

DCS/AMAL/PB/R37/2856/2023-24

August 1,2023

The Company Secretary,
GMR Airports Infrastructure Ltd
Unit No. 12, 18th Floor, Tower A,
Building No. 5,
DLF Cyber City, DLF Phase- III,
Gurugram, Haryana, 122002

GMR Airports Limited
New Udaan Bhawan
Opp Terminal 3 IGI Airport Terminal 3
New Delhi -110037

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Amalgamation & Arrangement amongst GMR Airports Limited and GMR Infra Developers Limited and GMR Airports Infrastructure Limited and their respective shareholders and creditors

We are in receipt of the Composite Scheme of Amalgamation & Arrangement amongst GMR Airports Limited and GMR Infra Developers Limited and GMR Airports Infrastructure Ltd and their respective shareholders and creditors filed by GMR Airports Limited and GMR Airports Infrastructure Ltd as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated August 1,2023 has inter alia given the following comment(s) on the draft scheme of Amalgamation & Arrangement along with the comments received from RBI;

Sebi comments in accordance with Regulation 37(1) of Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021

- a) "The proposed composite Scheme of Amalgamation and Arrangement between GMR Airports Limited and GMR Infra Developers Limited and GMR Airports Infrastructure Ltd shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015"
- b) "Company shall 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 exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- d) "The entities 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) "Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated November 23, 2021."
- f) "Company is advised that the 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) "Company is advised 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) 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 is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- n) "Company is advised to comply with all 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 Hon'ble 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."
- SEBI comments in accordance with Regulation 59A (1) of Master Circular No. SEBI/HO/DDHS/DDHS Div1/P/CIR/2022/0000000103 dated July 29,2022
- p) "The 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 the provisions of Chapter XII of the Operational Circular dated July 29, 2022.

- q) "The listed entity involved in the proposed scheme shall include the information pertaining to the unlisted entity in the format specified in abridged prospectus as provided in Part B of Schedule I of 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) "The entities involved in the proposed scheme shall have complied 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.

SEBI Comments considering comments of RBI.

Company shall disclose;

- s) "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.

The listed 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.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' 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 Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the**

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Prasad Bhide
Senior Manager



Marian Dsouza
Senior Manager

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