

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India

T +91 11 45002219

F +91 11 42787071

Independent auditor's certificate on the proposed accounting treatment included in the draft Composite Scheme of Amalgamation and Arrangement and capability of the resultant entity for payment of interest/repayment of principal of non-convertible debt instruments pursuant to SEBI Circulars and sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the Rules')

To,
The Board of Directors,
GMR Airports Infrastructure Limited
New Udaan Bhawan Complex, Opp. Terminal-3,
Indira Gandhi International Airport
New Delhi - 110037

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 February 2023 with GMR Airports Infrastructure Limited ('the Company' or 'the Transferee Company' or 'the Resultant Entity').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 12.1 of the draft composite scheme of amalgamation and arrangement between the Company, GMR Infra Developers Limited ('the Transferor Company 2') and GMR Airports Limited (the 'Transferor Company 1') and their respective shareholders and creditors (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 19 March 2023, in terms of the provisions of SEBI Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022 as amended from time to time and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 as amended from time to time (together referred as the 'SEBI circular'), Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. A certified true copy of the Draft Scheme, with the proposed accounting treatment specified in Clause 12.1 of the Draft Scheme, as attached herewith in Appendix 1 and the accompanying statement prepared by the Company's management containing assessment of the capability of the Company for payment of interest/repayment of principal of the non-convertible bonds issued by Transferor Company 1 as included in the accompanying statement ('the Statement') examined by us pursuant to the SEBI Circular, as attached herewith in Appendix 2, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Statement and the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme and the Statement applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001 India

Walker Chandiook & Co LLP

4. The Management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('SEBI LODR') read with SEBI circular, the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges').

Auditor's Responsibility

5. Pursuant to the requirements of the relevant laws and regulations and SEBI circular, it is our responsibility:
 - i. to provide reasonable assurance in the form of an opinion as to whether the proposed accounting treatment specified in Clause 12.1 of the Draft Scheme complies with the SEBI LODR, the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles; and
 - ii. to provide limited assurance in form of a conclusion as to whether anything has come to our attention that causes us to believe that the declaration given by the management as included in the accompanying Statement capability of the Resultant entity for payment of interest/repayment of principal, is, in all material respects, not fairly stated.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 above. We have performed the following procedures in relation to such matters:
 - a) Obtained the Draft Scheme from the management of the Resultant company.
 - b) Reviewed the proposed accounting treatment as contained in Appendix 1 to this certificate.
9. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 above pertaining to the Statement. We have performed the following procedures in relation to such matters:
 - a) Obtained the reviewed condensed interim financial statements of the Resultant company for the nine months period ended 31 December 2022;
 - b) Broadly reviewed the combined financial information of the entities involved in the Scheme;
 - c) Reviewed the audit reports of the Transferor Company 1 for the year ended 31 March 2022 and limited review reports for the quarter and nine months period ended 31 December 2022 dated 17 May 2022 and 08 February 2023 respectively for any qualification/adverse comment with respect to the going concern;
 - d) Obtained remaining contractual maturities of financial liabilities and calculation of net cash position as at 31 December 2022 for the Resultant company to assess whether the same is sufficient to meet the liquidity requirement of the Company in the near future;
 - e) Obtained necessary representations from the management; and
 - f) Based on the procedure performed in (a) to (e) above, evaluated the appropriateness of the declaration made by the management in the Statement.



Walker Chandiook & Co LLP

Opinion on proposed accounting treatment specified in Clause 12.1 of the Draft Scheme

10. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management, in our opinion, the proposed accounting treatment specified in Clause 12.1 of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India.

Conclusion on the Statement

11. Based on the procedures performed as per paragraph 9 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the management, nothing has come to our attention that cause us believe that the declaration given by the management as included in the accompanying Statement with respect to the capability of the Resultant Entity for payment of interest/repayment of principal, is, in all material respects, not fairly stated.
12. We, further state that this is not an assurance as to the future viability of the Company. Our conclusion above is based on the facts up to the date of this certificate and we neither give any guarantee nor any assurance that all liabilities falling will get discharged by the Resultant Entity as and when they fall due.

Restriction on distribution or use

13. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI LODR, the SEBI circular, Sections 230 to 232 and other applicable provisions of the Act read with the Rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant National Company Law Tribunal. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
14. This certificate is addressed to Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements as stated in paragraph 2 above and for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant National Company Law Tribunal. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No. 502103



UDIN: 23502103BGWYJL3738

Place: New Delhi
Date: 19 March 2023



GMR AIRPORTS INFRASTRUCTURE LIMITED

(Formerly known as GMR Infrastructure Limited)

Appendix 1

Extracts from Draft Scheme of Composite Scheme of Amalgamation and Arrangement among GMR Airports Limited (Transferor Company 1) and GMR Infra Developers Limited (Transferor Company 2) and GMR Airports Infrastructure Limited (formerly GMR Infrastructure Limited) (Transferee Company) and their respective Shareholders and Creditors

Accounting treatment in the books of Transferee company

12.1 Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with the "Pooling of Interest Method" laid down under Appendix C (*Business combinations of entities under common control*) of the Indian Accounting Standard 103 – 'Business Combination' notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as follows:

- (a) The Transferee Company shall record all the assets, liabilities and reserves of the Transferor Company 2, after giving effect of the accounting treatment specified in paragraph 8.1 of the Scheme, relating to the merger of Transferor Company 1 with Transferor Company 2 under **PART C** of this Scheme, vested in the Transferee Company pursuant to the Scheme, at the respective existing carrying amounts.
- (b) The cumulative carrying amount of investments in:
 - (i) the equity shares and OCRPS of Transferor Company 2, including the equity shares and OCRPS received by the Transferee Company pursuant to paragraph 6.4.2 of the Scheme, relating to the merger of the Transferor Company 1 with the Transferor Company 2; and
 - (ii) the equity shares of Transferor Company 2 to be issued pursuant to paragraph 10.3.1, as appearing in the books of the Transferee Company;

together with the cumulative corresponding unrealised gain recognised in FVTOCI reserve, and related deferred tax liability, shall stand cancelled.


- (c) Inter-corporate loans, deposits or balances as between the Transferee Company and the Transferor Company 2, as well as the obligations in respect thereof, shall stand cancelled, and there shall be no obligations / rights in that regard.
- (d) No adjustments are to be made to reflect fair values, or recognise new assets or liabilities, except to harmonise the accounting policies between the Transferor Company 2 and Transferee Company. In case of any difference in accounting policies between the Transferee Company and the Transferor Company 2, the accounting policies followed by the Transferee Company shall prevail and the impact of the difference will be quantified and adjusted to the revenue reserves of Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- (e) All costs and expenses incurred in connection with the Scheme and to put it into operation, and any other expenses and charges attributable to the implementation of the Scheme, shall be debited to the statement of profit and loss of the Transferee Company.

**SIGNED FOR
IDENTIFICATION
PURPOSES ONLY**



- (f) The comparative financial information presented in the financial statements of Transferee Company shall be restated for the accounting impact of the business combination from the beginning of the preceding period in the financial statements or from the date from which Transferee Company, Transferor Company 1 and Transferor Company 2 came under common control, whichever is later.
- (g) The identity of the reserves, including retained earnings of the Transferor Company 2, shall be preserved and they shall appear in the financial statements of the Transferee Company, in the same form and manner in which they appeared in the financial statements of the Transferor Company 2, after giving effect of the accounting treatment specified in paragraph 8.1 of the Scheme relating to the merger of Transferor Company 1 with Transferor Company 2.
- (h) The Transferee Company shall credit, to its equity share capital account and OCRPS classified under 'other equity', the aggregate face value of equity shares and OCRPS respectively issued by it to the equity shareholders and OCRPS holders of the Transferor Company 2 in terms of paragraph 10.4.1 of the Scheme.
- (i) The difference between the value of assets over the value of liabilities and reserves of the Transferor Company 2 transferred to the Transferee Company pursuant to the Scheme (after giving effect of the accounting treatment specified in paragraph 8.1 of the Scheme), after adjusting any differences arising on the cancellation of investment in equity share capital and OCRPS together with the unrealised gain recognised in FVTOCI reserve and related deferred tax liability, as mentioned in paragraph 12.1.1(b) above, the face value of equity shares and OCRPS of the Transferee Company issued in paragraph 10.4.1 above and other adjustments contained in clause 12.1.1(c) and 12.1.1(d) above, will be first adjusted with or added to the amalgamation adjustment deficit account / capital reserve (if any) transferred to the Transferee Company pursuant to the effect of accounting treatment specified in paragraph 8.1 of the Scheme and then, the net difference, if in excess, shall be transferred to the capital reserve of the Transferee Company and presented separately from other capital reserve in the books of Transferee Company with disclosure of its nature and purpose in the notes to the financial statements of the Transferee Company. The net difference after the aforesaid adjustment will be disclosed as capital reserve / amalgamation adjustment deficit account, as the case may be.
- (j) Notwithstanding anything above, the Board of Directors of the Transferee Company is authorized to account for any of the abovementioned balances for any amendments / clarifications to the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and in accordance with the other generally accepted accounting principles in India.

For GMR Airports Infrastructure Limited
(Formerly known as GMR infrastructure Limited)


Saurabh Chawla
Chief Financial Officer

Date: March 19, 2023
Place: New Delhi



**SIGNED FOR
IDENTIFICATION
PURPOSES ONLY**

As per

Appendix 2

Declaration with respect to the Combined entity's payment of interest/repayment of principal capacity of the non-convertible bonds issued by GMR Airports Limited

On the basis of current business plan and cash flow projections of the GMR Airports Limited (Transferor Company 1), GMR Infra Developers Limited (Transferor Company 2) and GMR Airports Infrastructure Limited ('Company' or 'GIL' or 'Transferee Company'), We confirm that the Merged GIL ('Resulting Company') will have the capacity to meet the obligation related to the payment of interest/repayment of principal of the non-convertible bonds ("NCBs") issued by Transferor Company 1 and outstanding on December 31, 2022 as per below details:

(Amount in Rs.)

S.no.	ISIN No.	Face Value per NCB	Due date for repayment of principal	Principal Amount outstanding as on December 31, 2022*	Coupon Rate
1.	INE903F08086	1,00,00,000	December 28, 2023	2,200,000,000	6.00%
2.	INE903F08094	1,00,00,000	December 28, 2023	8,000,000,000	6.00%
3.	INE903F08102	1,00,00,000	December 28, 2023	3,250,000,000	6.00%
4.	INE903F08110	1,00,00,000	December 28, 2023	3,250,000,000	6.00%
5.	INE903F08128	10,00,000	August 17, 2024	3,000,000,000	6.00%
6.	INE903F08136	10,00,000	June 24, 2024	4,000,000,000	6.00%
7.	INE903F08151	10,00,000	September 22, 2024	11,100,000,000	5.50%
8.	INE903F08169	1,00,00,000	September 24, 2024	3,450,000,000	6.00%


*Post December 31, 2022 the Transferor Company 1 has made mandatory partial repayment of Rs. 442.90 Crores as per below details:

S.no.	ISIN No.	Amount Repaid in Rs.
1.	INE903F08086	1,070,000,000
2.	INE903F08102	1,570,000,000
3.	INE903F08151	1,789,000,000

We have considered the following key factors while doing the aforementioned assessment:

- Free cash and cash equivalents along with liquid short-term investments available with the Company as on March 31, 2022.
- Cash generation from the operating activities of the Transferor Company 1, which will become part of Resulting Company after merger.
- Fund raising ability of the Resulting Company considering the strong asset base and future projections of the business operations of the Transferor Company 1 which will become part of Resulting Company after merger.
- Resulting Company will have the ability to refinance these non-convertible bonds considering the proportion of debt to the overall size and assets of the Company.

For GMR Airports Infrastructure Limited
(Formerly known as GMR infrastructure Limited)


Sourabh Chawla
Chief financial officer

Date: March 19, 2023
Place: New Delhi



**SIGNED FOR
IDENTIFICATION
PURPOSES ONLY**