valuation Report, upon which we have relied without independent verification. We have not assumed any obligation to conduct any physical inspection of the assets, properties or facilities of the Transferor Company 1, the Transferor Company 2 or the Transferee Company. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not factor overall economic environment risk and other risks, and we have not assumed the risk of any material adverse change having an impact on the businesses of the Transferor Company 1, the Transferor Company 2 or the Transferee Company in arriving at this opinion.

We have acted as financial advisor to the Board of Directors of the Transferee Company solely in connection with this opinion and will receive a fee for rendering this opinion, which is payable upon delivery of this opinion. No portion of such fee is contingent on the conclusion contained in this opinion. The Transferee Company has agreed to indemnify us in connection with our engagement for this transaction. In the two years prior to the date hereof, we have provided financial advisory services in connection with certain proposed transactions involving the Transferor Company 1, the Transferor Company 2, the Transferee Company and their affiliates unrelated to the proposed Scheme and Merger, and were entitled to receive customary fees in connection with such services in accordance with the terms of engagement for the same. Morgan Stanley may also seek to provide such services to the Transferee Company and its affiliates in the future and expects to receive fees for the rendering of these services.

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Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Transferor Company 1, the Transferor Company 2 and the Transferee Company, or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Board of Directors of the Transferee Company only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be, in its entirety, (i) included in any filing the Transferee Company is required to make with the Securities and Exchange Board of India ("SEBI"), BSE Limited or the National Stock Exchange of India Limited, the relevant bench of the NCLT and other regulatory or statutory authorities in connection with the Merger, if such inclusion is required by applicable law; (ii) disclosed on the website of the Transferee Company in accordance with the applicable SEBI circulars; and (iii) made part of the explanatory statement to be circulated to the shareholders and creditors of the Transferee Company. We owe responsibility only to the Board of Directors of the Transferee Company that has appointed us and to no other person. We do not take any responsibility for the unauthorized use of this opinion. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person including any fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents. In addition, this opinion does not in any manner address the prices at which the Transferee Company Common Stock will trade following consummation of the Merger or at any time and Morgan Stanley expresses no opinion or recommendation as to how the shareholders or creditors of Transferee Company, the Transferor Company 1 and the Transferor Company 2 should vote at the meetings to be held in connection with the Merger. The final responsibility for the determination and approval of the Exchange Ratios will be with the Boards of Directors of the Transferor Company 1, the Transferor Company 2 and the Transferee Company who should take into account all relevant factors including their own assessment of the Scheme and inputs of other advisors.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Exchange Ratios pursuant to the Scheme are fair from a financial point of view to the Transferee Company.

Very truly yours,

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED

By:



Name: Sachin Wagle

Designation: Managing Director

