

GMR Hyderabad International Airport Limited



Collection and Utilization of Marketing Fund Policy





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Chapter I

Policy for collection and utilization of Marketing Fund contribution

This policy is finalized and implemented for the sole purpose of collection, utilization and maintenance of Marketing Fund contributed by the licensees and/or concessionaires operating at the Rajiv Gandhi International Airport (“Airport” or “RGIA”).

Chapter II

Marketing Fund

2.1 Marketing Fund meaning

“Marketing Fund” is a contribution made by the licensee(s) and/or concessionaire(s) operating at the RGIA, at specified percentage of their sales / revenue per month, as per the agreement with respective concessionaire(s) and/or licensee(s).

2.2 Marketing Fund – Objectives

2.2.1. It is intended to utilize the marketing fund to carry out the marketing and promotional events and activities at RGIA to, *inter-alia*, achieve the following objectives:

- i. Enhance retail, F & B and service experience of the Airport users;
- ii. Sensitizing Airport users about the facilities and services available at the Airport;
- iii. Creating enhanced visibility for the brands associated with RGIA;
- iv. Marketing and brand building activities;
- v. Increasing retail, F&B and service sale at the Airport;
- vi. Increasing footfalls at the Airport’s retail, F & B and service outlets.
- vii. Any other objective, not mentioned above, as deem fit by Marketing Committee.

2.2.2 The Marketing Fund will be used exclusively for the costs associated with advertising, promotion, publicity, market research, consultancy and other programs and related activities for achieving the objectives stated in para 2.2.1.

Chapter III

Marketing Fund Committee

3.1 Constitution and reconstitution of the Marketing Fund Committee

A Marketing Fund Committee will consist of Six (6) members out of which, three (3) members shall be from GMR Hyderabad International Airport Limited (GHIAL) and Three (3) members shall be from concessionaires and licensees.

GHIAL will be represented by Three (3) Members – GHIAL CCO- AERO, GHIAL-CCO – NON AERO and GHIAL-CFO or such other nominees as may be appointed by the Managing Director or CEO of GHIAL from time to time on non-rotational basis.

Licensees and / or Concessionaires will be represented by Three (3) Members from the concessionaries / Licensees who are contributing to the Marketing Fund as may be nominated by GHIAL once in two years.



The Company Secretary of GHIAL or such official as may be appointed by the Managing Director or CEO of GHIAL, shall act as the Convenor of the Marketing Fund Committee.

3.2 Functions of Marketing Fund Committee

It is intended to use the Marketing Fund towards the activities that help to achieve the objectives as stated in Para 2.2.1. The Marketing Fund Committee shall perform the following functions for optimal and effective utilization of the Marketing Fund:

- a) Closely coordinate with the marketing agencies for finalizing the annual marketing plan, promotions and event calendar;
- b) Inform the licensees and the concessionaires from time to time about the upcoming marketing and promotional events at the Airport;
- c) To promote and sponsor program for strengthening of brands operating at the airport;
- d) Monitor the usage of Marketing Fund;
- e) Approval of Administrative and Establishment expenditure, if any;
- f) Approval of accounts and auditor's report thereon; and
- g) Any other function necessary to achieve the objective as mentioned above.

The Marketing Fund Committee shall meet at least two times in a financial year (once in every six months) and the decisions at such meetings shall be taken by Majority.

- 3.3** The Marketing Committee shall finalise the marketing initiatives based on the suggestions provided by GHIAL or from the feedback received from Concessionaires / Licensee(s) or on their own. However, the Marketing Committee shall have the right to screen the feasibility of any idea and decide whether to take the same forward or not. In a situation, wherever, there is no consensus of opinion among the Committee Members, such marketing initiative shall not be pursued.

Chapter IV

Utilization and accounting treatment of Marketing Fund

4.1 Marketing Fund collected from the licensees and concessionaires operating at the Airport shall be used towards the cost stated at Para 4.2 hereunder, for the achievement of the objectives stated in this policy at Para 2.2.1.

4.2 The Marketing Fund may be utilized for the expenses as given below:

- i. Execution of marketing and promotion events' calendar;
- ii. Marketing collaterals like flyers, brochures, banners, hoardings at the Airport;
- iii. External media buying for promoting Airport Brand;
- iv. Ambience creation during marketing and promotional events;
- v. Business promotion events;
- vi. Internal and external branding, of Airport and licensee(s) / concessionaire(s) brand through advertisement within and outside Airport;
- vii. Marketing surveys/researches towards consumer preference of brands;



- viii. Managing social media and continuous development of the Airport website to ensure increased reach;
- ix. Sponsorship of events / conferences pertaining to business promotion.
- x. Appointment of consultants to focus on enhancing passenger spend through analytics, training, visual merchandising and experience
- xi. Implementation of study findings / consultants recommendations
- xii. Retainership expenses of Airport Brand execution agency;
- xiii. Statutory dues under applicable laws;
- xiv. Payment of Fee of Auditors and such accounting and tax consultants, as appointed by GHIAL;
- xv. Administrative overheads and expenses related to the management of Marketing Fund; and
- xvi. Such other activities or purposes as may be considered appropriate/ necessary by the marketing committee, in order to meet the objectives, set out in this policy.

4.2.1 Any amount lying idle in the Marketing Fund for the time being shall be invested for earning additional income in such manner and for such period as GHIAL may consider appropriate which would be in accordance with GHIAL's Investment Policy for its own funds and the income realized from such investment shall form part of the Marketing Fund.

4.2.2 The Marketing fund money collected from the licensee and concessionaires for each contract shall be spend in accordance with this Policy and for the purposes mentioned therein till the expiry of Concession Agreement (CA) entered into by GHIAL with the Ministry of Civil Aviation, Government of India. At the end of expiry of CA, if any amount remains unspent in the Fund the same shall be distributed among all the concessionaire/licensees who shall be contributing to the fund in the ratio of 'money collected and money spend' at that time.

Further, in case, if during the term of CA, if any term of contract of concessionaire or licensee is completed, and if there is any unspent money in the Marketing Fund at that time, the amount contributed by that concessionaire to the Fund during its tenure shall also be refunded in the ratios of 'money collected and money spend.

4.2.3 Maintenance of Separate Bank Account:

Billing for Marketing Fund will be done on monthly basis. Amounts collected from concessionaires / licensees shall be deposited into a separate bank account of GHIAL.

Chapter V **Books of Accounts**

5.1 Separate books of accounts shall be maintained for Billing, Collection & Utilization of Marketing Fund.

5.2 All receivables & payables related to Marketing fund shall also be maintained separately. GHIAL shall be responsible for managing the Marketing Fund as per the guidelines set out herein.



Chapter VI
Audit of books of accounts of Marketing Fund

- 6.1** Account maintained for Marketing Fund shall be audited on yearly basis by any practicing Chartered Accountant Firm, appointed by GHIAL.
- 6.2** Fee and expenses relating to Audit shall be met out of the Marketing Fund.
- 6.3** The yearly audited accounts shall be placed before the Marketing Committee for its approval.
- 6.4** Once approved by the Marketing Committee, the yearly audited accounts will be placed before the GHIAL Audit Committee for information.

Chapter VII
Tax Compliance

- 7.1** GHIAL shall be responsible for complying with various tax related laws, rules and regulations applicable on this fund i.e., GST, Income Tax, etc.
- 7.2** GHIAL will use its PAN, TAN, GSTIN registration no. for the purpose of tax compliances related to marketing fund.
- 7.3** If required, GHIAL shall engage the services of any tax consultant for this purpose and the costs of such services shall be met out of Marketing Fund Contribution.

Chapter VIII
Administrative Costs for Marketing Fund Maintenance

- 8.1** Cost of required staff for administration and maintenance of the Marketing Fund shall be met out of Marketing Fund.
- 8.2** Other administration and establishment expenses etc. in relation to achieving the objectives of Marketing Fund as may be approved by the Marketing Fund Committee, will be met out of Marketing Fund.

This Policy was originally approved by the Audit Committee on 18-01-2020.

S. No.	Reviewed By	Review Date	Approved By	Approved Date
1.	Audit Committee	18-01-2020	Audit Committee	18-01-2020