



Creating tomorrow today

GMR AIRPORTS LIMITED

Know Your Customer (KYC) Policy

For GMR Airports Limited

A handwritten signature in black ink, appearing to be 'Anurag'.

Director

Table of Contents

1. Introduction	3
1.1.Purpose of the Policy	3
1.2.Definitions	3
1.3.Interpretation	5
2. Customer Acceptance Policy (CAP)	5
3. Risk Management	5
4. Customer Identification Procedure (CIP)	6
4.1. KYC norms for Individuals and Non-Individuals	6
4.2. Simplified KYC norms for Foreign Portfolio Investors (FPIs).....	7
5. Monitoring of Transactions	8
5.1.Periodic Updation	8
5.2.Record Maintenance	9
6. Designated Director	9
7. Principal Officer	9
8. Other requirements	9
9. Amendment	10

1. Introduction

The Reserve Bank of India (RBI) on February 25, 2016 vide Notification No. **RBI/DBR/2015-16/18 DBR.AML.BC. No.81/14.01.001/2015-16** (updated as on December 08, 2016 and July 08, 2016) issued the Know your customer (KYC) Directions, 2016 (**KYC Directions, 2016**), inter alia, directing that every Regulated Entity to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions. These directions have been issued by the RBI in terms of the provisions of Prevention of Money-Laundering Act, 2002 (**PMLA**) and the Prevention of Money-Laundering (Maintenance of Records) Rules 2005.

GMR Airports Limited (GAL) is a Core Investment Company (CIC) categorized as a Systemically Important Non-deposit taking Institution defined as the Regulated Entity (RE) under these Directions. The main object of the Company is to invest in equities and other securities of group companies as well as other companies / bodies. It does not accept deposits.

1.1. Purpose of the Policy

The purpose of this document is to have a Policy for the company in compliance with the provisions of the aforesaid RBI Master Direction - KYC.

This policy is framed based on requirements prescribed under the aforesaid Directions and is intended to clearly lay out:

1. Customer acceptance policy,
2. Risk Management,
3. Customer Identification process; and
4. Monitoring of transactions.

1.2. Definitions

For the purpose of this Policy:

- A. "Central KYC Records Registry" (CKYCR) means an entity defined under Rule 2(1)(aa) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.
- B. "Customer" means a person who is engaged in a financial transaction or activity with a Regulated Entity (RE) and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.

- C. "Designated Director" means a person designated by the RE to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and shall include:
- i. Managing Director or a whole-time Director, duly authorized by the Board of Directors, if the RE is a company,
 - ii. Managing Partner, if the RE is a partnership firm,
 - iii. Proprietor, if the RE is a proprietorship concern,
 - iv. Managing Trustee, if the RE is a trust,
 - v. a person or individual, who controls and manages the affairs of the RE, if the RE is an unincorporated association or a body of individuals, and
 - vi. a person who holds the position of senior management or equivalent designated as a 'Designated Director' in respect of Cooperative Banks and Regional Rural Banks.
- Explanation. - For the purpose of this clause, the terms "Managing Director" and "Whole-time Director" shall have the meaning assigned to them in the Companies Act, 2013.
- D. "Principal Officer" means an officer nominated by the RE, responsible for furnishing information as per rule 8 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.
- E. "Transaction" means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes:
- i. opening of an account;
 - ii. deposit, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;
 - iii. the use of a safety deposit box or any other form of safe deposit;
 - iv. entering into any fiduciary relationship;
 - v. any payment made or received, in whole or in part, for any contractual or other legal obligation; or
 - vi. establishing or creating a legal person or legal arrangement.
- I. "Customer Due Diligence (CDD)" means identifying and verifying the customer and the beneficial owner using 'Officially Valid Documents' as a 'proof of identity' and a 'proof of address'.
- J. "Regulated Entities" (REs) means:
- i. all Scheduled Commercial Banks (SCBs)/ Regional Rural Banks (RRBs)/ Local Area Banks (LABs)/ All Primary (Urban) Co-operative Banks (UCBs) /State and Central Co-operative Banks (StCBs / CCBs) and any other entity which has been licenced under Section 22 of Banking Regulation Act, 1949, which as a group shall be referred as 'banks';

- ii. All India Financial Institutions (AIFIs);
- iii. All Non-Banking Finance Companies (NBFC)s, Miscellaneous Non-Banking Companies (MNBCs) and Residuary Non-Banking Companies (RNBCs);
- iv. All Payment System Providers (PSPs)/ System Participants (SPs) and Prepaid Payment Instrument Issuers (PPI Issuers);
- v. All authorised persons (APs) including those who are agents of Money Transfer Service Scheme (MTSS), regulated by the Regulator.

1.3. Interpretation

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following Directions, Rules and Regulations:

- KYC Directions, 2016
- Prevention of Money-Laundering Act, 2002
- Prevention of Money-Laundering (Maintenance of Records) Rules, 2005

Other terms not specifically defined here shall have the same meaning as assigned to them under the aforementioned Directions, Act and Rules etc.

2. Customer Acceptance Policy (CAP)

GAL shall ensure:

- No account is opened in anonymous or fictitious/benami name.
- No account is opened where GAL is unable to apply appropriate CDD measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer.
- No transaction or account based relationship is undertaken without following the CDD procedure.
- The mandatory information to be sought for KYC purpose while opening an account and during the periodic updation, is specified.
- 'Optional'/additional information, is obtained with the explicit consent of the customer after the account is opened.
- CDD Procedure is followed for all the joint account holders, while opening a joint account.
- Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out.
- Suitable system is put in place to ensure that the identity of the customer does not match with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India.

3. Risk Management

- The company shall categorize its customers into 'High Risk / Medium Risk / Low Risk' according to risk perceived based on its experience.

- Risk categorisation shall be undertaken based on parameters such as customer's identity, social/financial status, nature of business activity, and information about the clients' business and their location etc.
- While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.
- GAL shall consider the following while categorizing the customers under Risk:

Risk Categorisation	Entities
Low Risk	Direct Subsidiaries / Indirect Subsidiaries / GMR Group entities
Medium Risk	Non-Group entities based on the assessment and risk perception of the RE
High Risk	Non-Group entities based on the assessment and risk perception of the RE

- High risk accounts have to be subjected to more intensified monitoring.
- GAL to carry periodic reviews of risk categorisation of accounts, with such periodicity being at least once in six months, to evaluate the need for applying enhanced due diligence measures, if any.

4. Customer Identification Procedure (CIP)

4.1 KYC norms for Individuals and Non-Individuals

- GAL shall ensure customer identification process for:
 - account based relationships;
 - any international money transfer operations for a person who is not an account holder;
 - transactions for a non-account based customer, that is a walk-in customer, where the amount involved is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected.
- One or more of the following valid self-attested documents may be called from the customers as Officially Valid Document (OVD), containing details of proof of their identity and address:

Type of Customer	Officially Valid Documents
In case of Individuals	a. Identity proof (self-attested): (Copy of one of the following) <ul style="list-style-type: none"> ○ Passport ○ Driving Licence ○ Income Tax PAN Card ○ Voter's Identity Card

	<ul style="list-style-type: none"> ○ Aadhar Card <p>b. Residence proof(self-attested): (Copy of one of the following)</p> <ul style="list-style-type: none"> ○ Utility Bill (Latest Telephone / Post-paid mobile / Electricity bill) ○ Property or Municipal Tax receipt ○ Bank Account or post office savings bank account statement ○ Passport ○ Driving Licence ○ Voter's Identity Card ○ Aadhar Card <p>c. One recent photograph</p> <p>d. In case of change of name</p> <ul style="list-style-type: none"> ○ Copy of the marriage certificate; or ○ Gazette notification
<p>In case of Non-Individual i.e., Legal Entities (As applicable)</p>	<p>Identity proof: (Copy of one of the following)</p> <ul style="list-style-type: none"> ○ Income Tax PAN Card ○ Incorporation Certificate & Memorandum & Articles of Association; ○ A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf. ○ Officially valid documents in respect of managers, officers or employees holding an attorney to transact on its behalf ○ Registration Certificate & Deed, in case of Company/Partnership firm/Trust <p>Residence proof: (Copy of one of the following)</p> <ul style="list-style-type: none"> ○ Form filed with the Registrar of Companies for situation of registered office, in case of company (Applicable form in case of Partnership firm/Trust) ○ Latest utility bill; ○ Any other supporting document.

➤ In addition to verification through one or more of the above said documents, the company may also call for suitable introduction/documents as it may deem fit.

4.2 Simplified KYC norms for Foreign Portfolio Investors (FPIs)

- Accounts of FPIs which are eligible/ registered as per SEBI guidelines, for the purpose of investment under Portfolio Investment Scheme (PIS), shall be opened by accepting KYC documents as detailed in Annex II of the said KYC Directions, subject to Income Tax (FATCA/CRS) Rules.
- GAL shall obtain undertaking from FPIs or the Global Custodian acting on behalf of the FPI that as and when required, the exempted documents as detailed in Annex II of the KYC Directions.

5. Monitoring of Transactions

1. The company shall monitor:
 - a. transactions of a suspicious nature on an ongoing basis;
 - b. Large and complex transactions including RTGS transactions, and those with unusual patterns, inconsistent with the normal and expected activity of the customer, which have no apparent economic rationale or legitimate purpose;
 - c. Transactions which exceed the thresholds prescribed for specific categories of accounts.
 - d. High account turnover inconsistent with the size of the balance maintained.
 - e. Deposit of third party cheques, drafts, etc. in the existing and newly opened accounts followed by cash withdrawals for large amounts.
2. The extent of monitoring will depend on the risk sensitivity of the account and special attention be given to all complex unusually large transactions, which have no apparent economic or lawful purpose.
3. High risk accounts have to be subjected to more intensified monitoring.
4. The company shall promptly report high value cash transactions or transactions of a suspicious nature to the appropriate regulatory and investigating authorities, as per the provisions of the PMLA and the Rules made thereunder.

5.1 Periodic Updation

Periodic updation shall be carried out at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low risk customers subject to the following conditions:

- (a) Fresh proofs of identity and address shall not be sought at the time of periodic updation, from customers who are categorised as 'low risk', when there is no change in status with respect to their identities and addresses and a self-certification to that effect is obtained.

- (b) A certified copy of the proof of address forwarded by 'low risk' customers through mail/post, etc., in case of change of address shall be acceptable.
- (c) Physical presence of low risk customer at the time of periodic updation shall not be insisted upon.
- (d) The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.
- (e) Fresh photographs shall be obtained from individual customer for whom an account was opened when they were minor, on their becoming a major.

5.2 Record Maintenance

- GAL shall ensure maintenance and preservation of the records pertaining to KYC and transactions for the time duration of 5 years for KYC-related; and transaction-related documents as prescribed by RBI.
- GAL shall maintain record of all transactions, the nature and value of transactions as may be prescribed - whether single or in series connected to each other where such series of transactions take place in a month, furnish information to Director (so appointed by the Central Government) within time prescribed; and verify and maintain the records of the identity of all the company's clients.

6. Designated Director

- (a) A "Designated Director" shall be nominated by the Board.
- (b) The name, designation and address of the Designated Director shall be communicated to the FIU-IND.
- (c) In no case, the Principal Officer shall be nominated as the 'Designated Director';
- (d) GAL to ensure compliances of the said Directions through "High Level Monitoring Committee" constituted under the Designated Director or any other equivalent functionary.

7. Principal Officer

- (a) A "Principal Officer" shall be nominated by the Board.
- (b) The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
- (c) The name, designation and address of the Principal Officer shall be communicated to the FIU-IND.

8. Reporting

- (a) Requirements under FATCA/CRS/PML/FIU-IND relating to reporting, filing of Suspicious Transaction Report (STR), Cash Transaction Report (CTR), counterfeit



- currency report (CCR) and other applicable reports under FATCA to be complied with in terms of the direction of the RBI or the other authorities to the extent applicable to GAL.
- (b) In case GAL falling under FATCA and CRS, shall determine whether it is a Reporting Financial Institution as defined in Income Tax Rule 114F and if so, shall be required to register on the related e-filing portal of Income Tax Department as Reporting Financial Institutions at the link <https://incometaxindiaefiling.gov.in/> post login --> My Account --> Register as Reporting Financial Institution.
 - (c) GAL to submit online reports under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) by using the digital signature of the 'Designated Director' by either uploading the Form 61B or 'NIL' report, as the case may be for which, the schema prepared by Central Board of Direct Taxes (CBDT) be referred to.
 - (d) Cases where a large number of cheque books are sought by the company and/or multiple small deposits (generally in cash) across the country in one bank account and/or where a large number of cheques are issued bearing similar amounts/dates, shall be immediately reported to Reserve Bank of India and other appropriate authorities such as FIU-IND.
 - (e) GAL to have concurrent /internal audit system to verify the compliance with KYC/AML policies and procedures and submission of quarterly audit notes and compliance to the said policy to the Audit Committee

9. Amendment

The KYC Directions, 2016 shall be binding on the Company to the extent applicable and any amendment or modification in the said Directions, 2016 or Prevention of Money-Laundering Act, 2002 (PMLA) and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and any other applicable KYC-related law shall automatically be applicable to the said policy.

The Policy shall be amended by the Board from time to time as it may deem fit and shall be binding on the Company unless the Board determines otherwise. This policy has been duly approved by the Board of Directors of the Company on May 15, 2018.

For GMR Airports Limited



Director