

National Stock Exchange Of India Limited

Ref: NSE/LIST/35204_I

August 02, 2023

The Company Secretary
GMR Airports Infrastructure Limited
New Udaan Bhawan, Opp. Terminal 3,
Indra Gandhi International Airport,
New Delhi - 110037

Kind Attn.: Mr. T. Venkat Ramana

Dear Sir,

Sub: Observation Letter for the draft Composite Scheme of Amalgamation and Arrangement among GMR Airports Limited (“Transferor Company 1” or “GAL”) and GMR Infra Developers Limited (“Transferor Company 2” or “GIDL”) and GMR Airports Infrastructure Limited (formerly GMR Infrastructure Limited) (“Transferee Company” or “GIL”) and their respective shareholders and creditors.

We are in receipt of the draft Composite Scheme of Amalgamation and Arrangement among GMR Airports Limited (“Transferor Company 1” or “GAL”) and GMR Infra Developers Limited (“Transferor Company 2” or “GIDL”) and GMR Airports Infrastructure Limited (formerly GMR Infrastructure Limited) (“Transferee Company” or “GIL”) and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 vide application dated April 12, 2023.

Based on our letter reference no. NSE/LIST/35204 dated June 12, 2023, submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 (circular) dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations 2015 along with SEBI Circular No. SEBI/HO/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 and Regulation 94 A(2) SEBI (LODR) Regulations, SEBI vide its letter dated August 01, 2023 has inter alia given the following comment(s) on the draft scheme of arrangement:

- a. *Companies shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b. *Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*
- d. *Companies involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal.*

- e. *The entities involved in the scheme shall duly comply with various provisions of the SEBI Master Circular dated November 23, 2021.*
- f. *Company shall ensure that information pertaining to all the unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h. *Stock Exchange shall advise the Company to disclose:*
- (i) Summary, major components and background of the scheme of arrangement as disclosed to by GAIL to SEBI vide email dated July 10, 2023.*
 - (ii) The details of Assets & Liabilities which are being merged into GAIL.*
 - (iii) Detailed working pertaining to reconciliation of share capital of GAL, GIDL and GAIL, pre and post-scheme.*
 - (iv) Complete disclosure on shareholding of GAL, GIDL and GAIL on each stage of the scheme accounting for conversion of security instruments (CCPS, OCRPS, CCDs, FCCBs etc.) along with final shareholding on fully diluted basis.*
 - (v) Terms of OCRPS being issued as a part of the scheme and the reasons for issuing OCRPS in addition to equity shares.*
 - (vi) The impact of issuance of OCRPS and FCCBs (to KIA and ADP) on the public shareholders of GAIL.*
- as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.*
- i. *The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- j. *Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- k. *Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- l. *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI.*
- m. *Company shall ensure that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*

- n. *Company shall comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*
- o. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*
- p. *Company shall ensure that entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular dated July 29, 2022.*
- q. *Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.*
- r. *Company shall ensure that the entities involved in the proposed scheme have compiled with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.*
- s. *Company shall disclose the fact that pursuant to merger of GAL into GAIL, the resultant entity's major source of income is non-financial in nature and it would have minuscule non-group exposure also while a CIC can have only group exposure. The company has submitted it plans to gradually increase exposure in non-group entities by investing in listed/ unlisted entities in airport related business viz. airport real estate, airport lounges, airport IT infrastructure, solar power assets etc. and become a pure play Airport company. The company has sought exemption from public notice as there is no transfer of ownership and it's a merger transaction as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.*
- t. *Company shall ensure that the entity involved in the proposed scheme shall disclose the No Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 02, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>