

June 23, 2020

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 540767

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

NSE Scrip Symbol: NAM-INDIA

Sub.: Annual General Meeting- Annual Report 2019-20

Dear Sir/ Madam,

This has reference to the forthcoming Annual General Meeting (“AGM”) of the Company to be held on July 17, 2020. Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, are set out in Notice.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rules framed thereunder, the Company has fixed July 08, 2020 as the 'cut - off' date to offer remote e-voting facility to its Members in respect of the businesses to be transacted at the AGM. The voting rights for remote e-voting shall be reckoned on the paid - up value of equity shares registered in the name of Members on the said cut- off date.

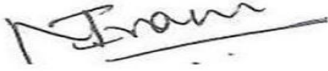
The remote e-voting period shall commence from 9.00 a.m. on July 13, 2020 and end on 5.00 p.m. on July 16, 2020.

The Annual Report containing the Notice is also uploaded on the Company's website <https://www.nipponindiamf.com/AboutUs/FinancialReports/FinancialReports/Nippon-Life-India-Asset-Management-Limited-Annual-Report-2019-2020.pdf>

Please take the same on your record.

Thanking you.

Yours faithfully,
For **Nippon Life India Asset Management Limited**
(formerly **Reliance Nippon Life Asset Management Limited**)



Nilufer Shekhawat
Company Secretary & Compliance Officer

Encl.: As Above.

REBOOTED FOR THE FUTURE



ANNUAL REPORT
2020

Profile

Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) (NAM India or the Company) is one of India's largest asset management companies with a total AUM of ₹ 2.55 lakh cr. as of March 31, 2020.

The Company engages in managing mutual funds including exchange traded funds (ETFs); managed accounts, including portfolio management services, alternative investment funds and pension funds; and offshore funds and advisory mandates.

Nippon Life Insurance Company is the principal shareholder with a 74.99% stake in the Company. Nippon Life Insurance, founded in 1889, is one of Japan's leading private life insurers and a Fortune 500 company. It offers a wide range of financial products, including individual and group life and annuity policies through various distribution channels, mainly using face-to-face sales channels for its traditional insurance products. It primarily operates in Japan, North America, Europe, Oceania and Asia. NLI conducts asset management operations in Asia, through its subsidiary Nissay Asset Management Corporation, which manages assets globally.

Purpose

To play a leadership role in driving financial literacy and prosperity across India and thus serve our society and people.

Vision statement

To consistently create a better financial future for our investors by using the best of our local and global capabilities.

Mission statement

To create and nurture a world class, performance-driven and socially responsible ecosystem aimed at consistently delighting our investors and other stakeholders.

Sources:

<https://fortune.com/global500/2019/nippon-life-insurance/>;

<https://www.nipponindiamf.com/InvestorServices/pdfDocuments/As-on-March-31-2020.pdf>

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KEY MANAGERIAL PERSONNEL:		
Mr. Prateek Jain – Chief Financial Officer		
Mr. Ajay Patel – Manager		
Ms. Nilufer Shekhawat – Company Secretary		
AUDITORS:		
M/s. S. R. Batliboi & Co. LLP		
REGISTERED OFFICE:		
Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400055 CIN : L65910MH1995PLC220793 Tel. : +91 22 4303 1000 Fax : +91 22 4303 7662 E-mail : investorrelation@namindiaamc.com Website : www.nipponindiamf.com		
REGISTRAR AND TRANSFER AGENT:		
KFin Technologies Private Limited (Formerly Known as Karvy Fintech Private Limited) Unit: Nippon Life India Asset Management Limited Selenium Tower – B Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032 Website: www.kfintech.com		
INVESTOR HELPDESK:		
Toll free no. (India) : 1800 4250 999 Tel. : +91 40 6716 1500 Fax : +91 40 6716 1791 E-mail : namindiainvestor@kfintech.com		

**25th Annual General Meeting on Friday, July 17, 2020 at 11:00 a.m. (IST)
through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**

The Annual Report can be accessed at www.nipponindiamf.com

Letter to Shareholders



Dear Shareholders,

Greetings!

FY20 has been an eventful year in the history of the company due to momentous changes that have unravelled, both within and outside the walls of your company, over the past few months.

The world economy and social dynamics have been impacted by a virus in a way that few could have foreseen. No country, and certainly no company, has been left unscathed. The overall environment and sentiment had become dubious however we are confident to sail through this difficult and unprecedented phase through collective and united efforts led by numerous institutions and countries.

India on move

India, however, has historically overridden global downturns and exhibited its resilience and immense potential time and again.

We flicked aside the 1997 Asian Financial Crisis when others at the time faced bankruptcy; our markets picked up in quick time after the dotcom bust of the early nineties; and our robust exports sector helped us survive the Great Recession of 2008-10 to help us emerge as the fifth largest economy within a decade.

Through all the economic upheavals that the world confronted, the Sensex – the barometer of our capital market health – clocked an average CAGR of around 15% over four decades.

Even during this trying time, after downgrading India's growth forecast twice in April, the second time to a low 0.8%, Fitch Ratings says our growth rate would shoot up to 6.7% in 2021-22. IMF is even more upbeat and sees our growth touching 7.4% in FY22.

Rebooted NAM India

All this gives me great hope about our future as a country.

But as the ED & CEO of your company, what gives me even more hope – and, if I may add, immense satisfaction – is the fact that even as India starts rebooting, your company has had a head start, because we began the process of rebooting for the future even before the pandemic hit the Indian shores.

Last September, Nippon Life Insurance (NLI), Japan's leading private life insurer and our partner since 2012, became the principal shareholder in your company.

We are now rebranded as Nippon Life India Asset Management Ltd (NAM India).

The change of principal shareholder has made your company, NAM India, the first venture that NLI has outside Japan without a JV partner.

Naturally, it is a matter of great pride and humility for us that NLI considers NAM India's shareholders, its employees and the management team their partners in this country.

We, too, are inspired by this level of commitment by our principal shareholder as this has melded Japanese perfection with Indian passion.

Dynamic Union

Let me explain what I mean by that.

NLI is a Fortune 500 company with more than \$75 billion in revenues in 2020, profits of over \$2 billion and assets of over \$750 billion. It not only has worldwide reach but also experience of 131 years.

NAM India is amongst the largest professionally-run, independent asset manager in this country, with 25 years in the business.

As on March 31st 2020, we are present in 287 locations, with our 1,043 employees and 76,260 distributors reaching investors big and small in every corner of India.

While other players look at "India", we look at "Bharat" – the real India beyond the top 30 cities – the segment where we

are amongst the market leaders. The proof of our dominance: this segment accounts for 17.4% of our total assets, as against the industry average of 15.6%. It also contributed AUM of over ₹ 32,100 Cr as of Mar'20, and helped our folio count reach 8.7 million, one of the largest in the industry.

Our principal has the global reach, while we understand the length and breadth of this country.

Recalibrating Strategies

But with partnerships such as these comes great responsibility, especially at a time like this, and it is with confidence that I can say your company is ready to take up the challenge.

Our focus on digital business dovetails with the new reality of a post-pandemic India, as more and more people go digital, both for convenience and personal hygiene. As a matter of fact, digital now contributes 45% to the total Nippon India Mutual Funds' purchase transactions. Due to our end-to-end digital infrastructure offerings for our investors, an average of 151,000 digital purchases were made in Mar'20 and Apr '20 through our own digital assets and digital integrations with distribution partners.

Looking ahead at future growth opportunities and to fully leverage our deep understanding of Indian market, we will further leverage our on-ground presence and strong distribution network to provide investment solutions to retail masses across the country, even as we continue to fine-tune our traditional targets (which includes corporates and high net worth individuals):

- Garnering higher share of Retail Assets;
- Expanding our product offerings across various categories;
- Increasing operating efficiencies, and
- Strengthening risk management framework.

Your company's international business is expected to develop on a different trajectory altogether, as we leverage the global network of our principal to attract higher capital inflows from international investors.

For instance, we launched the first Indian Exchange Traded Fund (ETF) product in Australia; it should provide Australian institutional and retail investors to tap into the high-growth Indian market.

Alternative Investment Fund (AIF) is emerging as the next engine of growth. During the year, we launched "Indo Japan

Emerging Technology & Innovation Fund", our first Fund of Fund in the Technology / VC space. The fund was announced during the bilateral discussions between the Prime Ministers of India and Japan on the side-lines of the G20 summit and received commitments from marquee Japanese investors. We will also continue to make conscious and circumspect decisions in the AIF segment.

Financial Inclusion

Our business model hinges on looking beyond the top 30 cities because we are truly dedicated to financial inclusion and bringing prosperity and wealth creation across social strata.

It is precisely because we understand people from different economic backgrounds – be it someone of modest means investing ₹ 500, or a big investor with a million dollars – we have an array of financial solutions for everyone.

We also have the infrastructure that will enable deeper financial inclusion and help our investors reach their financial goals. In fact, we have customized our marketing in 9 different languages to ensure no part of the country is deprived of our outreach. Through this year, we have conducted multiple webinars and on-ground financial education sessions to help further the cause of financial literacy amongst Indians. And I feel happy and proud to say that we have successfully reached across social strata because of this strategy.

Alongside, we have built deep-rooted relationships with about 76,000 distributors, as on 31st March 2020, including Independent Financial Advisors, who contribute a major share of our assets.

As part of our de-risked distribution strategy, we have ensured that no single distributor contributes more than 5% of the total mutual fund AUM.

Inclusive Growth

As one of the largest asset management company, we want to be intrinsically associated with the India growth story by contributing to India's financial ecosystem.

In fact, we have the scale to influence Indian promoters and demand better deal for shareholders, whom we have very successfully represented.

One way we do this is look after the minority shareholder; towards this end, our efforts are completely aligned with the regulator's guidelines under the stewardship code, in letter and spirit.

■ Letter to Shareholders

Thus, in 2019, we abstained / voted against over 550 resolutions of our investee companies, in the best interests of our unit holders, while monitoring and constructively engaging with all investee companies.

Your company has and in future will, invest across different sectors of the Indian economy – helping large companies scale up operations, and enabling smaller ones to participate in the growth story.

NAM India has various funds at its disposal – mutual funds, the Portfolio Management Services, AIF, pension and offshore mandates – all of which will be used for this purpose.

It will also be steadying start-ups through its recently launched technology fund in the AIF space.

Digital Leadership

This brings us to a very important spoke in the wheel of India's growth journey: the increasing acceptance of digital life. We are not only ready with our digital offerings; we are also ready to help digital start-ups.

One of our strengths is our efficiency in the digital space. In recent years, we have made extensive investments to strengthen our digital architecture.

Apart from creation of a significant online presence to attract and retain tech-savvy investors, we have augmented our internal operational capabilities on digital platforms.

These investments and efforts have yielded fantastic results in the current environment. Consider these:

- Despite closure of all physical branches during the country-wide lockdown, we continued to operate our routine business with 100% efficiency;
- On an average, NAM India processed one online purchase transaction every 30 seconds;
- Moreover, digital purchase transactions including SIPs rose 31% to over 14 lakh in FY20;
- Plus, 45% of purchase transactions take place on our digital assets and integrations.

Going forward, we expect these trends to continue and enable our digital infrastructure to swell our business.

Our People

We truly believe in the mantra that “employees are the key pillars for success of any business”, and I want to thank our team members for making NAM India country's one of the largest asset management company.

We continue to have a focused approach towards employee development and engagement and believe in nurturing professional bonds in a family environment, which reflects our overall company culture.

The proof of this is the make-up of our leaders: more than 70% of them are homegrown.

We have been recognised thrice as the Aon Best Employer – in 2016, 2018 and 2019, and have also featured in India's Best Companies to Work For in 2018 by Great Place to Work.

These are two of the most coveted **Employer of Choice awards in the country, and are testaments** to our focus on people, culture and HR practices that involve various initiatives, including an inclusive plan for Employee Stock Options introduced during the year.

Our employees are truly our partners, invested in the growth and future of the organization. I'd like to thank this team which has gone through multiple changes in the past year and has yet stayed committed and put clients' interests first. Never have I had the honour to work with a set of more dedicated individuals who are entrepreneurial and passionate, with a never-say-die work ethos. And we are committed to invest in our people to help them grow.

Environmental, Social and Governance (ESG) framework

As an organisation, we also believe we are dependent on our communities and feel duty-bound to work towards a more inclusive society and sustainable economy.

We are proud to have supported various initiatives concerning healthcare, women empowerment, uplift of under-privileged sections of society, child education, and sports and games during the year. Nearly 80% of our investor base can be reached online enabling majority of investor communications in a paper-less mode.

It is also a matter of pride for us that our employees have contributed to various CSR initiatives related to the floods in Assam and Bihar, waste management, child education, donations to the needy, etc.

Rather, I am so proud to say that to do our part in our fight against Covid-19, the employees of your company contributed a day's salary which was matched totalling ₹ 5 crore to the PM Cares fund and Maharashtra CM Relief Fund. In addition, we have also contributed to Tata Memorial Hospital as part of Corporate social responsibility

During this crisis, encouraging words by our Honourable Prime Minister of India, Shri Narendra Modi and Respected Chief Minister of Maharashtra, Shri Uddhav Thackeray, will inspire us to work harder and contribute towards the welfare of the country .

Outlook

These are uncertain times with unprecedented challenges. But even as India marches towards becoming a \$5-trillion economy by 2025, the asset management industry too continues to progress and expand its coverage in the hitherto under-penetrated regions and deepen its investor base. NAM India is committed to capitalize on this opportunity.

In fact, NAM India, through its bouquet of products, presents a superior option for long-term investment and savings for all classes of investors, providing them with a solid platform for future growth and expansion.

We will continue to play a pivotal role in expanding the sector's reach to the under-served population, through cutting-edge product innovation, wide distribution reach,

intensive investor education initiatives, and enhancing our customer service infrastructure with a continued focus on profitable growth.

NLI and the management team remain fully committed towards enriching and suitably adding value for all stakeholders in the years to come. We are working closely together and leveraging on its 130+ year experience and global network to strengthen NAM India's risk management and fund management processes and expand our business both domestically and internationally.

As I look towards the future, I commit to you that we will continue to reboot ourselves to meet clients' and industry needs but our passion will always stay the same. The passion that is hallmark of our company and which our clients trust.

It is an honor to serve you, our valued clients, stockholders, and employees. Thank you for your ongoing trust and confidence!

I wish you and your families good health and safety.

Sincerely,



(Sundeep Sikka)

Sources:

1. <https://www.nipponindiamf.com/about-us/sponsors/>
2. Reliance Nippon Life Asset Management Limited (now known as Nippon Life India Asset Management Limited) has been awarded AON Best Employer 2019 for their HR practices
3. Above Assets under Management includes the following businesses as on?: Mutual Funds, Portfolio Management Services, Alternative Investment Fund & NAM India's offshore subsidiaries, Mutual Fund Includes (in Lakhs): Equity: 46,49,835.02 | Debt: 77,85,490.24 | Hybrid: 13,93,125.41 | Solution Oriented: 1,12,675.02 | ETFs: 24,13,722.22. Geographical Spread (%): Top 5 Cities 66.48 | Next 10 Cities: 14.99 | Next 20 Cities: 6.71 | Next 75 Cities: 7.96 Others: 3.86

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) will be held on Friday, July 17, 2020 at 11.00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

- (1) To consider and adopt:
 - a. the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and that of the Auditors' thereon; and
 - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 3 per Equity Share and to declare a Final Dividend of ₹ 2 per Equity Share for the financial year 2019-20.
- (3) To appoint a director in place of Mr. Akira Shibata (DIN 08107588), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- (4) **Appointment of Mr. Kazuyuki Saigo as a Non-executive Non-independent Director**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, Mr. Kazuyuki Saigo (DIN: 08748422), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 8, 2020, pursuant to the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting ("AGM") and in respect of whom the

Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director and in accordance with the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

By Order of the Board of Directors
For **Nippon Life India Asset Management Limited**
(formerly known as Reliance Nippon Life Asset Management Limited)

Nilufer Shekhawat
Company Secretary
Membership No.: A - 23264

Registered Office

Reliance Centre, 7th Floor,
South Wing, Off Western Express Highway,
Santacruz (East) Mumbai 400055
CIN: L65910MH1995PLC220793
Website: www.nipponindiamf.com
Telephone: +91 22 4303 1000 Fax: +91 22 4303 7662
Email : Investorrelation@nipponindiaamc.com

Date: 17th June 2020

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), relating to the special business to be transacted at the Annual General Meeting (the "AGM") is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide it's circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not**

be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer by email through its registered email address to siroyam@gmail.com with a copy marked to evoting@nsdl.co.in
5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nipponindiamf.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL i.e. www.evoting.nsdl.com.
6. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts.
7. Members holding shares in physical form are requested to register / update their postal address, email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent i.e. KFin Technologies Private Limited (Kfintech), by sending an email to namindiainvestor@kfintech.com
8. Non-Resident Indian members are requested to inform Kfintech immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch, and account type, account number and address of the bank, if not furnished earlier.
9. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency for conducting of the e-AGM and providing e-voting facility.
10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
12. Relevant documents referred to in the accompanying Notice calling the AGM are available for inspection through electronic mode up to the date of the AGM. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection through electronic mode. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to investorrelation@nipponindiaamc.com.
13. Re-appointment of Director:

At the ensuing AGM, Mr. Akira Shibata (DIN: 08107588), is liable to retire by rotation in terms of section 152(6) of the Act, and, being eligible, has offered himself for re-appointment.
14. Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

Members are requested to note that the dividend remaining unclaimed for a continuous period

of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the IEPF. In addition, all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF.

Pursuant to Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on its website at <https://www.nipponindia mf.com/InvestorServices/pdfDocuments/Particulars-related-to-the-unclaimed-and-unpaid-amount-as-on-March-31-2019.pdf> and also on the website of the Ministry of Corporate Affairs.

15. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
16. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
17. The Company has fixed Tuesday, June 30, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020, if approved at the AGM. The final dividend, once approved by the members in the ensuing AGM will be paid on and from July 27, 2020, subject to deduction of tax at source, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent ("RTA") (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

18. Shareholders may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	7.5% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹ 5,000 and also in cases where shareholders provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Registered shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for shareholders providing Form 15G / Form 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member,

- Copy of Tax Residency Certificate ("TRC") for the FY 2020-21 obtained from the revenue authorities of the country of tax residence,
- Duly attested by member Self-declaration in Form 10F,
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty and Self-declaration of beneficial ownership by the non-resident shareholder,
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be emailed to our RTA, KFin Technologies Private Limited by quoting your Folio number / DP id / Client id, number of shares and PAN details at its email address namindiainvestor@kfintech.com on or before July 6, 2020 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication regarding the tax withholding matters would be entertained after July 6, 2020 6:00 PM IST. The Company shall arrange to email a soft copy of the TDS certificate to you at your registered email address in due course.

Shareholders are requested to address all correspondence, including dividend related matters, to the RTA, Kfintech, Unit: Nippon Life India Asset Management Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Hyderabad 500 032.

Shareholders may note that in case the tax on the said final dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details / documents from you, an option is available to you to file the return of income as per Income tax Act 1961 and claim appropriate refund, if eligible.

Disclaimer: This Communication is not to be treated as a tax advice from the Company or its affiliates or Kfintech. Shareholders should obtain

the tax advice related to their tax matters from a tax professional.

19. SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company/ its registrar and transfer agent, the details of their valid PAN and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to Kfintech, the Company's Registrar and Transfer Agent.
20. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Kfintech.
21. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to KFin Technologies Private Limited, Selenium Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032 or call on Tel.: +91 40 6716 1500; Fax: +91 40 6716 1791/ E-mail: namindiainvestor@kfintech.com. The said form can be downloaded from the Company's website. The prescribed form in this regard may also be obtained from Kfintech at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
22. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
23. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 16, 2020 through email on investorrelation@nipponindiaamc.com. The same will be replied by the Company suitably.

24. Instructions for attending the e-AGM and e-voting are as follows:

(i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

(ii) The remote e-voting period begins on 13th July, 2020 at 9:00 A.M. IST and ends on 16th July, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, July 8th, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

(iii) The Board of Directors has appointed Mr. Mukesh Siroya of M/s. M. Siroya & Company, Company Secretaries (Membership No. FCS 5682) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

(iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

(v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

(vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

(vii) The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then userID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to siroyam@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Sagar Ghosalkar, Assistant Manager- NSDL at evoting@nsdl.co.in
4. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the Registrar and Transfer Agent of the Company, Kfintech at namindiainvestor@kfintech.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions, d) 9 digit MICR Code Number, e) 11 digit IFSC Code, and f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
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Demat Holding	<p>'Permanent Updation of email ID and Bank account details - Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p> <p>Temporary updation of email ID - please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), by an email to "evoting@nsdl.co.in".</p>
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INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360/+91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553/ +91 9326781467.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at Investorrelation@nipponindiaamc.com from July 10, 2020 (9:00 a.m. IST) to July 13, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.nipponindiamf.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 to the accompanying notice dated 17th June, 2020

Item No. 4: Appointment of Mr. Kazuyuki Saigo as a Non-executive Non-independent Director

Mr. Kazuyuki Saigo was appointed as the Additional Director of the Company with effect from June 08, 2020 in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to Section 161 of the Act, Mr. Kazuyuki Saigo holds office upto the date of ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mr. Kazuyuki Saigo for his office of Director of the Company.

Mr. Kazuyuki Saigo is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The details of Mr. Kazuyuki Saigo sought to be appointed as Director are set out in the Annexure to the Notice.

Keeping in view of his vast knowledge and expertise, it will be in the interest of the Company to appoint Mr. Kazuyuki Saigo as a Director of the Company. After careful consideration, the Nomination & Remuneration Committee and the Board of the Company vide Resolution by circulation dated June 08, 2020, have

recommended the appointment of Mr. Kazuyuki Saigo as the Director.

Mr. Kazuyuki Saigo and his relatives may be deemed to be concerned or interested in the Resolution at Item No. 4 relating to his appointment as a Director. Mr. Kazuyuki Saigo, if appointed will be a nominee Director of the promoter of the Company i.e. Nippon Life Insurance Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested in the Resolution.

By Order of the Board of Directors
For **Nippon Life India Asset Management Limited**
(formerly known as Reliance Nippon Life Asset Management Limited)

Nilufer Shekhawat
Company Secretary
Membership No.: A - 23264

Registered Office

Reliance Centre, 7th Floor,
South Wing, Off Western Express Highway,
Santacruz (East) Mumbai 400055
CIN: L65910MH1995PLC220793
Website: www.nipponindiamf.com
Telephone: +91 22 4303 1000 Fax: +91 22 4303 7662
Email : Investorrelation@nipponindiaamc.com

Date: 17th June, 2020

Details of Directors seeking appointment/re-appointment at the Annual General Meeting:

Name of the Director	Mr. Kazuyuki Saigo	Mr. Akira Shibata
Brief details and Nature of Expertise in specific functional areas	<p>Kazuyuki Saigo, aged 55 years is Managing Executive Officer, Regional CEO for Asia Pacific Head of India, and is responsible for operations in the Asia Pacific.</p> <p>He joined Nippon Life in 1988 and since then has held several leadership positions in the Nippon Life Group, including General Manager of Global Business Planning and Global Insurance Business, General Manager – Personnel Dept. and Sales Manager Personnel Department. Also, in the last ten years, Kazuyuki has engaged not only in designing and executing overseas business, but also managing insurance sales branch, and so on.</p> <p>Kazuyuki has more than 30 years' experience in the life insurance sector.</p> <p>Kazuyuki Saigo holds a Bachelor of Laws, The University of Tokyo, as well as LL.M., University of Michigan Law School, 1995.</p>	<p>Mr. Akira Shibata, aged 47 years currently serves as the General Manager / Global Asset Management Business Department at Nippon Life Insurance Company (Nippon). In his 20-year professional career with Nippon, Mr. Shibata has engaged in Finance Planning & Management business for 3 years. Also, Mr. Shibata has been engaged in Public & Investors Relations for 3 years. Other than above, Mr. Shibata has also spent his professional career in the Nippon's U.S. group insurance subsidiary, Nippon Life Insurance Company of America, where he carried the position of Vice President for 4 years (2008 to 2012).</p> <p>Akira Shibata holds a Bachelor of Laws from University of Tokyo and MBA from A.B. Freeman School of Business, Tulane University.</p>
Date of appointment	June 08, 2020	April 25, 2018
Date up to which the Director shall hold office	-	-
Directorships in other companies	<ul style="list-style-type: none"> • Nippon Life Asia Pacific (Regional HQ) Pte. Ltd. • Grand Guardian Nippon Life Insurance Company Limited • Bangkok Life Assurance Public Company Limited 	<ul style="list-style-type: none"> • NLI US Investments, Inc. • Nippon Life Global Investors Americas, Inc. • Nippon Life Global Investors Europe Plc.
Details of Memberships/ Chairmanships of Committees of other public Companies (includes Audit Committee and Stakeholders Relationship Committee)	Nil	Nil
Shareholding in the Company as at 17th June 2020	Nil	Nil
Sitting fees paid during F.Y. 2019- 20	N.A.	4,30,000*

*As indicated by Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Akira Shibata (being nominee of NLI) was paid to NLI. From December 10, 2019 onwards, NLI has waived the sitting fees payable to the representatives or employees of NLI or its group Companies, acting as Board members of the Company, for attending the Board or Committee meetings.

For other details such as the number of meetings of the board attended during the year and relationship with other directors and key managerial personnel in respect of Mr. Akira Shibata, please refer to the Corporate Governance Report which is a part of this Annual Report.

Board's Report

Dear Shareholders,

Your Directors take pleasure in presenting their 25th Annual Report on the business and operations of your Company, together with the audited financial statements, for the year ended March 31, 2020.

Your Company endeavors to remain one of the leading players in the Asset Management business in India and keep enhancing its global footprint as well.

During the year, Nippon Life Insurance Company ("NLI") acquired additional equity shares of the Company and increased its shareholding to 75% of Company's issued & paid up equity share capital and thus became its holding Company. As a result of this, your Company became the largest foreign owned Asset Management Company in India.

As a consequence of this development, NLI became the sole sponsor of the Mutual Fund managed by the Company. The existing name of the mutual fund i.e. "Reliance Mutual Fund" was changed to "Nippon India Mutual Fund" and the name of your Company was also changed to "Nippon Life India Asset Management Limited".

NLI, a fortune 500 company, is one of the largest life insurers in the world managing assets of over USD 700 bn. NLI has a large global network with presence across US, Europe, Asia, and Australia along with a 130-year track record in life insurance business as well as global investments across asset management companies. This brings strong synergistic benefits that complement the company's domestic expertise in asset management business and its significant growth potential. The company expects substantial upside in terms of increased AUM & adoption of best governance & risk management practices based on NLI's global positioning & relationships.

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020, have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial highlights (on a consolidated and standalone basis) of the Company for the year ended March 31, 2020 are as follows:

(₹ Crores)

Description	Consolidated		Standalone	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Gross Income	1193.21	1,649.92	1134.29	1,589.04
Profit before exceptional item and tax	559.81	700.24	561.39	686.72
Exceptional Items	-	-	-	-
Profit Before tax	559.81	700.24	561.39	686.72
Current Tax	142.36	217.38	142.73	215.42
Deferred Tax	1.69	(4.21)	6.36	(3.87)
Profit for the year	415.76	487.07	412.30	475.17
Share of Profit from Associates	(0.51)	0.03	-	-
Profit attributable to non-controlling interest	-	1.01	-	-
Other Comprehensive Income	(2.40)	(2.17)	(2.34)	(2.17)
Balance carried to Balance Sheet	412.85	484.93	409.96	473.00
Basic EPS of ₹ 10 each	6.78	7.94	6.74	7.77
Diluted EPS of ₹ 10 each	6.69	7.94	6.65	7.77

The Consolidated Financial Statements of the Company are forming part of this Annual Report.

The annual accounts of all the subsidiary companies will be placed on the website of the Company.

DETAILS OF MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company since the date of the financial statements i.e. March 31, 2020.

DIVIDEND

During the year, the Company had declared and paid an interim dividend of ₹ 3 per equity share (30%) amounting to ₹ 221.35 Crore (including dividend distribution tax and other applicable taxes/ surcharges). The Board has also recommended a final dividend of ₹ 2/- per Equity Share of ₹ 10/- each for the financial year ended March 31, 2020, for the approval of the shareholders at the ensuing Annual General Meeting. With this the total dividend for the financial year 2019-20 would be ₹ 5/-, including the interim dividend of ₹ 3 per equity share distributed in February 2020. The Final dividend, if declared, will be paid after the Meeting.

The dividend payout is in accordance with the Company's Dividend Distribution Policy which forms part of this Annual Report.

AMOUNT TO BE CARRIED TO RESERVES

Your Directors do not propose any amount to be transferred to the General Reserves of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year. There are no outstanding or unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2020.

EMPLOYEES STOCK OPTION SCHEME

With the perspective of promoting the culture of employee ownership and to attract, retain, motivate and incentivize senior as well as critical talent, the Company has formulated 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2017' ("ESOP 2017" / "Plan") as its stock option scheme, which was launched in August 2017 and 'Reliance Nippon Life Asset Management Limited - Employee

Stock Option Plan 2019' ("ESOP 2019" / "Plan") as its stock option scheme, which was launched in July 2019. The Nomination and Remuneration Committee of the Board monitors these Plans and grants ESOPs to the employees.

ESOP 2017 and ESOP 2019 are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

However, having regard to the provisions of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection through electronic mode. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <https://www.nipponindiamf.com/investor-service/customer-service/nam-india-shareholders-investors>

COMPLIANCE CULTURE & RISK MANAGEMENT

Your Company is essentially Compliance centric and has a huge focus in this direction. The Compliance function is manned by a dedicated and experienced team of professionals. The Compliance team regularly conducts various educative training programs for various segments within the organization. Your Company thrives towards a culture of 'Total Compliance' and it has a 'Zero Tolerance' policy for non-compliances.

Your Company has a comprehensive Risk Management Policy that envisages a structured and consistent enterprise-wide risk management framework, based on The Three Line of Defense model, to ensure that risk management processes are consistently applied across the organization and provide reasonable assurance regarding achievement of organization's objectives. The risk management policy clearly sets out the objectives & elements of risk management within the organization, including the constitution of Risk Management department headed by Chief Risk Officer (reporting directly to the CEO and to the Board of Directors), Risk Management Committee (RMC) and the underlying mechanisms & processes to be used for identification, analysis, evaluation, control, monitoring and reporting of various categories of risks including business, credit, market, liquidity and operational risks. Your Company promotes risk awareness culture throughout the organization and risk management is an integral part of decision making and day-to-day operations of all activities at all levels across the organization. There are well documented & Board approved policies & processes which are in place. In addition, proper & adequate Insurance Policies and business continuity planning have also been adequately put into place.

You will note that the basic revenue model of an asset management company is charging of management fees on assets under management provided by the investors. In case of an eventuality where the Company repeatedly fails to comply with regulatory norms with regard to investment restrictions and/ or code of conduct, or if there are repeated & glaring instances of fraud/ front-running then the same may be a catastrophic risk for the enterprise. However, your Directors would like to assure you that such risks are being mitigated by putting into place robust & time-tested policies & processes, qualified & professional manpower to run these processes under the aegis & guidance of your Board of Directors, Board Committees and various other internal committees, comprising of senior employees of your Company.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its business operations.

To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Internal Auditor monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Risk Management department follows up on pending audit issues and ensures that corrective actions have been taken. Significant audit observations, if any, and corrective actions thereon, are presented to the Audit Committee of the Board.

CORPORATE GOVERNANCE

Your Directors wish to reiterate your Company's commitment to the highest standards of corporate governance in order to enhance the trust of all its stakeholders. Strong and robust corporate governance practices have facilitated your Company in standing up to the continued scrutiny of domestic & international investors and that of various Regulatory authorities.

The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from the auditors of the Company i.e. M/s. S. R. Batliboi & Co. LLP, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

VIGIL MECHANISM

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any. The policy can be accessed on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of promoting healthcare, education and rural development in accordance with Schedule VII of the Act.

The Annual Report on CSR activities is annexed herewith as Annexure A.

SUBSIDIARIES & ASSOCIATE COMPANY

As of March 31, 2020, your Company had three (3) subsidiaries. Two of such subsidiaries are overseas, being one each in Singapore and Mauritius and one subsidiary is in India. All the subsidiaries of the Company are engaged in financial services and related activities. In addition, the Company also has an Associate company in India, which during the year, has already surrendered its business license/ regulatory approval to act as a Pension Fund Manager. This particular company currently has no business operations and it is therefore proposed to wind it up, in accordance with the applicable laws.

Statement w.r.t. the performance and the financial position of the subsidiaries of the Company is forming a part of the Consolidated Financial Statements of the Company.

The performance of financial position of the subsidiary companies is presented in the Management Discussions and Analysis Report forming part of this Annual Report. The policy for determining material subsidiary companies may be accessed on the Company's website at <https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx>

KEY MANAGERIAL PERSONNEL

During the year under review, the following officials/ employees were the 'Key Managerial Personnel' of the Company:

- a) Mr. Sundeep Sikka – Executive Director & Chief Executive Officer;
- b) Mr. Ajay Patel - Manager;
- c) Mr. Prateek Jain - Chief Financial Officer; and
- d) Ms. Nilufer Shekhawat – Company Secretary.

DIRECTORS

During the year, Mr. Jai Anmol Ambani [Nominee Director of Reliance Capital Limited ('RCL')] resigned from the directorship w.e.f. May 23, 2019. Also, during the year, Mr. Kanu H. Doshi and Mr. S. C. Tripathi, Independent Directors ceased to be Directors w.e.f. September 23, 2019.

Mr. Mahadevan Veeramony was appointed as an Independent Director of the Company on September 23, 2019.

All the Independent Directors of your Company i.e. General

Ved Prakash Malik (Retd.), Ms. Ameeta Chatterjee and Mr. Mahadevan Veeramony, have already furnished the required declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

PERFORMANCE EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The Company has devised a policy for the performance evaluation of the individual directors, Board and its Committees, which also includes the criteria for carrying out the said performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations and as prescribed in the stated policy of the Board, the Board has carried out an annual performance evaluation of (i) the Directors (Independent and Non-independent); (ii) itself (as a whole); (iii) its committees and (iv) fulfillment of Independence criteria. The Board performance was evaluated based on inputs received from the Board members after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. In terms of the requirements of the Act, a separate meeting of the Independent Directors was also held during the year.

BOARD AND COMMITTEE MEETINGS

During the year under review, ten (10) Board meetings and One (1) meeting of the Committee of Directors were held.

Your Directors wish to inform that the functioning of the Board is supplemented by various committees (Board sub-committees and management committees), which have been constituted from time to time, such as Audit Committee, Committee of Directors, CSR Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee of the Board, Valuation Committee, Investment Committee, Risk Management Committee, Allotment Committee, Broker Empanelment Committee, Operating Committee, Compliance Committee, Proxy Voting Committee, Information Security Risk Management Committee, etc. to name a few. Each of the aforesaid Committees has been constituted in order to ensure due compliance with the applicable laws and to ensure that highest levels of corporate governance are followed and practiced. The minutes of the meetings of each of these Committees are duly placed before the Board for noting and confirmation.

AUDIT COMMITTEE

In terms of the requirements of Section 177 of the Act, the Audit Committee of the Company consists of majority of Independent Directors. As on date of this report, it comprises

of Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Mahadevan Veeramony [Independent Director] and Mr. Akira Shibata [Non-Independent Director]. Ms. Ameeta Chatterjee is the Chairperson of this Committee.

During the year, Six (6) meetings of the Audit Committee were held. Other relevant details in this regard have been provided in the Corporate Governance Report.

NOMINATION & REMUNERATION COMMITTEE

In terms of the requirements of Section 178 of the Act, the Nomination & Remuneration Committee of the Company consists of majority of Independent Directors. As on date of this report, it comprises, Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Mahadevan Veeramony [Independent Director] and Mr. Minoru Kimura [Director]. General Ved Prakash Malik (Retd.) is the Chairman of this Committee.

During the year, Four (4) meetings of the Nomination & Remuneration Committee were held. Other relevant details in this regard have been provided in the Corporate Governance Report.

The Nomination & Remuneration Policy has been provided as Annexure B to the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the requirements of Section 135 of the Act, the Corporate Social Responsibility ("CSR") Committee of the Company consists of six members. As on date of this report, it comprises of Mr. Minoru Kimura [Non-Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Mahadevan Veeramony [Independent Director], Mr. Sundeep Sikka [CEO & Executive Director], and Mr. Akira Shibata [Non-Independent Director]. Mr. Minoru Kimura acts as the Chairman of this Committee.

During the year 2019-20, two (2) meetings of the CSR Committee were held. Other relevant details in this regard have been provided in the Corporate Governance Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of the requirements of Section 178 of the Act, the Stakeholders' Relationship Committee of the Company consists of four members. As on date of this report, it comprises of Ms. Ameeta Chatterjee [Independent Director], Mr. Mahadevan Veeramony [Independent Director], Mr. Minoru Kimura [Director] and Mr. Sundeep Sikka [CEO & Executive Director]. Ms. Ameeta Chatterjee acts as the Chairperson of this Committee.

During the year, two (2) meetings of the Stakeholders' Relationship Committee were held. Other relevant details in this regard have been provided in the Corporate Governance Report.

RISK MANAGEMENT COMMITTEE

In terms of the relevant requirements under the Listing Regulations, the Company has constituted a Risk Management Committee of the Board. The Committee presently comprises of Mr. Minoru Kimura as the Chairperson, Mr. Akira Shibata, Mr. Sundeep Sikka, Mr. Mahadevan Veeramony and Mr. Milind Nesarikar as its members. During the year, Mr. Kanu H. Doshi, who was also a member of this Committee, ceased to remain as such, after he ceased to be Director of the Company effective September 23, 2019.

During the year, One (1) meeting of the Risk Management Committee of the Board was held. Other relevant details in this regard have been provided in the Corporate Governance Report.

AUDITORS' OF THE COMPANY - STATUTORY AND INTERNAL

Statutory Auditors:

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants shall hold office as Statutory Auditors of the Company until the conclusion of the 28th Annual General Meeting.

Internal Auditors:

JHS & Associates LLP, Chartered Accountants were appointed as the Internal Auditors' of your Company for the financial year 2019-20. Your Directors have also approved their re-appointment as such for the financial year 2020-21.

AUDITORS OF THE SCHEMES OF NIPPON INDIA MUTUAL FUND (FORMERLY KNOWN AS RELIANCE MUTUAL FUND)- STATUTORY AND INTERNAL

In accordance with the applicable provisions of law, the Company has appointed Statutory and Internal Auditors for various Schemes of Nippon India Mutual Fund, who periodically submit their reports, which are placed before the Audit Committee for discussion, review and implementation of their recommendations.

STATUTORY AUDITORS:

M/s. Walker Chandio & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Schemes of Nippon India Mutual Fund for the financial year 2019-20.

INTERNAL AUDITORS:

During the year, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Internal Auditors of the Scheme of Nippon India Mutual Fund and the portfolio management services division of the Company, for the financial year 2019-20. Your Directors have also approved their re-appointment as such for the financial year 2020-21.

AUDITORS' REPORT

The observations and comments given by the Statutory Auditors in their report read together with notes on financial

statements are self-explanatory and hence does not require any further comments in terms of Section 134 of the Act.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. M. Siroya and Company, Mumbai, a firm of Company Secretaries in-practice to undertake the Secretarial Audit of the Company for the financial year 2019-20. In this regard, the Report submitted by the Secretarial Auditor is annexed as Annexure C.

Your Directors are pleased to inform that the report from the Secretarial Auditors does not contain any qualifications or negative remarks.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure D. The same is available on <https://www.nipponindiamf.com/investor-service/customer-service/nam-india-shareholders-investors>

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY:

The operations of the Company do not consume high levels of energy. Adequate measures have been taken to conserve energy wherever feasible. Your Company uses latest technology and energy efficient equipment's. As energy cost forms a very small part of the total costs, the impact on cost is not material.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

➤ **Game changing initiatives:**

- **Conversational Commerce:** A first of its kind initiative across financial services in APAC which has been co-created with Google. This Machine Learning powered innovation, that facilitates voice-based financial transactions, has brought many awards and accolades for the organisation. The Simply Save app, which hosts the Conversational Commerce interface has seen 1 Lac+ new downloads in the year and one conversation invoked every 7 minutes!
- **Business Easy 2.0 app:** Our Artificial Intelligence enabled 'virtual office' for IFAs helps in driving business enablement via Digital technology. It is the

cornerstone of our Digital penetration strategy in Real Bharat and gives us strengthened distribution footprint without physical presence. The app empowers IFAs to remotely onboard and service customers and help them transact electronically in a completely paperless manner.

- **All New Invest-easy Online Purchase Web & Mobile site:** Another industry first asset which gives our investors best-in-class, frictionless and self-serve experience. The asset is built with mobile first philosophy which gives investors the power of anytime, anywhere investing. New age design & e-commerce like experience help in quick discovery and faster decisions and optimized journeys for onboarding and transaction with enhanced re-marketing facilitate auto win-backs. The asset has already helped drive 2x efficiencies in purchases.
- **New Payment Infrastructure Integration:** A multi-payment gateway module with two payment gateways, Razorpay & Billdesk, along with multiple payment options including UPI and direct and indirect integrations for an efficient and robust payment process. This has reduced our single vendor dependency & also brought in contemporary methodology like Smart Routing and Payment Retry options to reduce payment failures.
- **Strategic Alliances to fortify our Digital Distribution:** Exclusive new partners like Mobikwik, Avail Finance, Tarrakki and more Digital Distribution brought in to further bolster our executional leadership and expansive reach and presence, especially in the B-30 segment. Taking our engagement and relationships with all our key Distribution Partners like Paytm, ETMoney, Groww, Kuvera, etc., to the next level and building greater salience of the NIMF brand, we have launched many exclusive solutions and undertaken co-branded awareness and education campaigns for driving investor preference and stickiness.

➤ **Key Results of 2018-2019:**

- Digital Business touched a record 1.4+ million purchase transactions for FY 2019-20, which is essentially 3 purchases every minute! This increase is a ~30 % YOY growth.
- Contribution of Digital Business to overall NIMF business stands at 42%, which is a 50% growth over last FY where Digital contribution was at 28%.
- Digital Business share in lumpsum and SIP purchase transactions stands at 46% and 35% respectively vis-a-vis total purchase transactions. The same metric stood at 31% and 21% in FY 2018-19.

- 28% of investors transacting with us through digital channels were new customers.
- Digital contributed to more than 45% of new investor acquisition month on month.
- Conversational Commerce interface (hosted on the Simply Save App) has seen 1 Lac+ new downloads in the year and one conversation invoked every 7 minutes.

➤ **Awards & Accolades:**

Our pathbreaking innovations won the following awards this year:

- ET BFSI Excellence Awards 2019 - Best Customer Engagement of the Year for Conversational Commerce.
- Featured as a global case study in the Google Cloud Summit as a prominent partner on its Conversational Commerce.
- BFSI Smart Tech Leadership Awards - Best Use of Emerging or Innovative Technology for Conversational Commerce.
- BFSI Smart Tech Leadership Awards - Outstanding use of AI & Robotics in Financial Services for Business Easy 2.0.
- Indian Digital Media Awards 2019 - Best Customer Engagement of the Year for Conversational Commerce.
- Kamikaze B2B Media - Best Payment technology initiative of the Year for Conversational Commerce.

RESEARCH AND DEVELOPMENT:

- **DIGITAL ADOPTION AND INNOVATION:** From Digital Leadership to Digital Supremacy: Nippon India Mutual Fund embodies a Digital-first mindset and over the years, we have clearly established ourselves as a Digital leader, not just in Mutual Funds but in the entire financial services space.
- From being a Digital leader, we are now metamorphosing into a Digitech incubator. Our goal is to drive class-leading Digital innovation to create competitive advantage and disrupt the investments space with solutions that keep today's Digital savvy, millennial consumers at heart. We relentlessly pursue new ideas today so that we continue to set benchmarks tomorrow.
- Our mature Digital framework, catering to various segments and business lines, has not only helped us achieve robust and steady growth but also helped us drive many new age, industry-first and pioneering solutions for our investors and partners.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company earned foreign exchange equivalent to ₹ 28.97 Cr (Previous Year: ₹ 26.86 Cr). The Company spent foreign exchange equivalent to ₹ 7.24 Cr (Previous Year: ₹ 7.28 Cr).

DIRECTORS' RESPONSIBILITY STATEMENT

As per the requirements of Sub Section (5) of Section 134 of the Act, the Directors confirm that -

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and that there are no material departures;
- (ii) The Directors have selected such accounting policies in consultation with the Statutory Auditors' and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into/by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of

a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their review on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the following link:

<https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx>

Your Directors draw attention of the members to Note No. [29] to the financial statement which sets out related party disclosures.

PARTICULARS OF FRAUDS REPORTED BY THE AUDITORS'

In terms of Section 143(12) of the Act, M/s. S R Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company have not reported any instance of fraud having taken place during the year under review, in their Audit Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure to the Board's Report. Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended also forms part of this Report. However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining the said information may write to the Company Secretary. Upon such request the information shall be furnished.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual,

temporary, trainees) are covered under this Policy. Following is a summary of sexual harassment complaints received and disposed off during the year:

- No. of complaints received: 3
- No. of complaints disposed of: 3

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report for the year under review as stipulated under Listing Regulations is presented in the separate section forming part of this Annual Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the co-operation received from various regulatory and governmental authorities including SEBI, RBI, Registrar of Companies, Maharashtra at Mumbai, PFRDA, NPS Trust, EPFO, CMPFO, Stock Exchanges, Depositories, Custodians, Bankers, Shareholders, Investors and all other

business constituents during the year under review. We believe all of them have contributed to our continued growth.

Your Directors also wish to place on record their deep appreciation for the total commitment displayed by all the executives, officers and staff, resulting in yet another eventful performance for the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS RELIANCE NIPPON LIFE ASSET
MANAGEMENT LIMITED)

Ameeta Chatterjee

Director
(DIN: 03010772)

Sundeep Sikka

Executive Director & CEO
(DIN: 02553654)

Place : Mumbai

Dated : May 15, 2020

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the web link for the same is:

<https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx>

2. Composition of the CSR Committee (as on date of this report):

- Mr. Minoru Kimura (Chairperson)
- Mr. Akira Shibata (Director)

- Ms. Ameeta Chatterjee (Independent Director)
- Gen. Ved Prakash Malik (Independent Director)
- Mr. Mahadevan Veeramony (Independent Director)
- Mr. Sundeep Sikka (Executive Director & CEO)

3. Average net profit of the company for last three financial years: ₹ 653.91 Crore

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 13.08 Crore

5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: ₹ 13.25 Crore
- b. Amount Unspent, if any: Nil

Manner in which the amount spent during the financial year is enclosed.

1	2	3	4	5	6	7	8
Sr. No.	CSR Project/Activity identified	Sector in which the project is covered	Projects or programs (1) local area or other	Amount outlay (Budget) Project or Programs wise (in crore)	Amount spent on the project or programs sub-heads:	Cumulative expenditure up to the reporting period (in crore)	Amount spent: direct (D) or through implementing Agency* (IA) (in crore)
			(2) specify the state and district where projects or programs were undertaken		(1) Direct expenditure on projects and programs (2) Overheads (in crore)		
1	Tata Memorial Centre	Towards Livelihood, Health care Infrastructure and rural development	Maharashtra	3.50	3.50	3.50	Implementing Agency
2	Edelgive Foundation		Maharashtra & Gujarat	1.00	1.00	1.00	Implementing Agency
3	AmeriCares Foundation	Promoting preventive healthcare	Maharashtra	1.75	0.75	1.75	Implementing Agency
4	Deepak Foundation		Gujarat	2.50	1.50	2.50	Implementing Agency
5	Annamrita Foundation	Promoting education, enhancing Vocational Skills and Mid day meal programme	Maharashtra	1.00	1.00	1.00	Implementing Agency
6	Udyogini (Edu-bridge Learning Pvt. Ltd)		Pan India	2.00	0.50	2.00	Implementing Agency
7	Foundation for promotion of Sports and Games (IA)	Providing training / infrastructure to Indian athletes	Pan India	4.50	3.00	4.50	Implementing Agency

1	2	3	4	5	6	7	8	
Sr. No.	CSR Project/Activity identified	Sector in which the project is covered	Projects or programs (1) local area or other	Amount outlay (Budget) Project or Programs wise (in crore)	Amount spent on the project or programs sub-heads:		Cumulative expenditure up to the reporting period (in crore)	Amount spent: direct (D) or through implementing Agency* (IA) (in crore)
			(2) specify the state and district where projects or programs were undertaken		(1) Direct expenditure on projects and programs	(2) Overheads (in crore)		
8	Army Central Welfare Fund	Measures for the benefit of armed forces veterans, war widows and their dependents	Pan India	1.00	1.00	1.00	Implementing Agency	
9	Prime Minister Relief Fund	Towards Funds Set up by central Government	Pan India	1.00	1.00	1.00	Implementing Agency	
					13.25			

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED)

Ameeta Chatterjee
Director
(DIN: 03010772)

Sundeep Sikka
Executive Director & CEO
(DIN: 02553654)

Mr. Minoru Kimura
Director
(DIN: 07497568)

Dated : May 15, 2020

ANNEXURE – B

NOMINATION AND REMUNERATION POLICY

Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) ("the Company" or "NAM India") considers human resource as its invaluable assets. This policy aims to harmonise the aspirations of the Directors/ CEO & other employees with the goals of the Company. The Policy on nomination and remuneration of Directors, CEO & Senior Management Personnel ("SMP") and all other employees has been formulated as below:

1. Objective

- a. To appoint right talent with required and relevant qualifications, experience, track record and behavioral competencies for key positions as defined under the SMP below;
- b. Ensuring that the quantum and composition of remuneration is reasonable and commensurate to attract, retain and motivate employees to participate in sustenance and fostering the growth of the Company;
- c. Laying out remuneration principles for employees linked to their efforts, performances and achievement in comparison with the benchmarks;
- d. Ensuring that the annual compensation review considers the industry / business outlook and strategies adopted by peers in the industry and distinguishing employees based on their performance, potential, skill sets and to protect the employees against inflationary pressures;
- e. Retention of high performers at all levels and those playing critical roles.

2. Scope

The Board has constituted the Board Nomination and Remuneration Committee ("NRC") pursuant to the provisions of Section 178 of the Companies Act, 2013 and the rules made thereunder read with the Corporate Governance Guidelines as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the Directors, CEO & SMP.

3. Definitions

- a. 'Board' means Board of Directors of the Company;
- b. 'Director' means a Director appointed on the Board of the Company;
- c. CEO means a Chief Executive Officer appointed by the Board of the Company;

- d. Senior Management Personnel ("SMP") means all members of the core management team of NAM India, who are one level below the Chief Executive Officer and the Manager. Besides this, it also includes the Company Secretary.

4. Performance Management Process

We have a robust Performance Management & Review process which forms the basis of Compensation Review & Career Progression at Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited). The formal Annual Performance Review Process is initiated by the Human Resources function in the beginning of April every year, with an email communication from HR to all the employees of the Organisation.

Performance rating for the employees is largely based on their KPI achievements for last financial year along with their competency displayed and their potential. We also capture Employee's Potential displayed on the job as Very High, High, Medium & Low i.e. his/her ability to work at the next levels.

5. Appointment

5.1 Appointment of the CEO

- a) NRC will recommend to the Board the appointment of the CEO for approval.
- b) Board of Directors approves the appointment of the CEO.

5.2 Appointment of the Senior Management Personnel (SMP)

- a) NRC will recommend to the Board the appointment of CFO, Manager & the Company Secretary for approval.
- b) Board of Directors approves the appointment of the CFO, Manager & the Company Secretary.
- c) In view of efficient and smooth functioning of business, NRC has authorized the CEO and the Chief Human Resource Officer (CHRO) to appoint all the other Key Personnel under SMP for timely closure of the Key Positions. Once appointed, the details of their appointment will be shared with the NRC subsequently, for their perusal.

6 Remuneration

6.1 Remuneration of the CEO - Fixed Cost & PLI

- a) NRC will resolve the actual amount of the CEO's fixed cost / PLI and recommend them to the Board of Directors for approval.
- b) Board of Directors approves the Compensation for the CEO.
- c) All relevant data to be provided by CHRO.

CEO's ESOP

- a) NRC will resolve the actual value of ESOP Grant to the CEO and recommend them to the Board of Directors for approval.
- b) Board of Directors approves the ESOP Grant for the CEO.

6.2. Remuneration of SMP - CFO, Manager & the Company Secretary - Fixed Cost & PLI:

- a) CEO to propose and the NRC will resolve the increments and PLI amounts to be paid to the CFO, Manager & the Company Secretary.
- b) Board of Directors approves the Compensation for such Key Personnel.

ESOPs of Senior Management Personnel – CFO, Manager & the Company Secretary:

- a) NRC will resolve the actual value of ESOP Grant to be granted to the CFO, Manager and the Company Secretary and recommend them to the Board of Directors for approval.
- b) Board of Directors approves the ESOP Grant for the CFO, Manager and the Company Secretary

6.3. Remuneration of all other Employees - Fixed Cost & PLI

- a) The NRC will approve the upper limits for both the increment & PLI for all the other employees.
- b) CEO determines the total amount of increment & PLI payable to all other Employees which is within the maximum amount approved by the NRC.
- c) CEO & CHRO determine each of such employee's increment (Fixed CTC) / PLI within the total amount.
- d) NRC is informed of the final numbers after the payouts to all other Employees.
- e) Compensation of Top 20 Employees in terms of their salary to be shared directly with the NRC members by the CHRO.

ESOPs to all Other Employees

- a) The NRC would approve the total value of grant to all Other Employees

7. Nomination & Remuneration of the Directors

- a) While considering the candidature of any person for the office of the Director, the Committee would consider the integrity, qualification, positive attributes, independence, area of expertise, previous achievements and number of directorships & memberships already held by that person. The Committee would also review the skill set held by that person, ability to contribute to the Company's growth and complementary skills in relation to the other Board Members. Based on the Committee's recommendation, the Board would further consider and take the appropriate decision in this regard.

- b) The remuneration of Directors / Managing Directors / Whole-time Directors shall be governed by the provisions of the Companies Act, 2013 and the rules made thereunder, from time to time and the Listing Regulations.
- c) Non-Executive Directors shall be entitled to receive the Sitting Fees for attending the meetings of the Board and the Committees thereof, as approved by the 'Board of Directors' from time to time. However, any Directors, who is in employment of any of the Reliance Group Companies, shall not be entitled for the payment of the Sitting Fees. The Board upon the recommendation of the Nomination Committee, shall review the Sitting Fees, from time to time, subject to the limits, as specified under the Companies Act, 2013 or rules made thereunder.
- d) Upon the recommendation of the NRC, the Board shall review and approve the other components of the remuneration payable to the Directors (including Non-Executive Directors) of the Company, within the overall limits as specified under the Companies Act, 2013 (including rules made thereunder) and the Listing Regulations and if required, the same shall be placed for the consideration and approval of the Shareholders.

8. Remuneration Structure for all employees

The Remuneration structure shall include the following components:

- i. Fixed Pay;
- ii. Performance Linked Incentive / Variable Pay Plan;
- iii. Retiral & Other Benefits;
- iv. Onetime Payments;
- v. Stock Options;
- vi. Retention Bonus & Long Term Incentives;
- vii. Ex Gratia;
- viii. Any Other Perquisites & Allowances.

Remuneration shall be assigned as per the grade/band of the incumbent and according to the qualification and work experience, competencies as well as their roles and responsibilities in the Organization. There will be various factors which will be considered for determining their compensation such as job profile, potential, skill sets, seniority, experience, performance and prevailing competition remuneration levels for equivalent jobs.

9. Retention Features as part of Compensation Package:

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses; Long-term Incentives, Ex Gratia, Employee Stock Options, etc.

10. Modification and Amendment:

The policy is subject to modification, amendment and alterations by the Management as appropriate.

ANNEXURE – C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nippon Life India Asset Management Limited (hereinafter referred to as the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the following laws applicable specifically to the Company:

- (i) SEBI (Mutual Funds) Regulations, 1996; and
- (ii) Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as amended time to time, and
- (ii) The Equity Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned herein above.

Other statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

- (i) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- (ii) Acts as prescribed under Direct Tax and Indirect Tax;
- (iii) Stamp Acts and Registration Acts of respective States;
- (iv) Labour Welfare Act of respective States; and

- (v) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year, Mr. Jai Anmol Ambani resigned from the directorship of the Company w.e.f. May 23, 2019, Mr. Sushil Tripathi and Mr. Kanu Doshi, Independent Directors, retired from the Company w.e.f. September 23, 2019. Further, Mr. Mahadevan Veeramony was appointed as an Independent Director of the Company w.e.f. September 23, 2019 for a period of 5 years and Ms. Ameeta Chatterjee was re-appointed as an Independent Director of the Company w.e.f. March 24, 2020 for a Second term of 5 years.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following significant & material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- (i) The Company in Board Meeting dated May 23, 2019, inter-alia, approved acquisition of additional shareholding of the Company by Nippon Life Insurance Company from Reliance Capital Limited.
- (ii) The Members on July 12, 2019 approved the following matters through postal Ballot:
- (a) 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019 [ESOP 2019]';

- (b) the grant of Employee Stock Options to the employees / Directors of Subsidiary Companies and Holding Company (if any) of the Company under 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019 [ESOP 2019]'; and

- (c) the grant of Employee Stock Options to Mr. Sundeeep Sikka, Executive Director & CEO, during the current financial year, upto 2% of the issued capital of the Company at the time of grant of options.

- (iii) During the year, the Board of Directors of the Company had declared two interim dividends as per details given below:

Sl. No.	Date of Board Meeting	Interim Dividend Declared	For Financial year
1	April 29, 2019	₹ 3 per equity share	2018-2019
2	January 23, 2020	₹ 3 per equity share	2019-2020

- (iv) The Members on December 18, 2019, inter-alia approved following matters through Postal Ballot:

- (a) Change of name of the Company; and
- (b) Adoption of a new set of Articles of Association of the Company.

- (v) The Members on March 6, 2020 approved, through postal ballot, re-appointment of Ms. Ameeta Chatterjee as a Non-executive Independent Director of the Company for a second term of 5 years w.e.f. March 24, 2020.

**For M Siroya and Company
Company Secretaries**

**Mukesh Siroya
Proprietor**

FCS No.: 5682

CP No.: 4157

UDIN.: F005682B000244888

Date: May 15, 2020

Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

**For M Siroya and Company
Company Secretaries**

**Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157**

UDIN.: F005682B000244888

Date: May 15, 2020

Place: Mumbai

ANNEXURE – D

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

CIN	L65910MH1995PLC220793
Registration Date	February 24, 1995
Name of the Company	Nippon Life India Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management Limited)
Category / Sub-Category of the Company	Company limited by Shares / Non-govt company
Address of the Registered office and contact details	Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400 055 Contact: +91 22 4303 1000 • Fax: +91 22 4303 7662 E-mail: Investorrelation@nipponindiaamc.com Website: www.nipponindiamf.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Toll free no. (India) : 1800 4250 999 Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791 E-mail: namindiainvestor@kfintech.com Website: www.kfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of Main Products / Services	Nic Code of the Product/service	% to total turnover of the Company
1	Fund Management Activities as per NIC Code 2008	6630	100

III. Particulars of Holding, Subsidiary and Associate Companies –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Nippon Life Insurance Company	Not Applicable	Holding Company w.e.f. August 22, 2019	74.99	2(46)
2	Nippon Life India Asset Management (Mauritius) Ltd. (Formerly known as Reliance Asset Management (Mauritius) Limited) Unit 1, 4C, 4th Floor, 19, Bank Street, Cybercity, Ebene 72201, Republic of Mauritius	Not Applicable	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3	Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly known as Reliance Asset Management (Singapore) Pte. Ltd.) 9 Raffles Place, # 18-05 Republic Plaza, Singapore 048619	Not Applicable	Subsidiary	100	2(87)
4	Nippon Life India AIF Management Limited (Formerly known as Reliance AIF Management Company Limited) Reliance Centre, 7th Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U74999MH2000PLC127497	Subsidiary	100	2(87)
5	Reliance Capital Pension Fund Limited Reliance Centre, 7th Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U66020MH2009PLC191340	Associate	49	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-Wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (April 01, 2019)				No. of shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	262395000	0	262395000	42.88	5678596	0	5678596	0.93	-41.95
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	262395000	0	262395000	42.88	5678596	0	5678596	0.93	-41.95
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	262395000	0	262395000	42.88	459028095	0	459028095	74.99	32.12
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	262395000	0	262395000	42.88	459028095	0	459028095	74.99	32.12
Total Shareholding of Promoter (A)=(A) (1)+(A)(2)	524790000	0	524790000	85.76	464706691	0	464706691	75.92	-9.84

Category of shareholders	No. of shares held at the beginning of the year (April 01, 2019)				No. of shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public shareholding									
1. Institutions									
a) Mutual Funds	22912150	0	22912150	3.74	22165072	0	22165072	3.62	-0.12
b) Banks / FI	152139	0	152139	0.02	413605	0	413605	0.07	0.04
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	59038	0	59038	0.01	1536857	0	1536857	0.25	0.24
g) FIs/FPIs	18254216	0	18254216	2.98	32187257	0	32187257	5.26	2.28
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Other									
Alternate Investment Funds	18494900	0	18494900	3.02	17019360	0	17019360	2.78	-0.24
Sub-total (B)(1)	59872443	0	59872443	9.78	73322151	0	73322151	11.98	2.20
2. Non- institutions									
a) Bodies Corp.									
i) Indian	4131017	0	4131017	0.67	29281892	0	29281892	4.78	4.11
ii) Overseas	10796700	0	10796700	1.76	6541886	0	6541886	1.07	-0.70
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	9194641	10	9194651	1.50	24866960	12	24866972	4.06	2.56
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	2335471	0	2335471	0.38	9767298	0	9767298	1.60	1.21
c) Others									
Employee Trusts	300	0	300	0.00	297966	0	297966	0.05	0.05
Non Resident Indians	437858	0	437858	0.07	1677680	0	1677680	0.27	0.20
Clearing Members	441560	0	441560	0.07	1649331	0	1649331	0.27	0.20
Sub-total (B)(2)	27337547	10	27337557	4.46	74083013	12	74083025	12.10	7.64
Total Public shareholding (B)=(B)(1)+ (B)(2)	87209990	10	87210000	14.24	147405164	12	147405176	24.08	9.84
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand total (A+B+C)	611999990	10	612000000	100.00	612111855	12	612111867	100.00	0.00

(ii) Shareholding of Promoters

Sr. no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Reliance Capital Limited	262395000	42.88	0	5678596	0.93	0	-41.95
2	Nippon Life Insurance Company	262395000	42.88	0	459028095	74.99	0	32.12
	total	524790000	85.76	0	464706691	75.92	0	-9.83

(iii) Change in Promoters' Shareholding:

Sl. no.	Shareholder's name	Date of Change	Shareholding at the beginning of the year (April 01, 2019)		Cumulative shareholding during the year (March 31, 2020)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
i)	Reliance Capital Limited					
1.	At the beginning of the year		26,23,95,000	42.88		
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year	24-05-2019 and 27-05-2019 [@]	-48283405	-7.89	214111595	34.99
		13-06-2019 and 14-06-2019 [@]	-17507595	-2.86	196604000	32.12
		11-09-2019 and 12-09-2019 [@]	-38610038	-6.31	157993962	25.81
		27-09-2019 ^{&}	-131817943	-21.54	26176019	4.28
		18-11-2019 [#]	-20497423	-3.35	5678596	0.93
3.	At the End of the year				56,78,596	0.93
ii)	Nippon Life Insurance Company					
1.	At the beginning of the year		26,23,95,000	42.88		
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year	22/08/2019 [§]	64815152	10.59	32,72,10,152	53.46
		27/09/2019 ^{&}	13,18,17,943	21.54	45,90,28,095	74.99
3.	At the End of the year				45,90,28,095	74.99

[@] Shares offered through Offer for sale

[#] Invocation of pledge by IndusInd Bank Limited

[§] Pursuant to mandatory Open Offer in accordance with SEBI (SAST) Regulations

[&] Share Purchase by NLI from RCL

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	IndusInd Bank Ltd.	0	0.00	20497423	20497423	3.35
2	HDFC Trustee Company Limited – HDFC Prudence Fund	14407832	2.35	-4485092	9922740	1.62
3	Baron Emerging Markets Fund	0	0.00	9096380	9096380	1.49
4	IIFL Special Opportunities Fund	8024348	1.31	-928787	7095561	1.16
5	Valiant Mauritius Partners FDI Limited	10796700	1.76	-4254814	6541886	1.07
6	IIFL Special Opportunities Fund - Series 2	5366273	0.88	-303036	5063237	0.83
7	Motilal Oswal Midcap 100 ETF	25955	0.00	4687725	4713680	0.77
8	UTI - Focussed Equity Fund - Series IV (1104 Days)	2650061	0.43	144931	2794992	0.46
9	Invesco Trustee Private Limited - A/C Invesco India Equity & Bond Fund	247476	0.04	2499732	2747208	0.45
10	Vanguard Total International Stock Index Fund	0	0.00	2620682	2620682	0.43

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. no.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sundeep Sikka				
	At the beginning of the year	1,10,000	0.02		
	Date wise Increase / Decrease in Share holding during the year	No Change			
	At the End of the year			1,10,000	0.02

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. Remuneration of Directors and Key Managerial Personnel

(A) Remuneration to Managing director, whole-time directors and/ or Manager:

Sl. no.	Particulars of Remuneration	Amount (₹ in Lakh)	
		Mr. Sundeep Sikka (ED & CEO)	Mr. Ajay Patel (Manager)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	701.36	101.82
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.40	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Option (Number of Options granted in FY 2018-19)	12,240,000 Options	104,938 Options
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify (PLI & Others)	-	-
	Total (A)	701.75	101.82
	Ceiling as per the Act	6123	

(B) Remuneration to other Directors:

(Amount ₹ in Lakhs')

Independent Directors						
Particulars of Remuneration	Name of Directors					Total Amount
	Kanu H. Doshi@	S.C. Tripathi@	Ameeta Chatterjee	General Ved Prakash Malik (Retd.)	Mahadevan Veeramony@	
1. Independent Directors						
• Fee for attending board / committee meetings	4.30	3.70	7.7	7.7	5.40	28.80
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
Total (1)	4.30	3.70	7.7	7.7	5.40	28.80
Non-executive Directors						
Particulars of Remuneration	Name of Directors					Total Amount
	Akira Shibata	Minoru Kimura				
2. Other Non-Executive Directors						
• Fee for attending board/committee meetings	4.30	4.30				8.60
• Commission	-	-				-
• Others, please specify	-	-				-
Total (2)	4.30	4.30				8.60
Total (B)=(1+2)						37.40
Total Managerial Remuneration (A+B)						840.97
Overall Ceiling as per the Act						6735

@Mr. Kanu H. Doshi and Mr. S.C. Tripathi, Directors resigned during the year and Mr. Mahadevan Veeramony was appointed on 23rd September 2019.

Notes:

- No Sitting fee was paid to the Executive Director or any other Director, who was employed in any of the Reliance group companies
- As indicated by Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Akira Shibata and Mr. Minoru Kimura (being nominees of NLI) was paid to NLI. NLI has waived the sitting fees payable to the representatives or employees of NLI or its group Companies, acting as Board members of the Company, for attending the Board or Committee meetings from December 10, 2019 onwards.

C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD

(₹ in Lakhs)

Sl. no.	Particulars of remuneration	Key Managerial Personnel	
		Mr. Prateek Jain (CFO)	Ms. Nilufer Shekhawat (Company Secretary)
1	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	184.80	34.50
(b)	Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options (Number of Options granted in FY 2018-19)	528,704 Options	NIL
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify (PLI & Others)	-	-
5	Others, please specify	-	-
	Total (1+2+3+4+5)	184.80	34.50

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	N.A.	N.A.	N.A.	N.A.
Punishment	NIL	N.A.	N.A.	N.A.	N.A.
Compounding	NIL	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	NIL	N.A.	N.A.	N.A.	N.A.
Punishment	NIL	N.A.	N.A.	N.A.	N.A.
Compounding	NIL	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	N.A.	N.A.	N.A.	N.A.
Punishment	NIL	N.A.	N.A.	N.A.	N.A.
Compounding	NIL	N.A.	N.A.	N.A.	N.A.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED)

Ameeta Chatterjee
Director
(DIN: 03010772)

Sundeep Sikka
Executive Director & CEO
(DIN: 02553654)

Place : Mumbai

Dated : May 15, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDIAN ECONOMIC OVERVIEW

The Indian economy began the year FY2019-20 on a sombre note, after a series of asset quality downgrades and subsequent liquidity crunch faced by the non-banking financial companies (NBFCs) and housing finance companies (HFCs) in FY 2018-19. The liquidity crunch impacted the ability of many NBFCs and HFCs to lend. Since they had played an important role in growth of the consumer sector in recent years, the decline in their ability to lend to the direct consumer led to decreased demand and slowdown in the Indian economy. Overall growth and outlook were impacted in the first nine months of the financial year due to variety of factors, primarily the geopolitical uncertainty arising from the US - China Trade war, limited supply of credit, and failure of certain large domestic lenders. However, towards the beginning of the fourth quarter, the economic outlook had finally started to turn favourable, bolstered by corporate tax cuts and marginal reduction in stressed asset creation in the banking sector. Backed by continued growth in foreign capital inflows and private consumption growth, India reported GDP growth of 4.7% in Q3 FY 2019-20, in line with the market expectations. However, the last two months of the fiscal witnessed unprecedented challenges to the global as well as the domestic economy. The conclusive impact of the COVID19 situation is yet to be fully ascertained. After the Central Government provided the first round of fiscal stimulus, focused on households at the bottom of the pyramid, in the form of a relief package of approx. ₹ 20 lakh crore, the Reserve Bank of India also introduced several important monetary policy stimulus measures by softening policy rates by 115 basis points to 4.0%, improving liquidity for the non-banking financial services' undertakings, and offering immediate relief measures to corporate and individual borrowers. Through measured steps, the RBI provided lifelines to corporates, banks, NBFCs, MFIs, MSMEs, and Mutual Funds by conducting several long-term repo operations and deploying a range of monetary tools at its disposal. These measures are expected to stabilize the financial system and boost liquidity in the credit markets.

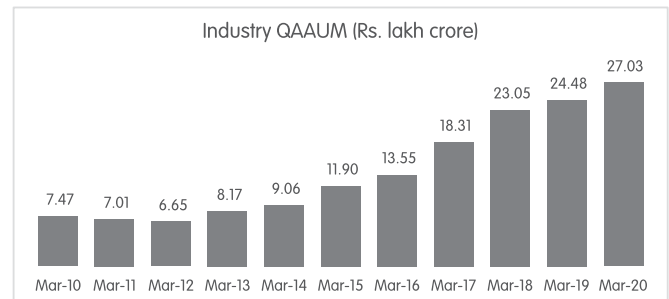
Although investors remained optimistic about India's growth story and INR depreciated by mere 3.8% by the end of December 2020, outbreak of COVID19 triggered sharp outflows across emerging markets and led to decline in the currency by further 6%. Headline CPI inflation rose to 5.9% in March 2020 vs. 3.5% in FY 2018-19. Going forward, food prices are expected to soften due to the record food grains and horticulture production, while, the collapse in crude prices should work towards easing inflationary pressures. For FY 2020-21, the RBI has projected CPI inflation to ease from 4.8% in Q1 to 4.4% in Q2, 2.7% in Q3 and 2.4%

in Q4. For FY 2021-22, assuming a normal monsoon and no major exogenous or policy shocks, RBI estimates indicate that inflation could move in a range of 3.6 - 3.8%. The IMF forecasts expansion of the economy by 1.9% for FY 2020-21. The turnaround in the economy is critically dependent on the success of global efforts towards containment of the pandemic and subsequent rise in consumer and investor confidence. While the extent and severity of the pandemic will determine the pace of the rebound, an improvement in domestic rural demand, lower credit costs, cheap crude oil prices, and an accommodative fiscal strategy by the government and the RBI, are expected to provide significant tailwinds for the domestic economy.

II. MUTUAL FUND SECTOR

Industry Overview

Over the last decade, the Indian MF Industry has grown at a steady pace from ₹ 7.5 lakh crore to ₹ 27.0 lakh crore, an approximately 4 times increase in a span of 10 years. Further, during the year Industry saw a healthy growth of 9% in total folios largely due to increasing awareness and higher retail participation.



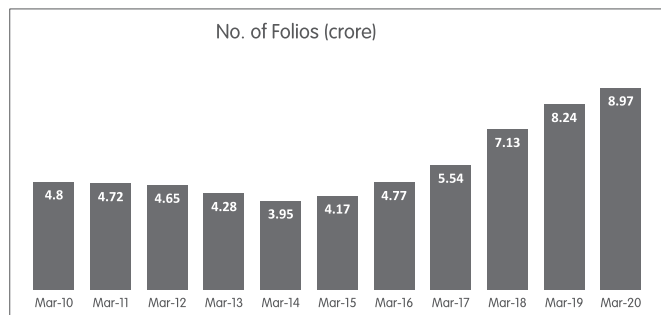
Source: AMFI

The industry witnessed 10.4% growth from ₹ 24.5 lakh crore for the quarter ended March 31, 2019, to touch ₹ 27.0 lakh crore for the quarter ended March 31, 2020, adding AUM of over ₹ 2.5 lakh crore during this financial year. Equities and debt assets accounted for most of these inflows during the year, reflecting the increasing risk appetite and confidence of the retail investors despite high volatility. Out of the over ₹ 2.5 lakh crore growth witnessed in mutual funds in FY 2019-20, 47% or ₹ 1.19 lakh crore was contributed by the debt assets, while equities contributed 38% of the growth i.e. ₹ 97,282 crore. The year was also significant for the ETF segment, which grew by ₹ 61,732 crore to ₹ 1,80,540 crore.

Increasing Participation from Individual Investors

This year has seen continued growth in participation, especially from retail investors in equity funds. The MF industry added 73 lakh folios during FY 2019-20. The rise in

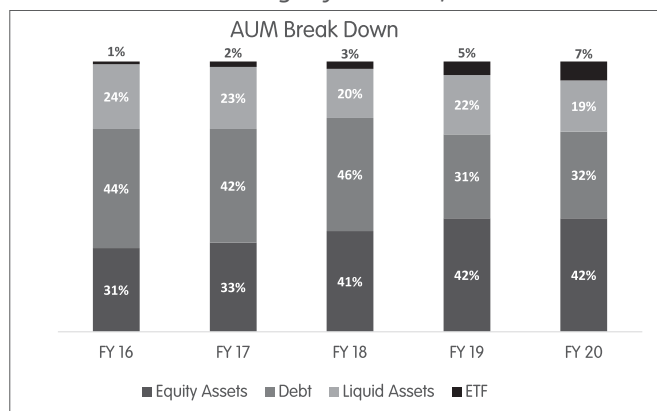
folios was driven by higher folios in equity funds, taking the total number of folios to 8.97 crore. Equity folios grew by a healthy 11% from 7.03 crore in March 2019 to 7.79 crore in March 2020.



Source: AMFI

Asset Mix

Equity AUM as a proportion of Total AUM has gone up from 31% in FY 2015-16 to 42% in FY 2019-20 which can be attributed to increasing awareness, financialization of savings, rise in SIP etc. The share of debt-oriented schemes is down from 44% in FY 2015-16 to 32% in FY 2019-20 which can be attributed to rising in yield curve, credit events.



Source: QAAUM, AMFI

Equity: Equity Funds invest a major chunk of corpus in equity securities with the main objective of providing capital appreciation over the medium to long-term investment horizon. They are high-risk funds and the returns are linked to the performance of capital markets. There are different types of equity funds i.e. diversified funds, sector-specific funds and index-based funds. In addition to equity funds, we also have Balanced / Hybrid Funds which invest both in equity and debt instruments and strive to provide growth as well as regular income.

Equity AUM contributes 42% to total Industry assets and grew by 9%.

Debt: Debt Fund/Fixed Income Funds invest predominantly in rated debt or fixed income securities i.e. corporate bonds,

debentures, government securities, commercial papers and other money market instruments.

Debt AUM contributes 32% to total Industry assets and grew by 16%.

Liquid: Liquid Funds / Money Market Funds invest in highly liquid money market instruments and provide easy liquidity. Liquid funds are short duration funds and typically used by corporate houses, institutional investors and business houses for deploying surplus liquidity for a shorter period.

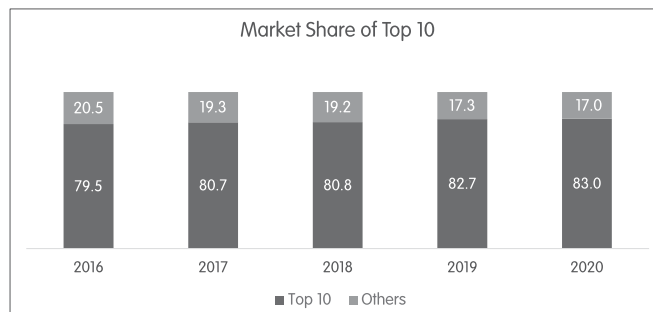
Liquid AUM contributes 19% to total Industry assets and declined by 4%.

ETF: Exchange Traded Funds (ETFs) track an index, a commodity or a basket of assets as closely as possible, but trade like shares on the stock exchanges. They are backed by physical holdings of the commodity, and invest in stocks of companies, precious metals etc.

ETF AUM contributes 7% to total Industry assets and grew by 52%.

Top 10 AMCs AUM trends:

Indian MF industry has a total of 43 AMCs comprising private sector companies, joint ventures with foreign entities and NBFC/bank sponsored AMCs.



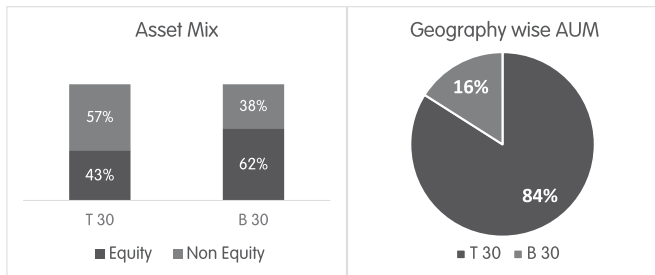
Source: QAAUM, AMFI

The Indian MF industry remains largely consolidated in top 10 AMCs, which account for >80% of the industry’s total AUM since March 2016. Currently, Top 10 players manage ₹ 22.4 lakh crore, which accounts for 83.0% of the industry AUM, and their proportion of assets has been increasing year after year.

Geographic Mix:

Historically, AUM has been concentrated in the Top 30 (T-30) cities due to presence of Institutional Investors and they have higher concentration of assets in non-equity schemes. The T-30 cities hold the majority of MF assets with a share of 84%, whereas beyond the Top-30 or B-30 cities held 16% of assets as of March 2020. AUM from B-30 has higher composition

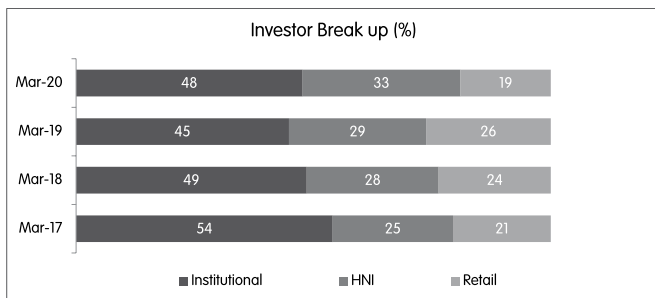
of equity assets compared to T-30 cities. Further, B-30 cities gaining significance in the industry AUM mix as the SEBI provides impetus to MF penetration beyond the top 30 cities by allowing additional TER.



Source: AMFI

Investor wise break-up of AUM

Industry's investors base can be broadly categorized as Retail, High Net worth Individual (HNI) and Institutional investors. Over last 3 years Retail, HNI & Institutional AUM has grown at a CAGR of 7%, 20% and 6% respectively, and contribution of HNI investors to Industry AUM has increased from 25% in March 2017 to 33% in March 2020.

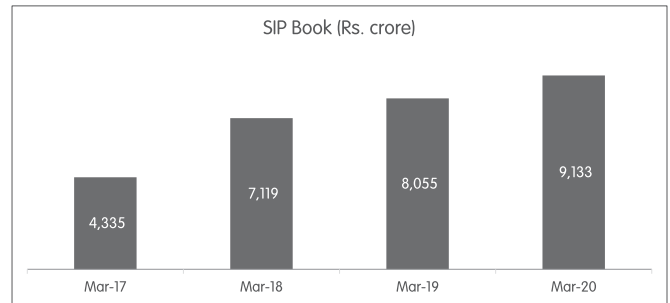


Source: AMFI

The HNI investor MAAUM increased from ₹ 7.1 lakh crore in March 2019 to ₹ 8.2 lakh crore in March 2020, registering a growth of 33%, whereas institutional investors MAAUM increased by 7% from ₹ 11.0 lakh crore in March 2019 to ₹ 11.8 lakh crore in March 2020. Retail investors MAAUM decreased from ₹ 6.4 lakh crore to ₹ 4.7 lakh crore, on account of unprecedented market volatility in the equity markets in March 2020. Majority of the retail investors assets are invested in equities.

SIP Inflow continues to grow

Systematic Investment Plan or SIP, as it is commonly known, is an investment plan offered by mutual funds where one could invest a fixed amount in a scheme periodically at fixed interval like, once in a month.



Source: AMFI

Despite high volatility in the last six months, Systematic Investment Plans (SIP) inflows continue to grow especially among retail investors indicating their evolving behaviour and long-term investment horizon. According to AMFI, the total inflows through SIPs in FY 2019-20 increased by 8% to Rs 1.0 lakh crore. The total number of SIP accounts stood at 3.12 crore as on March 31, 2020, with an addition of 50 lakh accounts during the year. In addition to a gradual increase in participation from the retail segment, the rising prominence of SIPs also lends stability to industry inflows.

Outlook

Over the last few years, there has been a gradual increase in the share of net financial savings in the overall household savings in India. Also, share of mutual fund assets in gross financial household assets in India is also on the rise. However, India's mutual fund penetration (AUM to GDP), at 12.5%, is still much lower than the world average of 55%. It is also lower than many developed economies such as the United States (103%), France (75%), Canada (68%) and UK (59%), and emerging economies such as Brazil (65%) and South Africa (42%). India's equity mutual fund AUM to GDP ratio is at 4%, vis-à-vis 63% in US, 46% in Canada, 35% in UK, and 33% in Japan. Going forward, favourable demographic dividend, formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor awareness, investor friendly regulations, introduction of transparent and investor-friendly products, ease of investing, digitalisation, and perception of mutual funds as long-term wealth creators, are expected to be key drivers for the growth of the Mutual Fund industry.

III. ALTERNATIVE INVESTMENT FUNDS

Alternative Investment Fund or AIF means any fund established or incorporated in India and is registered with SEBI as a privately pooled investment vehicle. An AIF collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors. The minimum investment amount is ₹ 1 crore.

SEBI has identified three categories of AIFs based on investments as below:

Category I: Includes funds which have positive spill over effects on the economy for which certain incentives / concessions might be considered, e.g. venture capital funds, Angel Funds, SME Funds, social venture funds, infrastructure funds etc.

Category II: Predominantly includes funds which invests in unlisted securities and includes funds like PE Funds, Debt funds etc., and represents the largest segment in AIF Category

Category III: Include funds which deploy diverse or complex trading strategies including use of debt/leverage through investment in listed or unlisted debentures e.g. Hedge funds or funds that invest with a view to earn short term returns form huge part of this segment.

In recent times Alternative Investment Funds (AIF) have become one of the attractive emerging investment avenues with innovative fund structures. With a strong and supportive regulatory regime AIFs are on way to become a mainstream investment class. Apart from the interest from domestic investors, large overseas institutional investors are also accessing the AIF structures to participate in the Indian Markets. AIFs have been addressing the investment gaps which have not been filled by traditional investment products.

As on December 2019, commitments raised is approx. ₹ 3.5 lakh crore of which funds raised is approx. 49% i.e. ₹ 1.7 lakh crore. Within Funds Raised, Funds Category II (66%) represent the largest segment, followed by Category III (24%). Since 2012, SEBI has permitted more than 600 AIFs to be set up. Participants include AMCs, Private Equity, Venture Capital firms, Hedge Funds, Corporates, Boutique Investment Funds, Individuals etc.

IV. PORTFOLIO MANAGEMENT SERVICES (PMS)

Portfolio Management Services (PMS) is an investment management service offered by banks, brokerage houses, wealth managers and asset management companies to wealthy investors, like high net worth individuals, or institutions. PMS is broadly divided into discretionary and non-discretionary / advisory. PMS is one of the most versatile investment vehicles. It is the most suitable investment vehicle for meaningful/concentrated, benchmark-agnostic, bottom-up stock picking. Recently, the minimum investment amount under PMS has been revised by SEBI to ₹ 50 lakhs.

The PMS industry has seen a robust growth of 15.5% CAGR in the last five years between June 2014 to June 2019, with asset under management rising from ₹ 7.9 lakh crore to ₹ 16.3 lakh crore.

VI. COMPANY OVERVIEW

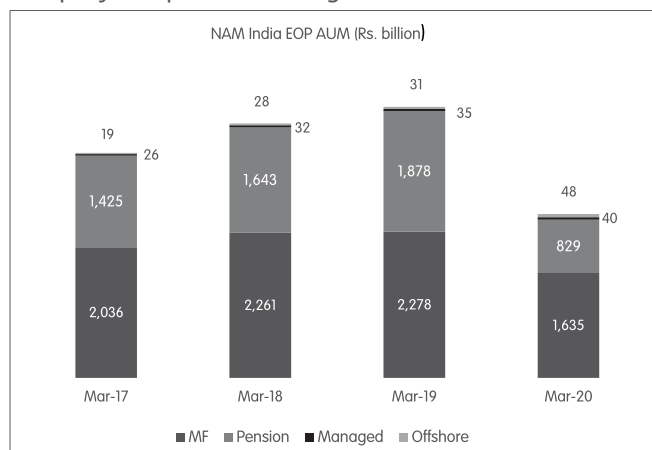
True Blue Asset Management Player

Nippon Life India Asset Management Limited (NAM India or the Company) is one of the largest asset management companies in India with over 24 years of track record, and a total AUM of ₹ 2.6 lakh crore as of March 31, 2020. The Company is involved in managing

- (i) mutual funds including exchange traded funds (ETFs);
- (ii) managed accounts, including portfolio management services (PMS), alternative investment funds and pension funds;
- (iii) offshore funds and advisory mandates.

The Company is co-promoted by Nippon Life Insurance Company, one of the leading private life insurers in Japan, with assets of over US\$ 700 bn as of March 31, 2019.

The following table illustrates the closing AUM of the Company's respective offerings:



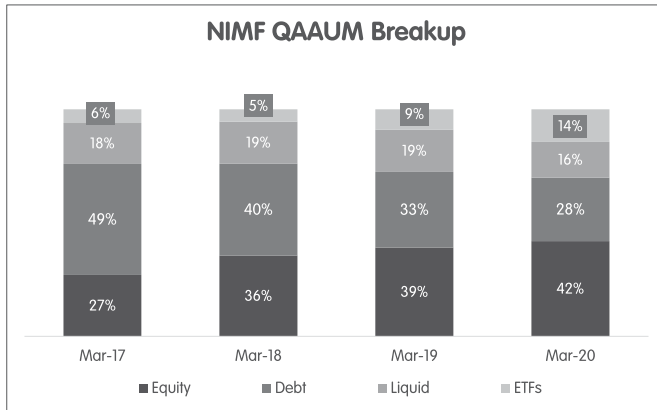
Source: Company

Mutual Fund:

Nippon India Mutual Fund (NIMF) offers a well-rounded portfolio of products i.e. Equity, Debt, Liquid as well as ETF for investors to meet varying requirements. It constantly endeavours to launch innovative products and customer service initiatives to increase value to investors. The Company started mutual fund operations in 1995 as the asset manager for Reliance Mutual Fund. As of March 31, 2020, the Company managed QAAUM of ₹ 2,04,884 crore. The Company caters to one of the largest investor folios in the industry at 87 lakh investor folios. As on March 31, 2020, Nippon India Mutual Fund (NIMF) manages 59 open ended schemes (including 18 ETFs) and 123 close ended and interval schemes.

NIMF is the only AMC in India with more than 18 years' experience in managing ETFs. During the financial year,

NIMF completed the 7th tranche of the CPSE ETF. The issuance garnered a tremendous response across all investor categories, and collected over ₹ 21,700 crore, where the issue size was ₹ 16,500 crore.



Source: Company

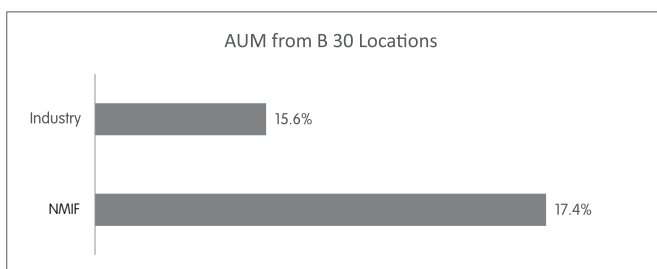
Business Strengths:

No.1 in Retail Assets & Growth

NIMF has always been known for its strength in the Retail segment. Over the last 2 decades, the Company has meticulously built its assets in this category and created long-term wealth its retail investors. It will continue to focus and enhance these offerings to expand its investor base even further. NIMF’s retail AAUM contribution to total AAUM is amongst the highest in the industry at 24%. The Company plans to continue to build on its efforts in this segment with a mix of on-ground presence in smaller locations as well as continuously evolving digital assets to improve experience and on-board new investors.

Higher Share of AUM from Beyond Top 30 Locations:

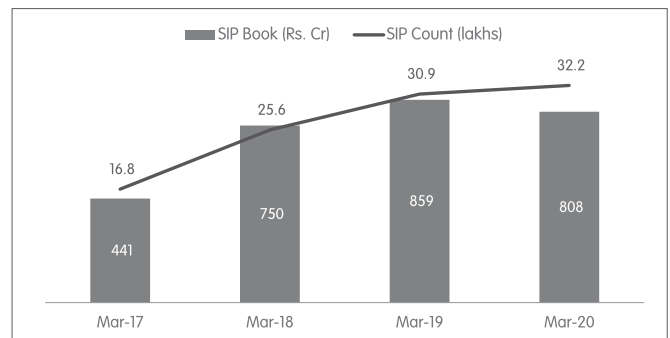
NIMF continues to be amongst the leaders in ‘Beyond Top 30 cities’ segment or B 30 locations. B-30 locations have higher share of equity assets compared to non-equity assets. This segment contributed AUM of over ₹ 32,100 crore, out of which 67% were equity assets. 17% of total assets are sourced from beyond top 30 cities, higher than the industry average. In smaller locations, there is particular need for face-to-face communication to get new investors into the MF Industry. NIMF holds one of the largest on-ground presences at 287 locations pan India and we endeavour to provide an all-round interface for our investors – both online and offline.



Source: Company, AMFI

SIP - Long Term & stable Inflows

SIP is one of the strong pillars of the Industry and provides long-term sustainable inflows. It also inculcates a ‘savings habit’ among investors and ensures steady disciplined approach to investing rather than ad-hoc. NIMF received ₹ 808 crore in SIPs inflows in March 2020, which is a recurring monthly inflow, resulting in annualized inflows of approx. ₹ 9,700 crore. NIMF’s SIP book is contributed by over 32 lakh SIPs, and the number of SIPs has grown by 4% in FY 2019-20. Despite the challenging environment, the overall SIP inflows grew marginally to over ₹ 10,100 crore in FY 2019-20. About 82% of the incremental SIPs have tenure over 5 years. Average ticket size of SIP book is about ₹ 2,550 as against industry average of about ₹ 3,350.



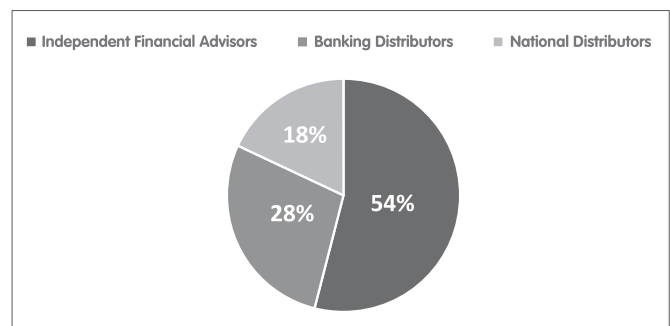
Source: Company

The trend on the new SIP counts has seen a strong traction. No. of new SIP counts have more than doubled from 30,422 in March 2016 to 65,807 in March 2020. NIMF continues to garner SIPs for long term and look to serve investors through SIPs of every scale starting from Rs 100.

De Risked distribution Model:

Traditional

The Company has multi-channel distribution network comprising of Independent Financial Advisors (IFAs), foreign banks, Indian private and public sector banks, national distributors and digital platforms. It has over 76,200 empanelled distributors pan India as of March 31, 2020, amongst the highest in the Industry. As a result of its well-diversified and geographically spread distribution network, none of its distributors account for over 5% of AUM.



Excluding Direct AUM

Source: Company

Penetrating Deeper into India:

Currently, NAM India has a pan-India network of 287 locations, which is amongst the highest in the industry. The Company continues to focus on locations beyond the Top 30 cities, as assets from smaller locations have higher persistency and are more profitable.



Source: Company

Managed Accounts:

AIF

Our Subsidiary, Nippon Life India AIF Management Limited (NIAIF), manages 13 schemes of Alternative Investment Funds (AIFs) across Category II & Category III. NIAIF offers various strategies under High Yield Real Estate Debt, Listed Equity, Credit and Tech / VC FoF AIFs, which are privately pooled investment vehicles registered with SEBI.

During the year, NIAIF introduced a new asset class viz. Tech / VC FoF (Nippon India Digital Innovation AIF Scheme 1) under Category II AIF. The Company has already received commitments and LOIs from marquee investors aggregating to US\$ 100 million in this fund.

In FY 2019-20, NIAIF has also successfully managed the exit process for change in controlling interest of the Manager and the Sponsor. During the year, NIAIF have also launched the fifth equity AIF i.e. “The 5 Trillion Dollar Opportunity”. Out of the 13 schemes, at present 3 schemes are open to investors for subscription. The total commitments raised across all schemes is approx. ₹ 3,200 crores as on March 31, 2020.

The Company has been delivering consistent investment performance across asset classes. Equity funds continue to outperform their benchmarks and peer groups. NIAIF has been awarded for “Best Performance in the AIF CAT III Long Only” by PMS AIF World. Its real estate funds continue to record strong exits despite various headwinds, and fund deployments have been undertaken at healthy IRRs.

PMS

The Company provides portfolio management services to high net worth individuals and institutional investors including Employee State Insurance Corporation (ESIC). At present, the company offers four equity strategies to its investors. All investment strategies under PMS continue to outperform their benchmarks and peer groups. As on March 31, 2020, the Company’s total AUM is approx. ₹ 83,700 crore, as part of the managed accounts business.

Offshore funds and advisory mandates:

The Company manages offshore funds & distribution through its subsidiaries in Singapore and Mauritius and has a representative office at Dubai, which enables the company to cater to Institutional and High Net worth Investors across Asia, Australia, Middle East, UK, US, and Europe.

As of March 31, 2020, the Company had a total AUM of ₹ 4,810 crore as part of its international offshore managed portfolio. The Company also acts as an Investment Advisor for India-focused Equity and Fixed Income funds in Japan, South Korea and for a Nifty 50 ETF in Australia. Further, as on March 31, 2020, the Company had a total AUM of ₹ 4,105 crore as international advisory mandates. NAM India, in collaboration with BBL Asset Management Company Ltd., an affiliated company of Bangkok Bank (BBL), the largest Thai commercial bank, has launched Bualuang Bharata Fund in Thailand for institutional investors and high net worth investors.

FY 2019-20 highlights:

1. Won a US\$ 500 million Institutional mandate in July 2019 for an India equity strategy
2. Launched an ETF (Nifty50) in June 2019. This ETF is the first India ETF in Australia (approx. US\$ 10 million) in collaboration with ETFSecurities Australia
3. Launched Nippon India Digital Innovation AIF Scheme 1 in December 2019 (approx. US\$ 120 million). Our first international VC Fund of Fund with participation from Japanese institutional clients
4. Launched the first Real Estate Fund in Japan for institutional investors in December 2019 (approx. US\$ 10 million)

VII. OPPORTUNITIES & THREATS

Opportunities

- Under-penetration of mutual funds in India
- Ongoing financialization of savings in India
- Increasing per capita GDP
- Rising inflows into Systematic Investment Plans
- Increasing flows from smaller cities/towns.
- A strong owned distribution network with extensive reach across India
- Deepening digital channel distribution contributing to disintermediation and de-risking of sales and distribution

- Leveraging Nippon Life's Global network for international tie-ups and partnerships
- On-going consolidation in the industry
- New frontiers of growth in emerging areas of business like AIF, International Markets

Threats

- Slowdown in the economy
- Financial impact due to COVID-19 virus (global pandemic)
- Sustained muted market performance impacting flows into mutual fund schemes
- Intense competition amongst AMCs to garner higher AUMs can increase pressure on commissions
- Regulatory impact on fees, charges, reduction of exit loads
- Credit events impacting confidence of MF investors

VIII. FINANCIAL PERFORMANCE

The financials statements of the Company for the year ended March 31, 2020 have been prepared in compliance with the Companies Act, 2013 and Indian Accounting Standards, Rules 2015. The Company has adopted Indian Accounting Standards (Ind AS) - IFRS Converged Standards with effect from April 1, 2018. (April 1, 2017 being the transition date).

Consolidated Financial Performance

Revenue

The Company's consolidated total revenue stood at ₹ 1,203 crore compared to ₹ 1,479 crore in the previous year. Other income stood at a loss of ₹ (10) crore as against ₹ 171 crore in the previous year.

Expenditure

Total consolidated total expenditure for the year decreased by 33% to ₹ 633 crore, as against ₹ 950 crore in the previous year. Fee and Commission expenses for the year were ₹ 70 crore against ₹ 258 crore in the previous year - a decrease of 73%. Employee benefit expenses for the year were ₹ 302 crore against ₹ 293 crore in the previous year - an increase of 3%.

Depreciation for the year was ₹ 33 crore as against ₹ 10 crore in the previous year. Other expenses for the year were ₹ 222 crore as against ₹ 388 crore in the previous year - a decrease of 43%.

The Profit for the year stood at ₹ 415 crore as against ₹ 486 crore in the previous year - a decrease of 15%. Total Comprehensive Income for the year stood at ₹ 413 crore as against ₹ 485 crore in the previous year - a decrease of 15%.

IX. COMPLIANCE

The Company considers compliance a crucial pillar of business operations. The management is committed to comply with the letter and spirit of the laws, rules and ethical principles that govern the business. SEBI outlines the compliance framework with respect to the various businesses of the Company. The Company operates in the financial services sector, and thus all the businesses are highly regulated and monitored on an ongoing basis by the regulator. Considering the very nature of the business and keeping in mind the interests of unit holders and clients / customers, highest standards in terms of statutory compliances and governance are practiced. This role has been entrusted to a strong and robust in-house Compliance Team, which has an independent reporting line to the Board of Directors.



The Company has put in place a set of practices to ensure complete and error free compliance management:

The Company's Board of Directors periodically reviews and approves the various policies and processes of Compliance, which forms an integral part of the organisational DNA. Various committees of the Board and the Company's management have also been set up to fulfil relevant regulatory requirements, and to ensure effective implementation of diligence and controls wherever required. Strong and effective systems and controls have also been set up and implemented in order to ensure that compliance and governance standards are diligently followed without exception.

X. RISKS AND CONCERNS

NAM India is exposed to specific risks that are particular to its businesses and the environment within which it operates, including credit risk, operational risk, competition risk, regulatory risk, human resource risk, execution risk, information security risks, cyber security risks and macro-economic risks.

Competition risk

The financial sector industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's

main competitors are Domestic Mutual Funds, Portfolio Management Services and Alternate Investment Funds. Further liberalisation of the Indian financial sector could lead to a greater presence or entry of new foreign asset managers offering a wider range of products and services. This could significantly toughen the competitive environment. The Company's strong brand image, wide distribution network, diversified product offering and quality of management places it in a strong position to deal with competition effectively.

Market risk

The Company has quoted & unquoted investments in equity, debt & mutual funds which are exposed to fluctuations in the prices of underlying assets.

Credit Risk

The Company has quoted and unquoted investments in bonds and debt oriented mutual funds; thus the risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of principal and interest exists. Hence, credit risk is a loss as a result of non-recovery of funds both on principal and interest counts. This risk is comprehensively addressed by spreading the investments into multiple bonds and mutual funds spread across multiple issuers.

Liquidity and Interest Rate Risk

The Company is exposed to liquidity risk principally, as a result of investments for periods which may differ from those of its funding sources. This risk is mitigated as all the investments are done through accumulated surplus generated over a period of time and equity infusion.

The Company has quoted and unquoted investments in bonds and debt oriented mutual funds; thus the risk arising out of interest rate movements exists. This risk is comprehensively addressed by duration management across the portfolio.

Human Resource Risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets.

The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimizes the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced by NAM India to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorized, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of the internal controls. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that NAM India has obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

Information & Cyber security risk

NAM India has a robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Board of Directors have constituted a Technology Committee comprising of experts proficient in technology to oversee & review the Information security & Cyber security aspects on a regular basis. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the company. Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making the overall Risk, Control & Governance framework more robust.

Regulatory risk

As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the Securities and Exchange Board of India. Their laws and regulations impose numerous requirements on the Company. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Pandemic risk

As a result of the Covid-19 outbreak and resultant humanitarian crisis across the world, global and domestic financial markets have seen significant decrease and volatility in a very short period. Globally, government agencies and private organisations have introduced varied measures to contain the risk. The extent to which this global pandemic will impact the economy, and in turn the Company's future performance, is highly uncertain. The Company has adopted strict procedures to restrict the loss to its internal operations,

as well as its stakeholders. The pandemic’s full impact will depend on future events, including the spread and severity of the pandemic, and any action taken to revive the global economy.

XI. TRAINING AND INVESTOR EDUCATION

The Company has been at the forefront of spreading awareness on mutual funds through its Investor Awareness / Education Programs. The objective of these programs is to create awareness about mutual funds across the country to attract new investors into mutual funds. NIMF has adopted 19 districts across the country as part of the SEBI adopted districts program, and conducted Investor Awareness Programs at these districts. A total of 61 programs were conducted across these 18 districts covering 2,914 investors. During FY 2019-20, the Company conducted 648 program covering over 31,593 investors across India.

The split across B-30 and T-30 cities is as below:

Top 30 / Beyond 30	No. of Programs Conducted	Participants Covered
Top 30 Cities	330	17,298
Beyond 30 Cities	318	14,295
Total	648	31,593

NIMF launched a mobile app - MFx exclusively for Investor education. The app provides all relevant information in a simple audio video format related to MF. which can be accessed any time by the prospective investor.

XII. INFORMATION TECHNOLOGY & DIGITAL INITIATIVES

NIMF embodies a Digital-first mindset and over the years, it has established itself as a Digital leader, not just in Mutual Funds, but in the entire financial services space. From being a Digital leader, NIMF is now metamorphosing into a Digttech incubator. The goal is to drive class-leading Digital innovation to create competitive advantage and disrupt the investments space with solutions that keep today’s digital savvy, millennial consumers at heart. NIMF’s mature Digital framework, catering to various segments and business lines, has not only helped to achieve robust and steady growth, but also helped drive many new age, industry-first and pioneering solutions for our investors and partners.

Unique Initiatives:

- **Conversational Commerce:** A first-of-its-kind initiative across financial services in APAC which has been co-created with Google. This Machine Learning powered innovation, that facilitates voice-based financial transactions, has brought many awards and accolades for the organisation. The Simply Save app, which hosts the Conversational Commerce interface has seen 1 Lac+ new downloads in the year and one conversation invoked every 7 minutes!
- **Business Easy 2.0 app:** The Artificial Intelligence enabled ‘virtual office’ for IFAs helps in driving business enablement via Digital technology. It is the cornerstone of NIMF’s Digital penetration strategy in “Real Bharat”

and renders a strengthened distribution footprint without physical presence. The app empowers IFAs to remotely onboard and service customers and help them transact electronically in a completely paperless manner

- **All New Invest-easy Online Purchase Web & Mobile site:** Another industry first asset, which gives NIMF’s investors, a best-in-class, frictionless and self-serve experience. The asset is built with a mobile-first philosophy which gives investors the power of anytime, anywhere investing. New age design & e-commerce like experience help in quick discovery and faster decisions and optimized journeys for onboarding and transaction with enhanced re-marketing facilitate auto win-backs. The asset has already helped drive 2x efficiencies in purchases
- **New Payment Infrastructure Integration:** NIMF has a multi-payment gateway module with two payment gateways, Razorpay and Billdesk, along with multiple payment options, including UPI, and direct and indirect integrations for an efficient and robust payment process. This initiative has reduced the single vendor dependency and also brought in contemporary methodology such as Smart Routing and Payment Retry options to reduce payment failures
- **Strategic Alliances to fortify our Digital Distribution:** Exclusive new partners like MobiKwik, Avail Finance, Tarrakki, etc. have been brought in to further bolster the executional leadership and expansive reach and presence, especially in the B-30 segment. Taking engagement and relationships with all key distribution partners like Paytm, ETMoney, Groww, Kuvera, etc., to the next level and building greater salience of the NIMF brand, NIMF has launched many exclusive solutions and undertaken co-branded awareness and education campaigns for driving investor preference and stickiness

XIII. INTERNAL CONTROLS

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organisation is well structured, and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorized, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy.

It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company has an independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

XIV. HUMAN RESOURCES

The Company had a workforce of 1,043 people as on March 31, 2020. The average age of the workforce is 36 years.

NAM India has a large investment team comprising of 64 employees and Risk Management Team comprises of 10 members. It also has one of the largest and experienced credit research team, comprising of 10 members, in the Indian MF industry. Members of the senior investment team have an average of approximately 21 years of investment management experience and are a valuable resource to the Company.

At NAM India, we understand that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels the ambitions of the company's talent leading to better retention. It is ensured that internal talent is groomed for the next level responsibilities. The Company runs various development programmes that caters to key talent at various levels of the organization. Various talent pools like the CEO club and LEAP club focus on developing talent for future leadership roles.

As a result, over 70% of NAM India's leaders are home grown, and many more are getting future ready. In line with the organization's vision to go digital, the HR processes have been moved to digital platforms to increase efficiency, effectiveness and better employee experience. The Company has invested in HR digitisation for faster turn-around time and for enhancing the employee experience, with programs such as iLearn for anywhere learning, Taleo for improving hiring processes and Oracle for seamless HR transactions. For a very high focus on people, culture and some of the best practices in HR, the Company has been recognised thrice as AON Best Employer 2016, 2018 and 2019, and has also featured in India's Best Companies To Work For in 2018 by Great Place To Work.

XV. CORPORATE SOCIAL RESPONSIBILITY

The Company has designated CSR priorities to respond to stakeholders' expectations and continue working together with the society to provide distinctive values. The purpose inspires a vision to accelerate growth in business while increasing its positive social impact. The Company works towards promoting education & skill development,

healthcare, rural & community development including disaster relief, training to promote Olympic Sports, conservation of environment through its CSR programme.

The Company initiated projects in the areas of promoting preventive healthcare, education & skill development and community development in Maharashtra and Gujarat. The Company contributed of ₹ 13.25 crore in FY 2019-20, inter-alia, through non-profit centres engaged in the provision of healthcare, education and rural development.

The Company, through NGOs, is also working towards establishing scalable models of village transformation towards justice, financial inclusion and livelihood security of marginalised communities and Digital Empowerment of Rural Women Entrepreneurs.

Our offices are fitted out and maintained keeping in mind, the mission of energy conservation and environment protection. Through several initiatives, a consistent and ongoing endeavour is on to reduce the carbon footprint.

Forward looking Statement / Cautionary Statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statement are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Nippon Life India Asset Management Limited ("NAM India" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statement and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "NAM India" or "Nippon Life India Asset Management Limited" are to Nippon Life India Asset Management Limited and its subsidiaries and associates.

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L65910MH1995PLC220793
2. **Name of the Company** : Nippon Life India Asset Management Limited
(formerly known as Reliance Nippon Life Asset Management Limited)
3. **Registered address** : Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz - (East), Mumbai - 400055
4. **Website** : www.nipponindiamf.com
5. **E-mail id** : Investorrelation@nipponindiaamc.com
6. **Financial Year reported** : 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Nippon Life India Asset Management Limited ("NAM" or "Company") is one of the largest asset management companies in India. We are involved in managing (i) mutual funds (including ETFs); (ii) managed accounts, including portfolio management services, alternative investment funds and pension funds; and (iii) offshore funds and advisory mandates.

Services Code No.	Description
6001	Any other service not elsewhere specified

(As per notification no.52/ 2 /CAB-2012 issued by Ministry of Corporate Affairs)

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**
Mutual Fund, Portfolio Management Services and Alternate Investment Funds (AIF)
9. **Total number of locations where business activity is undertaken by the Company**
 - (a) Number of International Locations: Singapore (Subsidiary), Mauritius (Subsidiary), Dubai (Representative office)
 - (b) Number of National Locations: NAM India conducts its operations through a network of approx. 290 physical touch points, including owned branches as well as Regional Representative locations.
10. **Markets served by the Company**
NAM serves the Indian markets, along with the international customers through its above-mentioned offices.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 612 crore
2. **Total Turnover (INR)** : 1,193 crore
3. **Total profit after taxes (INR)** : 415 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 3%

5. **List of activities in which expenditure in 4 above has been incurred: -**

The Company works towards promoting education & skill development, healthcare and related infrastructure, rural & community development including disaster relief, training to promote Olympic Sports, conservation of environment through its CSR programme.

The Company initiated projects in the areas of promoting preventive healthcare and development of related infrastructure, education & skill development and community development in Maharashtra and Gujarat. The Company contributed of Rs. 13.25 Cr. in FY2019-20, inter-alia, through non-profit centres engaged in the provision of healthcare, education, skilling youth and promoting training of Olympic Sports, and rural development.

The details of CSR activities are also available in annexure on CSR which forms part of the Annual report for FY 2019-20.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

There are 3 subsidiary companies as on March 31, 2020.

2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes, Indian subsidiary does participate in the BR initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
02553654	Mr. Sundeep Sikka	Executive Director & CEO

2. Principle-wise (as per NVGs) BR Policy/policies

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	N (Refer Note 1)	Y	Y	Y	N (Refer Note 2)	N (Refer Note 3)	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y*	-	Y*	Y*	Y*	-	-	Y*	Y*
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	-	N	Y	N	-	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	-	-	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx **								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	-	Y	Y	Y	-	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	Y	-	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	-	-	Y	Y

* All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices adopted by the industry.

** Some policies are internal to the company and not available on the website.

Notes:

- The core business area of NAM is to provide Investment Management and advisory services and hence this principle has limited applicability. NAM, however complies with all applicable regulations in respect of its operations.
- The questions relating to Principle 6 are not substantially relevant to the NAM given that the Company operates in Investment management & Advisory services sector. NAM has taken initiatives to reduce energy consumption in its offices and contribute towards environment conservation.
- NAM through various industry associations provides suggestions with respect to the development and advancement of financial services industry.

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year**

The Company shall on an ongoing basis review and assess its BRR initiatives annually.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company published its maiden report on Business Responsibility for financial year 2017-18. The Company would publish this Report on an annual basis. It forms part of the Annual Report and is available on the website of the Company viz., www.nipponindiamf.com.

SECTION E - Principle-wise performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Code of Conduct that is specifically designed for all the Board Members and Senior Management. The said Code is approved by the Board of Directors of the Company and is available on the Company's website.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder Complaints			
Complaints	No. of complaints received	No. of complaints resolved	% of complaints resolved
Shareholder Complaints	4	4	0

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The following products / services have been designed to incorporate social concerns as well as benefits from the available opportunities:

- Distributor Initiated Transaction within the Business Easy 2.0 APP- Distributor can initiate transactions digitally on behalf of Investors and Investors will digitally authenticate such transactions. For all such transactions there is no requirement of Physical Forms to be submitted.
 - Statement of account is sent via SMS whereby Investor can click on link and input verification details and access the Statement of account in PDF Version instantly. With this development we have stopped sending physical statements to New Investors. Usage of paper further reduced.
 - Go Green Initiative: Annual Reports, which run into several pages, and had to be mandatorily sent to all investors, are now being sent only through e-mail, significantly reducing usage of physical papers. The initiative was spearheaded by NAM India and has now become an Industry practice.
 - Free Life Insurance along with Mutual Fund investments: NAM India offers free life insurance in systematic investment plans (SIPs) made in certain schemes. This would ensure that investors' critical goals would still be met, even in the unfortunate event of death.
2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Not Applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

Not Applicable.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Not Applicable.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Not Applicable.

Principle 3 Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees.**

The total number of employees in the Company were 1,043 on rolls as on March 31, 2020.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

There are approximately 385 employees.

3. **Please indicate the Number of permanent women employees.**

There are 161 women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

There is 1 employee with disability.

5. **Do you have an employee association that is recognized by management?**

No.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2	Sexual harassment	3	Nil
3	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees – 81%

Permanent Women Employees – 82%

Casual/Temporary/Contractual Employees 70%

Employees with Disabilities – 100%

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

Yes, the Company has mapped its key stakeholder groups.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, NAM India has identified the disadvantaged, vulnerable and marginalised stakeholders through need assessment and engagement with such marginalised communities under its Corporate Social Responsibility activities.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

The Company, through non-profit centers, undertook 'Mobile Health Unit' projects to serve tribal, rural and urban areas in Maharashtra and Gujarat. The Company participated in various projects towards improving the health of people affected with poverty and disaster, advancement of education, providing medical relief, rural development projects.

Principle 5 Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

NAM India does not have any specific policy on human rights. The Company adheres to all statutes which embodies the principles of human rights such as prevention of child labor, prevention of sexual harassment, equal employment opportunities etc. The Company is committed to a work environment in which all individuals are treated with respect and dignity.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Please refer our response to Principle No.1.

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

NAM India is committed to achieve the global standards of health, safety and environment. We believe in safeguarding environment for long term. The Code of Ethics and Business Policies is applicable to all the personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Not Applicable.

3. Does the company identify and assess potential environmental risks?

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

Yes. Through several initiatives, a consistent and ongoing endeavour is undertaken to reduce the overall carbon footprint. We are using highly efficient Star Rated Air-conditioning for offices for conservation of electricity. We are using LED light wherever we are setting up new branches / relocating existing for conservation of energy.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Not Applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.

Not received any notice from CPCB / SPCB.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, NAM India is a member of the relevant trade & chamber or such similar associations. The major associations are as follows:

- a. Association of Mutual Fund Industry (AMFI)
- b. Confederation of Indian Industry (CII)
- c. Japanese Chamber of Commerce and Industry (JCCII)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?

Yes. The Company has undertaken several initiatives to impart investor education to its stakeholders in line with AMFI guidelines. Also, the Company has advocated with the above-mentioned associations for governance, administration, economic and educational reforms.

Principle 8 Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Initiatives have been taken along with implementing agencies to provide Mid-Day Meals to children of Government aided schools. 'Mobile Health Unit' projects have been initiated to serve the tribal, rural and urban areas in parts of Maharashtra and Gujarat.

2. Are the programmes / projects undertaken through in-house team/own foundation / external NGO / government structures/any other organization?

The programmes were undertaken both, through in-house teams as well as in co-ordination with external NGOs.

3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has contributed Rs. 13.25 crore for FY 2019-20 towards corporate social responsibility activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company, through its various social programmes and financial inclusion initiatives, is expanding its coverage to rural and semi-urban markets and providing access to financial services to customers in those markets. The products and services have made a positive impact on its targeted clientele.

The Company, through non-profit centres, has undertaken 'Mobile Health Unit' projects to serve tribal, rural and urban areas in Maharashtra and Gujarat. The Company, through NGOs, is also working towards establishing scalable models of village transformation towards justice, financial inclusion and livelihood security of marginalised communities and Digital Empowerment of Rural Women Entrepreneurs.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

With regards to our large customer base and business reach, the percentage of pending complaints is very miniscule.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes. The Company complies with disclosure requirements relating to its products and services.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

In the ordinary course of services' businesses, customers and investors may have disputes with the Company regarding deficiency in services or product performance, which could result in a civil suit, or a consumer complaint. Most of our businesses are linked to the capital markets and thus, prone to short-term fluctuations. The Company, regularly, engages with its customers to appropriately address their concerns; however, in some cases, legal resolutions may also be pursued.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

KANTAR IMRB is in the process of conducting survey on customer satisfaction across our mutual fund investors and distributors.

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) (the “Company”) follows the highest standards of corporate governance principles and best practices. The Company’s corporate governance practice is guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and its commitment to promote interests of all stakeholders.

GOVERNANCE PRACTICES AND POLICIES

The Company has formulated number of policies and has introduced several governance practices in order to not only comply with the applicable statutory and regulatory requirements but to also ensure transparency, integrity of financial reporting, adequate risk management, internal controls along with appropriate & rightful conduct at Board and Senior Management Level. These policies are reviewed periodically, and it is ensured that their continued relevance, effectiveness and responsiveness is adequately maintained with respect to the needs of the relevant stakeholders.

A. Values and commitments

We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of Conduct

Our policy document on ‘Code of Conduct’ requires our employees to conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

We have various ‘Business Policies’ specifically covering a comprehensive range of aspects such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, whistle blower policy, health, safety, environment and quality, to name a few.

D. Separation of the board’s supervisory role from executive management

In line with the best global practices, we have adopted the policy of separating the Board’s supervisory role from the executive management.

E. Risk management

We have strong and robust risk management systems & procedures, which facilitate the management to adequately & suitably mitigate and control various business-related risks.

F. Compliance Management

Our Compliance management systems are robust and tight enough to ensure that all kinds of compliance requirements are effectively managed without any exceptions and deviations. Culture of Compliance is considered a way of life and the organization has a zero-tolerance policy for non-compliances.

BOARDROOM PRACTICES

(a) Board Constitution

The composition of our Board is well aligned with the relevant provisions of the Companies Act, 2013 (“Companies Act”), SEBI (Mutual Funds) Regulations, 1996 (“Mutual Fund Regulations”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Board currently consists of 6 directors out of which, 3 are Independent Directors. We also have one whole-time Director who is designated as “Executive Director & CEO”. Directors of the Company collectively bring along, a very rich, varied and yet a balanced blend of experience in multiple segments including asset management, insurance, credit & alternative investments, corporate planning, banking, lending, compliance management, taxation planning & public administration, which immensely benefits the Company and its business activities.

(b) Board & Management Committees:

Pursuant to the provisions of the Companies Act and the Listing Regulations, the Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors and Risk Management Committee as Board’s Sub Committees.

In addition to this, in order to enhance the internal controls and governance, the Board has also constituted various management level committees including Allotment Committee, Investment Committee, Valuation Committee, Operating Committee, Risk Management Committee, Technology Committee and Compliance Committee, to name a few.

The scope of activities and the terms of reference of these management committees have been set out by the Board. The proceedings of the meetings of these management committees are recorded in the forms of minutes, which are also placed before the Board for its reference & noting.

(c) Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment as Independent Directors on the Board. The Committee, inter-alia, considers qualification, various qualitative attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such individuals. The Board considers the recommendations of the NRC before taking appropriate decisions in this regard.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every Financial year, furnishes the required declaration that he /she meets the required criteria of independence, as has been provided under the law.

(d) Tenure of Independent Directors

It is ensured that the tenure of Independent Directors on the Board of the Company is in line with the time period stipulated under the provisions of the Companies Act (as amended from time to time) and the circulars / notifications issued from time to time.

(e) Familiarization of Board Member

The Board members are periodically provided with an update with respect to the Industry, domestic and global economic scenarios, ongoing trends in capital markets, Company's business plan and strategies, new business initiatives, internal controls, training & education initiatives, performance review, regulatory developments and various other aspects, which are pertinent to keep them updated and familiarized with respect to Company and its business. The details of programme for familiarisation of independent directors is put on the website of the Company at the following link:

<https://www.nipponindiamf.com/InvestorServices/Pages/familiarization-programme.aspx>

(f) Meeting of Independent Directors

As required under the Companies Act, at least one separate meeting of the Independent Directors is held every financial year to discuss and transact matters, which have been stipulated under the relevant laws. The Independent Directors and rest of the Board members have an unrestricted access to the key members of the operating team, so that as and when necessary, the Board members may engage with them in order to understand & discuss relevant business aspects.

(g) Board of subsidiary companies

All the subsidiaries of the Company are being managed by their respective Boards in accordance with the stipulated regulatory framework and in the best interest of their respective stakeholders. The performance of these subsidiary companies is periodically monitored by the Company. As part of the Listing Regulations, the minutes of the Board meetings of these subsidiary companies are also placed before the Company's Board for information purposes.

(h) Commitment of directors

The meeting dates for the Board and committee meetings are scheduled well in advance in due consultation with the Directors. This enables the Directors to plan their commitments and it thus facilitates maximum attendance at the meetings. In case, on the date of the meeting of the Board and/ or its sub-committee, a particular Director is unable to travel to the venue of the meeting, then adequate provisions are made to facilitate their participation/ attendance through permissible audio-visual mediums.

(i) Role of the Company Secretary

The Company Secretary of the Company plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors, well in advance, for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary interfaces between the management and regulatory authorities for governance matters. All the Directors of the Company have direct & unhindered access to the advice and services of the Company Secretary.

(j) Independent Statutory Auditors

The Company’s accounts are audited by a leading independent audit firm. During the year, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants acted as the Statutory Auditors for the Company. The term of M/s. S. R. Batliboi & Co. LLP is for five consecutive years, from the conclusion of the 23rd Annual General Meeting (AGM) until the conclusion of the 28th AGM.

COMPLIANCE WITH THE LISTING REGULATIONS

The Company is fully compliant with the mandatory requirements stipulated under the Listing Regulations. On a quarterly basis, the Board is apprised about the status of compliances with the applicable Listing Regulations. The report on compliance with the governance conditions specified in the Listing Regulations is as follows:

I. BOARD OF DIRECTORS

1. Board composition - Board strength and representation

As on the date of this report, the Board consists of six Directors. The composition and category of Directors on the Board of the Company is as under:

Category	Name of Director & DIN
Independent Directors	Ms. Ameeta Chatterjee (DIN – 03010772)
	Gen. Ved Prakash Malik (Retd.) (DIN – 00006628)
	Mr. Mahadevan Veeramony (DIN – 00820580)
Non-executive & Nominee Directors	Mr. Minoru Kimura (DIN: 07497568)
	Mr. Akira Shibata (DIN: 08107588)
Executive & Nominee Director	Mr. Sundeep Sikka (DIN: 02553654)

Notes:

- a. None of the Directors has any business relationship with the Company, except Mr. Sundeep Sikka, who is in the whole-time employment of the Company and is designated as Executive Director & CEO.
- b. None of the Directors have received any loans and advances from the Company during the year.
- c. All the independent directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are also placed before the Board.

2. Conduct of Board proceedings

The day-to-day business is conducted by the ED & CEO along with the executives and business heads of the Company under the general supervision & directions of the Board. While the statutory requirement as per Companies Act, in terms of the number of Board meetings to be held in a year is only four (4) meetings; a much higher number of Board meetings are held each year in order to ensure maximum & timely disclosures, best governance and effective decision making. Various matters concerning Company’s business, its operations, risk management, internal controls, compliance management, performance review, business strategies, business plans and budgets, audit matters and other pertinent issues are taken up and are thoroughly reviewed and deliberated at the Board meetings.

The Board performs the following specific functions in addition to overseeing the business and the management:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, monitoring implementation and corporate performance; and overseeing major capital expenditures and acquisitions.
- b. Monitoring the effectiveness of the Company’s governance practices and making changes when needed.
- c. Providing guidance and directions to the management in matters relating to the performance review & compensation process of directors and providing general guidance in terms of overall compensation policy and matters relating to succession planning in order to ensure that the key executives are appropriately aligned with the long-term interests of the Company and its shareholders.
- d. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- e. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- f. Ensuring the integrity of the Company’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- g. Overseeing the process of disclosure and communications.
- h. Monitoring and reviewing Board Evaluation framework.

3. Board meetings

The Board held as many as 10 (ten) meetings during the financial year 2019-20 i.e. on April 29, 2019, May 23, 2019, June 27, 2019, July 29, 2019, September 27, 2019 (2 Meetings) October 24, 2019, December 10, 2019, January 23, 2020 and March 16, 2020. The maximum time gap between any two meetings during the year under review was 59 days and the minimum gap was less than a day. It may therefore be seen that the Company holds meetings of the Board more frequently than what has been statutorily prescribed.

4. Secretarial Standards issued by ICSI

The Company is strictly adhering to the secretarial standards relating to General body meetings and Board meetings, which have been issued by the Institute of Company Secretaries of India (ICSI), pursuant to the provisions of Section 118 (10) of the Companies Act and as approved by the Central Government.

5. Attendance of Directors

Attendance of the Directors at the Board meetings held during the financial year 2019-20 and the last AGM held on September 23, 2019 has been very overwhelming. The details of directorships (calculated as per provisions of Section 165 of the Companies Act and Regulation 17A of the Listing Regulations), Committee Chairmanships and Committee Memberships held by the Directors (calculated as Regulation 26(1) of the Listing Regulations) as on March 31, 2020 are as under:

Name of Director	Number of Board meetings attended	Attendance at the last AGM held on September 23, 2019	Number of directorships (including the Company)	Details on Directorships in listed entities (other than the Company)		Committee(s) Chairmanship / Membership (including NAM India)	
				Names of Listed Entity	Category of Directorship	Membership	Chairmanship
Mr. Akira Shibata	9	Present	4	-	-	1	0
Mr. Minoru Kimura	10	Present	10	-	-	1	0
Ms. Ameeta Chatterjee	9	Present	9	-	-	5	3
General Ved Prakash Malik (Retd.)	9	Present	2	-	-	2	0
Mr. Sundeep Sikka	10	Present	5	-	-	2	0
Mr. Mahadevan Veeramony @	6	Present	1	-	-	2	0
Mr. Kanu H. Doshi #	4	Present	NA	NA	NA	NA	NA
Mr. Jai Anmol Ambani*	0	NA	NA	NA	NA	NA	NA
Mr. S. C. Tripathi #	4	Present	NA	NA	NA	NA	NA

*Ceased to be Director of the Company on May 23, 2019.

Ceased to be Directors of the Company on September 23, 2019.

@Appointed as a Director of the Company on September 23, 2019.

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10, which is in line with the requirements under the provisions of Section 165 of the Companies Act.
- None of the directors hold membership of more than 10 committees of board nor is a chairman of more than 5 committees across the board(s) of listed entities.
- None of the Independent Director holds the position as an Independent Director in more than seven listed companies, as is required under the Listing Regulations.

- d. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of the Listing Regulations: (i) Audit Committee (ii) Stakeholders Relationship Committee.
- e. The Committee membership and chairmanship, as above, excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- f. Membership of committees includes chairmanship, if any.
- g. None of the Directors are related to each other.

6. Meeting of independent directors

The Company's Independent Directors meet at least once in every Financial Year without the attendance of Non-Independent Directors and Management Personnel. For the F.Y. 2019-20, this meeting of the Independent Directors was held on March 16, 2020.

7. Details of directors

Summarized resumes of all the directors (as on date of this report) are furnished hereunder:

Mr. Minoru Kimura (Non-executive & Nominee Director) currently serves as the Executive Officer, Regional CEO for the Americas and Europe at Nippon Life Insurance Company (Nippon). In his 29-year professional career with Nippon, Mr. Kimura has engaged in corporate planning for more than 10 years. Also, Mr. Kimura has worked for Nissay Asset Management Corporation in investment planning for 5 years from 2010 to 2015. Other than above, Mr. Kimura has also spent his professional career with Nippon Deutsche Asset Management Europe Limited and NLI Investments Europe Limited, where he carried the position of Chief Executive Officer for 4 years (2003 to 2007). He has engaged in Head of Asia at Nippon for 2 years (2018-2020). Mr. Kimura is Bachelor of Laws from Kyoto University, Japan.

As on March 31, 2020, Mr. Kimura does not hold any share in the Company.

Mr. Akira Shibata (Non-executive & Nominee Director) currently serves as the General Manager / Global Asset Management Business Department at Nippon Life Insurance Company (Nippon). In his 20-year professional career with Nippon, Mr. Shibata has engaged in Finance Planning & Management business for 3 years. Also, Mr. Shibata has been engaged in Public & Investors Relations for 3 years. Other than above, Mr. Shibata has also spent his professional career in Nippon's U.S. group insurance subsidiary, Nippon Life Insurance Company of America,

where he carried the position of Vice President for 4 years (2008 to 2012). Mr. Shibata is Bachelor of Laws from University of Tokyo and MBA from A.B. Freeman School of Business, Tulane University.

As on March 31, 2020, Mr. Shibata does not hold any share in the Company.

General Ved Prakash Malik (Retd.) (Non-executive Independent Director) has worked in the Indian Army as Chief of the Army Staff from October 01, 1997 to September 30, 2000. He had dual responsibility of being an advisor to the Government as well as commander of 1.2 million strong Indian Army to fulfil its national role and assigned missions. During the service at Indian Army, General Malik was bestowed with prestigious awards like Ati Vishishta Seva Medal (1986) and Param Vishita Seva Medal (1996). He has also received 'Excellence in Leadership Award' by Atur Foundation, 'Pride of Nation Award' by Doon Citizens Council and 'Distinguished Fellowship' by the Institute of Directors, New Delhi (1999). Since 2003, General Malik is also serving as Independent Director/ Advisor of some of the well known multinational companies.

As on March 31, 2020, General Malik (Retd.) does not hold any share in the Company.

Ms. Ameeta Chatterjee (Non-executive Independent Director) has over 18 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and UK. After starting her career with ICICI Limited in 1995, she moved to KPMG to set up their infrastructure related Corporate Finance team. During her 8 years with KPMG, she gained experience across various sectors including health, education, Public Private Partnerships etc. In 2010, she moved to corporate sector as GM- Investments & Acquisitions at Leighton India Contractors Pvt. Ltd where she worked on mergers and acquisitions and various joint venture projects & also oversaw the finance, tax and secretarial matters. Since September 2011, she has been working as an independent consultant advising companies on strategic growth, India entry strategy etc. She is also a columnist with Times of India writing on working women issues & she also supports the cause of children's healthcare through Ekam Foundation.

As on March 31, 2020, Ms. Chatterjee does not hold any share in the Company.

Mr. Sundeep Sikka (Executive & Nominee Director of NLI) is Executive Director & CEO of the Company and brings with him rich experience in Asset Management. Mr. Sikka has held both Vice-Chairman and Chairman positions of the industrial body AMFI (Association of Mutual Funds in India). Mr. Sikka joined NAM India in 2003, holding various leadership positions before being

elevated in 2009, when he became one of the youngest CEOs of India. Possessing rich experience in the financial services sector, Mr. Sikka went on to lead NAM India towards tremendous growth of assets and to emerge as one of the most trusted mutual fund houses in India. He has grown the company to an all-round brand that thrice won Aon Best Employer in the last four years and was certified Great Place to Work' in 2018. He has not only been responsible for the growth of the company but also forging a relationship with Nippon Life, acquisition of Goldman Sachs Asset Management (India), and listing NAM India on stock exchanges.

Mr. Sikka is an alumnus of Harvard Business School, having also completed an MBA from Pune University. He closely works with Regulatory Bodies i.e. RBI, SEBI and Ministry of Finance on matters related to asset management.

Mr. Sikka – Represents (past as well as present) Asset Management Industry across:

- Association of Mutual Funds in India – Held both Vice-Chairman and Chairman positions of industrial body AMFI.
- Reserve Bank of India - Member of Technical Advisory Committee on Money, Foreign Exchange & Government Securities Markets
- National Securities Depository Limited - Member of Executive Committee
- Federation of Indian Chambers of Commerce and Industry (FICCI)
 - Member of Capital Markets Committee
 - Chairperson of Asset Management Sub-Group of Capital Markets Committee
- Speaker at various domestic and international forums and conferences.

As on March 31, 2020, Mr. Sikka held 1,10,000 equity shares in the Company.

Mr. Mahadevan Veeramony (Non-executive Independent Director) is a Chartered Accountant and Company Secretary with over 32 years of experience with leading Corporates in India covering a wide segment of the financial services industry for 18 years and as an entrepreneur for 14 years (since 2004). He has the benefit of working with established brands in both the public sector and private sector including multinational companies which has helped in gaining valuable insight into the functioning of each of these sectors. The sectors include Investment Advisory Services, Mutual Fund Industry, Insurance Industry, Wealth Management

Services, Banking covering various products and services like Retail Financial Products Distribution, Retail Forex, Commodities like Gold, in addition to customer acquisition for Online Broking. He has worked across various client segments like High Networth Individuals, Corporates, Trusts, Financial Institutions and Retail Investors across India. His areas of Specialization and Expertise include running large divisions / profit centers on Pan India basis with emphasis on establishing leadership position for the divisions, ensuring proper control and compliance systems that are routinely monitored and implemented, efficient cost control and productivity enhancement measures, focus on team work leading to self-motivation and career building of the team members.

As on March 31, 2020, Mr. Veeramony does not hold any share in the Company.

During the Financial Year 2019 - 20, none of the Independent Directors resigned before the expiry of their tenure.

8. Insurance Coverage

The Company has obtained a suitable Directors' and Officers' liability insurance cover for the benefit of its directors & officers and those of its subsidiary companies.

9. Skill Sets/ Expertise/ Competencies of Directors

The skill sets, experience and individual competencies of the Directors are in line with the nature of Company's business activities and the underlying requirements. The Board members have adequate vintage & experience (coupled with their respective qualifications) to complete the relevant business aspects/ areas i.e. capital markets, know-how, compliance, risk management, legal aptitude, audits, financial acumen, government & regulatory framework, and general management. These aspects are also adequately covered under the Board Diversity Policy, which has been approved by the Board.

While the Board as a whole is a complete unit in itself and is a bundle & perfect mix of all the required skill sets, expertise and knowledge; however speaking of specific individual skill sets and knowledge base, it may be noted that (a) Ms. Ameeta Chatterjee has strong acumen towards matters of corporate finance, investments, mergers & acquisitions, transaction advisory and with a flair of financial acumen & risk management; (b) General Ved Prakash Malik (Retd.), who has been the Chief of Army Staff for a period of 3 years and having illustriously served Indian armed forces for a long period carries with him loads of experience in the matter of general management, ethics and governance; (c) Mr. Mahadevan Veeramony, who being a qualified Chartered Accountant and Company Secretary and having worked in financial services sector for more than three decades brings value add to the board in the shape of his experience in wealth management, mutual funds, investment advisory and

areas of risk management, operations know-how and matters of governance and integrity; (d) Mr. Minoru Kimura, being a NLI representative director, brings on Board his vast & rich experience in the fields of corporate planning, investment planning, international asset management practices and know how, which is essential and much required for the company's strategies on international business; (e) Mr. Akira Shibata, another representative of NLI on the Board of the Company has lot of relevant experience and skill sets in the areas of corporate planning and business management and he acts as an ambassador of NLI in bringing in best risk management and corporate practices to the company's business; and lastly (f) Mr. Sundeep Sikka, who is an executive Board member has been an Industry veteran and expert and he brings on Board his rich experience in the areas of corporate strategy, regulatory affairs, risk management, general business administration, knowledge and relationships at international level, to promote and augment Company's international business pursuits.

II. AUDIT COMMITTEE

In terms of Section 177 of the Companies Act and the Listing Regulations, the Company has an Audit Committee in place. The Committee presently comprises of three independent non - executive directors and one non-independent non- executive directors of the Company viz. Ms. Ameeta Chatterjee (Chairperson), General Ved Prakash Malik (Retd.), Mr. Mahadevan Veeremony and Mr. Akira Shibata as its members. All the members of the Committee have suitable knowledge and expertise in the areas of finance, accounting & auditing. The Audit Committee, inter- alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved. In addition thereto, the Audit Committee looks at the appointment or changes in the auditors (statutory as well as internal), the audit reports that are periodically presented by the auditors, the business plan and annual budget and performs all other duties and functions, as are required under the applicable laws.

Pursuant to the provisions of the Companies Act and the Listing Regulations, the Board has approved the following terms of reference for the Audit Committee:

- (a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommend the appointment, remuneration and terms of appointment of the auditors including statutory auditors (for company and for company's various businesses such as Mutual Funds etc.), Internal auditors (for company and for company's

various businesses such as Mutual Funds, Portfolio Management Services etc.) and the Secretarial Auditors;

- (c) Approve payment to statutory auditors for any other services rendered by them;
- (d) Review with the management, the annual financial statements and auditor's report thereon (as received from various sets of auditors) before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub- Section (3) of Section 134 of the Companies Act;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) modified opinion(s) in the draft audit report;
- (e) Review, with the management, the quarterly and any other partial year-period financial statements before submission to the board of directors for approval;
- (f) Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Approve or subsequently modify transactions of the Company with related parties;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2

(zc) of the Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

- (i) Scrutinize inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) Evaluate internal financial controls and risk management systems;
- (l) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) Discuss with internal auditors of any significant findings and follow up there on;
- (o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) To review the functioning of the whistle blower mechanism;
- (s) Approve the appointment of the Chief Financial Officer of the Company (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (t) Oversee the vigil mechanism established by the Company and the chairperson of the Audit Committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;
- (u) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower

including existing loans / advances / investments existing as on the date of coming into force of this provision; and

- (v) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/ provided under the Companies Act or by the Listing Regulations or by any other regulatory authority.

Attendance at the meetings of the Audit Committee held during FY 2019-20

During the year, the Audit Committee held its meetings on April 29, 2019, June 27, 2019, July 29, 2019, October 24, 2019, January 23, 2020 and March 16, 2020. The maximum and minimum time gap between any two meetings, during the year under review was 90 days and 31 days, respectively. Following is the summary of attendance at the Audit Committee Meeting:

Members	Number of Meetings held during the tenure	Attended
Mr. Kanu H. Doshi #	3	3
Mr. S. C. Tripathi #	3	3
General Ved Prakash Malik (Retd.)	6	5
Ms. Ameeta Chatterjee	6	5
Mr. Jai Anmol Ambani [§]	1	0
Mr. Akira Shibata	6	6
Mr. Mahadevan Veeramony *	3	3

#Ceased to be a member of this Committee on September 23, 2019.

§Ceased to be a member of this Committee on May 23, 2019.

*Appointed as a member of this Committee on September 27, 2019.

Notes:

- The Chairman of the Audit Committee was present at the last AGM of the Company.
- The Audit Committee considered all the points referred to in terms of its reference as and when required.
- The Company Secretary acts as the Secretary to the Audit Committee.
- During the year, the Committee discussed with the Company's auditors the overall scope and plans for the independent audit.

- The Management represented to the Committee that the Company's financial statements have been prepared in accordance with prevailing laws and regulations. The Committee discussed the Company's audited financial statement, the rationality of significant judgments and the clarity of disclosures in the financial statement. Based on the review and discussions conducted with the Management and the auditors, the Audit Committee believes that the Company's financial statement are fairly presented in conformity with prevailing laws and regulations in all material aspects.
- The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the Internal and the Statutory Auditors.

III. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act and Listing Regulations, the Company has a Nomination and Remuneration Committee in place, which comprises of four Directors, viz. General Ved Prakash Malik (Retd.) as the Chairman, Mr. Minoru Kimura, Ms. Ameeta Chatterjee and Mr. Mahadevan Veeramony as members. The Company's Nomination & Remuneration Policy has been provided as an Annexure to the Board's Report.

Pursuant to the provisions of the Companies Act, Listing Regulations and the SEBI (Share Based Employees Benefits) Regulations, 2014, the terms of reference of the Nomination & Remuneration Committee, inter-alia, include the following:

- (i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (ii) formulate the criteria for determining qualifications, positive attributes and independence of a director;

- (iii) devise a policy on diversity of the Board;
- (iv) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- (v) recommend to the board, all remuneration, in whatever form, payable to senior management;
- (vi) perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following-
 - (a) administering the Employees Stock Option Plans, as may be proposed and implemented from time to time (the "Plan");
 - (b) determining the eligibility of employees to participate under the Plan;
 - (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price under the Plan; and
 - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
- (vii) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees while ensuring the following:
 - (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(viii) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (c) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act or by the Listing Regulations or by any other applicable law or regulatory authority.

Attendance at the meetings of the Nomination & Remuneration Committee held during FY 2019-20

The Nomination & Remuneration Committee held its meetings on April 29, 2019, May 23, 2019, July 29, 2019 and March 16, 2020. The maximum and minimum time gap between any two meetings, during the year under review was 230 days and 23 days, respectively. Following is the summary of attendance at the Nomination & Remuneration Committee Meeting(s):

Members	Number of Meetings held during the tenure	Attended
Mr. Kanu H. Doshi #	3	3
Mr. S. C. Tripathi #	3	3
General Ved Prakash Malik (Retd.)	4	4
Ms. Ameeta Chatterjee	4	3
Mr. Jai Anmol Ambani [§]	2	0
Mr. Minoru Kimura	4	4
Mr. Mahadevan Veeramony*	1	1

[§]Ceased to be a member of this Committee on May 23, 2019

[#]Ceased to be a member of this Committee on September 23, 2019.

^{*}Appointed as a member of this Committee on September 27, 2019

Criteria for making payments to non-executive directors

The sitting fees being paid to the non-executive directors has been appropriately benchmarked and is in line with the relevant market practices and the roles & responsibilities assumed by them in their capacity as Directors.

Details of the sitting fees paid to the Non-Executive Directors during the Financial Year ended March 31, 2020 is as follows:

Directors	Sitting fees (in ₹)
Mr. Kanu H. Doshi	4,30,000
Mr. Akira Shibata*	4,30,000
Mr. Minoru Kimura*	4,30,000
Mr. S. C. Tripathi	3,70,000
Ms. Ameeta Chatterjee	7,70,000
General Ved Prakash Malik (Retd.)	7,70,000
Mr. Mahadevan Veeramony	5,40,000

* At the request of Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Akira Shibata and Mr. Minoru Kimura (being nominees of NLI) was paid to NLI. The sitting fees payable to NLI nominee Directors has been waived off from the Board or Committee meetings from December 10, 2019.

Notes:

- a. There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its Non-Executive Directors.
- c. Pursuant to the limits approved by the Board, all Non- Executive Directors, were paid sitting fees of ₹ 40,000/- for attending each meeting of the Board and the Audit Committee and ₹ 30,000/- for other Board sub- committees.
- d. There was no amount paid as commission to the Directors for the financial year 2019-20.
- e. No Sitting fee was paid to the Executive Director or any other Director, who was employed in any of the Reliance group companies.
- f. During the year, Mr. Sundeep Sikka, CEO & Executive Director was paid a remuneration of ₹ 701.75 lakhs. Detailed Break up of his remuneration is given in Form No. MGT-9.

Employee Stock Option Scheme

With the perspective of promoting the culture of ownership and to attract, retain, motivate and incentivize senior as well as critical talent, the Company has formulated 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2017' ("Plan 2017") and 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019' ("Plan 2019"). The Plans have been prepared in due compliance of the Companies Act and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act and Listing Regulations, the Company has constituted a Stakeholders Relationship Committee. The terms of reference of the Stakeholders Relationship Committee are as follows:

- To Resolve the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee presently comprises of Ms. Ameeta Chatterjee as the Chairperson, Mr. Minoru Kimura, Mr. Sundeep Sikka and Mr. Mahadevan Veeramony as the members.

Attendance at the meeting of the Stakeholders Relationship Committee held during F.Y. 2019-20.

During the year, the Stakeholders Relationship Committee held its meetings on July 29, 2019 and January 23, 2020. The time gap between two meetings, during the year under review was 177 days. Following is the summary of attendance at the Stakeholders Relationship Committee Meeting:

Members	Number of Meetings held during the tenure	Attended
Ms. Ameeta Chatterjee	2	1
Mr. Kanu H. Doshi [#]	1	1
Mr. Minoru Kimura	2	2
Mr. Sundeep Sikka	2	2
Mr. Mahadevan Veeramony [*]	1	1

[#]Ceased to be a member of this Committee w.e.f. September 27, 2019.

^{*}Appointed as a member of this Committee w.e.f. September 27, 2019.

V. COMPLIANCE OFFICER

Ms. Nilufer Shekhawat, Company Secretary of the Company has been designated as the Compliance Officer of the Company under Listing Regulations.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, the Company has constituted a CSR Committee. As on the date of this report, the Committee comprises of General Ved Prakash Malik (Retd.), Mr. Minoru Kimura, Mr. Akira Shibata, Mr. Sundeep Sikka, Ms. Ameeta Chatterjee and Mr. Mahadevan Veeramony as the members. The Committee's primary responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'. The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act.

Attendance at the meeting of the CSR Committee held during FY 2019-20.

The CSR Committee held its meetings on October 24, 2019 and March 16, 2020. The time gap between two meetings during the year under review was 143 days and following is the summary of attendance in the meetings of CSR Committee:

Members	Number of Meetings held during the tenure	Attended
Gen. Ved Prakash Malik (Retd.)	2	2
Mr. Minoru Kimura	2	2
Mr. Akira Shibata	2	2
Mr. Sundeep Sikka	2	2
Ms. Ameeta Chatterjee	2	2
Mr. Mahadevan Veeramony [*]	2	2

^{*}Appointed as a member of this Committee on September 27, 2019.

Mr. Jai Anmol Ambani ceased to be a director of the Company w.e.f. May 23, 2019 and Mr. Kanu Doshi and Mr. S. C. Tripathi ceased to be Directors of the Company w.e.f. September 23, 2019 thereby, ceased to be members of the CSR Committee.

VII. RISK MANAGEMENT COMMITTEE

In terms of Listing Regulations, the Company has constituted a Risk Management Committee of the Board.

The terms of reference of the Risk Management Committee includes but is not limited to the following:

- Exercise Board level oversight over risk management, including information and cyber security, operations of the Company
- Develop and implement robust and defensible risk management framework and internal control system
- Define risk appetite of the Company
- Exercise oversight and review of the risk profile of the Company to ensure that risk is not higher than the defined risk appetite levels
- Establish strong internal control environment and risk management framework
- Monitor significant risks associated with the activities of the Company
- Examine and determine the sufficiency of the Company's internal process for reporting on and managing key risk areas
- Ensure that RNAM is taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities
- Review and assess the quality, integrity and effectiveness of risk management systems
- Ensure that RNAM has implemented an effective ongoing risk management process
- Ensure that the risk awareness culture is pervasive throughout the Company
- Ensure that the infrastructure, resources and systems are in place for risk management is adequate to maintain a satisfactory level of risk management discipline
- Review the risk management policy and recommend the same to Board of Directors of the Company for approval

The Committee presently comprises of Mr. Minoru Kimura as the Chairperson, Mr. Akira Shibata, Mr. Sundeep Sikka, Mr. Mahadevan Veeramony and Mr. Milind Nesarikar as the members.

Mr. Kanu H. Doshi, who was also a member of this Committee, ceased to remain as such, after he ceased to be Director of the Company effective September 23, 2019.

One meeting of the Risk Management Committee was held on 16th March 2020, which was attended by all the Committee members.

The Company also has a Risk Management Committee at the management level (constituting of the executives), which looks into various areas of risk management and internal controls.

The minutes of all meetings of all the Committee of the Board of Directors are placed before the Board.

VIII. GENERAL BODY MEETINGS

The Company held its last three AGMs as under:

Financial Year	Date and time	Venue of the meeting	Whether any special resolution Passed or not
2019-20 AGM	September 23, 2019 11.30 A. M.	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 013	No
2018-19 AGM	September 18, 2018 03:35 P. M.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020	Yes
2017-18 AGM	June 28, 2017 09:30 A. M.	'H' Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	Yes

IX. POSTAL BALLOT

The Company initiated postal ballot exercises on May 23, 2019, November 15, 2019 and January 23, 2020 for the purpose of seeking Members' approval for the following matters by way of special resolution(s):

- For Postal ballot exercise dated May 23, 2019:
 - (a) To Approve 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019 [ESOP 2019]'
 - (b) To Approve the grant of Employee Stock Options to the employees / Directors of Subsidiary Companies and Holding Company (if any) of the Company under 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019 [ESOP 2019]'
 - (c) To Approve the grant of Employee Stock Options to Mr. Sundeep Sikka, Executive Director & CEO, during the current financial year, upto 2% of the issued capital of the company at the time of grant of options

■ 2 Statutory Report | Corporate Governance Report

All the above resolutions were passed with the requisite majority by the Members on July 12, 2019 and a Scrutinizer's report was issued on even date, to this effect.

- For Postal ballot exercise dated November 15, 2019:
 - a. To Approve 'Change in name of the Company'
 - b. To Adopt new set of Articles of Association

The above resolutions were passed with the requisite majority by the Members on December 18, 2019 and a Scrutinizer's report was issued on even date, to this effect.

- For Postal ballot exercise dated January 23, 2020:
 - a) Re-appointment of Ms. Ameeta Chatterjee as a Non-executive Independent Director

The above resolution was passed with the requisite majority by the Members on March 06, 2020 and a Scrutinizer's report was issued on even date, to this effect.

Mr. Mukesh Siroya (ICSI Membership No. FCS 5682), Proprietor, M/s. M. Siroya and Company, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize all the postal ballots and remote e-voting process in a fair and transparent manner.

During the year under review, no EGM was held by the Company.

X. MEANS OF COMMUNICATION

- (a) **Quarterly results:** Quarterly results are published in The Financial Express, (English) newspaper circulating in substantially the whole of India and in Navshakti, (Marathi) vernacular newspaper and are also posted on the Company'
- (b) **Media releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- (c) **Website:** The Company's website contains a separate dedicated section, identifiable as 'NAM India Shareholders/ Investors'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information

about the Company as called for in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly.

- (d) **Annual Report:** The Annual Report containing, inter-alia, Notice of the AGM, Audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report and Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website. The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company have e-mailed the soft copies of the Annual Report to all those members whose e-mail IDs were available with its Registrar and Transfer Agent or Depositories and urged other members to register their e-mail IDs to receive the said communication.
- (e) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement(s), media release, results, etc. are filed electronically on NEAPS.
- (f) **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release(s), results Corporate Announcements, etc. are filed electronically on the Listing Centre.
- (g) **Designated e-mail id:** The Company also has a designated e-mail id Investorrelation@nipponindiaamc.com exclusively for investor servicing.
- (h) **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

XI. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations.

XII. SUBSIDIARIES

As of March 31, 2020, your Company had three (3) subsidiaries. Two of such subsidiaries are overseas, being one each in Singapore and Mauritius and one subsidiary being in India. All the subsidiaries of the Company are engaged in financial services sector and related activities.

The Company monitors performance of subsidiary companies, inter-alia, by the following means:

- (a) Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- (b) Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.
- (c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.

In addition to this, the business & performance of the subsidiary Companies is also discussed at periodical intervals.

The policy for determination of material subsidiary is put on the website of the Company at the link

<https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx>

XIII. DISCLOSURES

- a. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

b. Related Party Transactions

During the financial year 2019-20, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Accounts. The policy on related party transactions is put on the website of the Company at the link

<https://www.nipponindiamf.com/InvestorServices/Pages/Investor-Policies.aspx>

c. Accounting Treatment

In the preparation of financial statement, the Company has followed the Accounting Standards,

as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, and Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

e. Prevention of Money Laundering – Know Your Customer Policy

In keeping with specific requirements for being an asset management company, the Company has also formulated a Prevention of Money Laundering and Know Your Customer Policy.

f. Certification by Company Secretary in practice

Mr. Mukesh M. Siroya, a Company Secretary in practice has given a certificate that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

g. Independence of Director

The Directors have confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the management.

- h. Total fees for all services paid by the Company and its Subsidiaries, on a Consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

(Amount in Cr)

Particulars	NAM INDIA	Subsidiaries	Total Fees Paid
Fees paid to S.R. Batliboi & Affiliates	0.35	0.25	0.60

i. Code of Conduct

The Company has adopted the code of conduct and

ethics for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website, i.e. www.nipponindiamf.com. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Executive Director & CEO of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2019-20."

j. CEO / CFO certification

Mr. Sundeep Sikka, Executive Director & CEO and Mr. Prateek Jain, CFO of the Company have provided certification on financial reporting and internal controls to the Board as is required under Regulation 17(8) of the Listing Regulations.

k. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2020 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

l. VIGIL MECHANISM

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any. The policy can be accessed on the Company's website. It is affirmed that no person has been denied access to the chairperson of Audit Committee.

XIV. POLICY ON INSIDER TRADING

The Company has formulated Nippon Life India Asset Management Limited - Personnel Securities Trading Policy for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board has appointed Mr. Muneesh Sud, Chief Legal & Compliance Officer of the Company as the Compliance Officer responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Policy, inter-alia, prohibits purchase and / or

sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

XV. COMPLIANCE OF REGULATION 34(3) AND PARA F OF SCHEDULE V OF THE LISTING REGULATIONS

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in "Unclaimed Suspense Account - Reliance Nippon Life Asset Management Limited" were as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on April 01, 2019	0	0
Number of shareholders to whom shares were transferred from suspense account during the period April 01, 2019 to March 31, 2020	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying on March 31, 2020	0	0

XVI. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

1. Audit qualifications

There are no audit qualifications on the financial statements of the Company for the financial year 2019-20.

2. Reporting of internal auditor

The internal auditor reports directly to the Audit Committee of the Company.

XVII. GENERAL SHAREHOLDER INFORMATION

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

XVIII. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Auditors' certificate on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published elsewhere in this Report.

XIX. REVIEW OF GOVERNANCE PRACTICES

We have in this Report attempted to present the governance practices and principles being followed at the Company, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices would be continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Summary of compliance of corporate governance requirements specified in regulation 17 to 27 and regulation 46(2)(b) to (i) of the Listing Regulations

I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
As per regulation 46(2) of the LODR:	
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programs imparted to independent directors	Yes
Email address for grievance redressal and other relevant details entity who are responsible for assisting and handling investor grievances	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	Not Applicable
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	Yes
New name and the old name of the listed entity	Yes
Advertisements as per regulation 47 (1)	Yes
Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments obtained	Not Applicable
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
As per other regulations of the LODR:	
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Dividend Distribution policy as per Regulation 43A (as applicable)	Yes
It is certified that these contents on the website of the listed entity are correct.	Yes

II Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of directorship	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of nomination & remuneration committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) and 20(2A)	Yes
Meeting of stakeholder relationship committee	20(3A)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Meeting of Risk Management Committee	22	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Not Applicable
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Not Applicable
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	Not Applicable
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)
 Reliance Centre, 7th Floor, South Wing,
 Off Western Express Highway, Santacruz (East),
 Mumbai - 400055

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nippon Life India Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management Limited) bearing CIN L65910MH1995PLC220793 and having registered office at Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mr. Ved Prakash Malik	00006628	22/04/2016
2	Mr. Mahadevan Veeramony	00820580	23/09/2019
3	Mr. Sundeep Sikka	02553654	22/04/2016
4	Ms. Ameeta Chatterjee	03010772	24/03/2015
5	Mr. Minoru Kimura	07497568	25/04/2018
6	Mr. Akira Shibata	08107588	25/04/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: In view of the restrictions imposed by the Government of India on movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN - F005682B000232898

Date: May 13, 2020
Place: Mumbai

Auditors Certificate

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Nippon Life India Asset Management Limited
Reliance Centre 7th Floor, South Wing
Off Western Express Highway
Santacruz (East) Mumbai 400 055 India

1. The Corporate Governance Report prepared by Nippon Life India Asset Management Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on

Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Reading and understanding the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Independent Directors Meeting
 - (e) Nomination and Remuneration Committee;
 - (f) Stakeholders Relationship Committee;
 - (g) Corporate Social Responsibility Committee
 - (h) Risk Management Committee
 - v. Obtained necessary declarations from the directors of the Company including the independent directors.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end.

Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. 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. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAEF2818

Place of Signature: Mumbai

Date: May 15, 2020

Investor Information

IMPORTANT POINTS

Investors should hold securities in dematerialised form, as transfer of shares in physical form is no longer permissible.

As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

Members are advised to dematerialise securities in the Company to facilitate transfer of securities.

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by DPs for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of

securities in one folio enables shareholders to monitor the same with ease.

Furnish bank details and get dividend directly credited in bank account

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide, the same to the Company's RTA for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to KFin Technologies Pvt. Ltd., if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case of shares are held in dematerialised form.

Form may be downloaded from the Company's website, www.nipponindiamf.com under the section 'Investor Relations'. However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger etc. in electronic form by providing their demat account details to the Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company/ Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company.

Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per a circular dated April 20, 2018 issued by SEBI the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the company. The shareholders are advised to register their bank details with the company / RTA or their DPs, as the case may be, to claim unencashed dividend from the company.

Facility for a Basic services demat account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000 and

(b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular CIR/MRD/ DP/22/2012 dated August 27, 2012 and circular CIR/MRD/ DP/20/2015 dated December 11, 2015).

Annual General Meeting

The 25th Annual General Meeting will be held on Friday, July 17, 2020 at 11:00 a.m. (IST), through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online from 9:00 A.M. on July 13, 2020 to 5:00 P.M. on July 16, 2020. The cut-off date for determining shareholders entitled to vote is July 8, 2020.

Financial year of the company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. Investorrelation@nipponindiaamc.com for investors.

Registrar and Transfer Agent (RTA)

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Unit: Nippon Life India Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management Limited)
Selenium Tower – B Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad 500 032
Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791
E-mail : namindiainvestor@kfintech.com
Website: www.kfintech.com

Dividend Announcements

During the year, the Company had declared and paid first interim dividend of ₹ 3 (30 per cent) per equity share. The Board has also recommended a final dividend of ₹ 2/- (20 per cent) per Equity Share of ₹ 10/- each for the financial year ended March 31, 2020, for the approval of the shareholders at the ensuing Annual General meeting. With this the total dividend for the financial year 2019-20 would be ₹ 5/-, including the interim dividend of ₹ 3 per equity share distributed in February 2020. The Final dividend, if declared, will be paid after the Meeting.

Record date for the purpose of dividend

The Record date for the purpose of determining the entitlement of shareholders to receive the Dividend, if any, for the year ended March 31, 2020 will be 30th June 2020

■ 2 Statutory Report | Investor Information

Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2020, when declared at the AGM will be paid on and from July 27, 2020, subject to deduction of tax at source, to:

- (i) all those equity shareholders whose names appear in the Register of Members as on 30th June 2020; and
- (ii) those whose names as beneficial owners as on 30th June 2020 are furnished by the NSDL and CDSL for the purpose.

Modes of payment of dividend

The dividend is paid under two modes viz.

- Electronic Payment via
 - NACH (National Automated Clearing House)
 - NEFT (National Electronic Funds Transfer)
 - RTGS (Real Time Gross Settlement)
 - Direct Credit
- Dispatch of physical dividend warrant / Demand Drafts when postal services are restored.

Shareholders are requested to avail the Electronic Payment Services for payment of dividend as the same is immensely beneficial and considerably reduces risk attached to physical dividend warrants / Demand Draft.

Unclaimed Dividends

The status of the Unclaimed Dividend as on 31-03-2020 is as follows:

Dividend Year	Records	Amount (in Rs.)
2017-18 (Interim Dividend)	1018	300565.00
2017-18 (Final Dividend)	1448	101686.00
2018-19 (1st Interim Dividend)	1291	317742.00
2018-19 (2nd Interim Dividend)	1940	414768.00
2019-20 (Interim Dividend)	1833	533889.00

Share Transfer System

SEBI vide its notification has stated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository.

Shareholding Pattern

Category of shareholders	As on March 31, 2020	
	Number of shares	%
(A) Shareholding of promoter and promoter group		
(i) Indian	5678596	0.93
(ii) Foreign	459028095	74.99
Total shareholding of promoter and promoter group	464706691	75.92
(B) Public shareholding		
(i) Institutions	73322151	11.98
(ii) Non-institutions	74083025	12.10
Total public shareholding	147405176	24.08
(C) Shares held by custodians and against which depository receipts have been issued	0	0.00
(D) ESOS Trust	0	0.00
Grand total (A)+(B)+(C)+(D)	612111867	100.00

Distribution of shareholding

Number of Shares	No. of Shareholders as on 31.03.2020		Total equity shares as on 31.03.2020	
	Number	%	Number	%
1 to 500	154995	94.76	11486741	1.88
501 to 5,000	7679	4.70	10600858	1.73
5,001 to 1,00,000	775	0.47	12829231	2.10
Above 1,00,000	107	0.07	577195037	94.29
Total	163556	100.00	612111867	100.00

Status of Dematerialisation of Shares

As on March 31, 2020, 99.99 per cent of the Company's shares are held in Dematerialized form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2019-20	2018-19	2019-20	2018-19	31-03-2020	31-03-2019
SEBI	3	4	3	4	Nil	Nil
Stock Exchanges	1	1	1	1	Nil	Nil
N S D L / CDSL	0	0	0	0	Nil	Nil
Direct from investors	0	0	0	0	Nil	Nil
Total	4	5	4	5	Nil	Nil

Analysis of grievances

	2019 – 2020		2018 – 2019	
	Number	%	Number	%
Non-receipt of dividend warrant	0	0.00	1	20.00
Non-receipt of share certificates	0	0.00	0	0.00
Others	4	100.00	4	80.00
Total	4	100.00	5	100.00

There were no complaints pending as on March 31, 2020.

Notes:

1. The shareholder base was 1,63,556 (consolidated as per PAN) as of March 31, 2020.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

Legal Proceedings

There are no pending cases relating to disputes over title to shares, in which the Company is made a party.

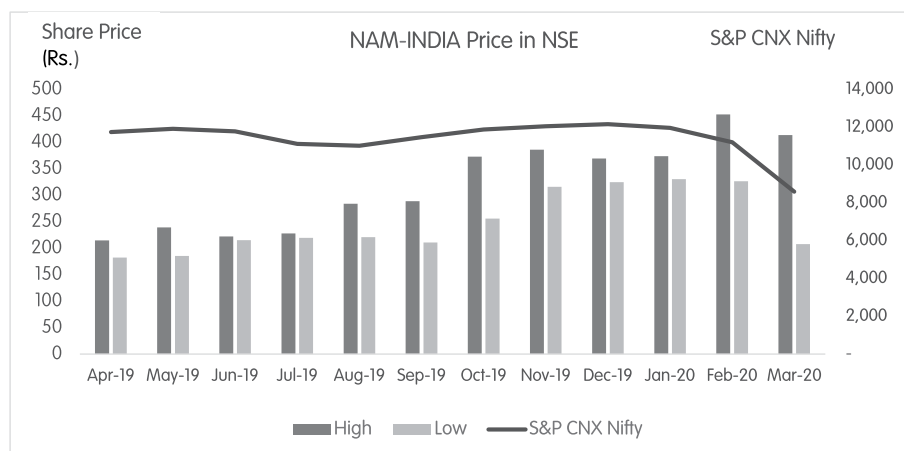
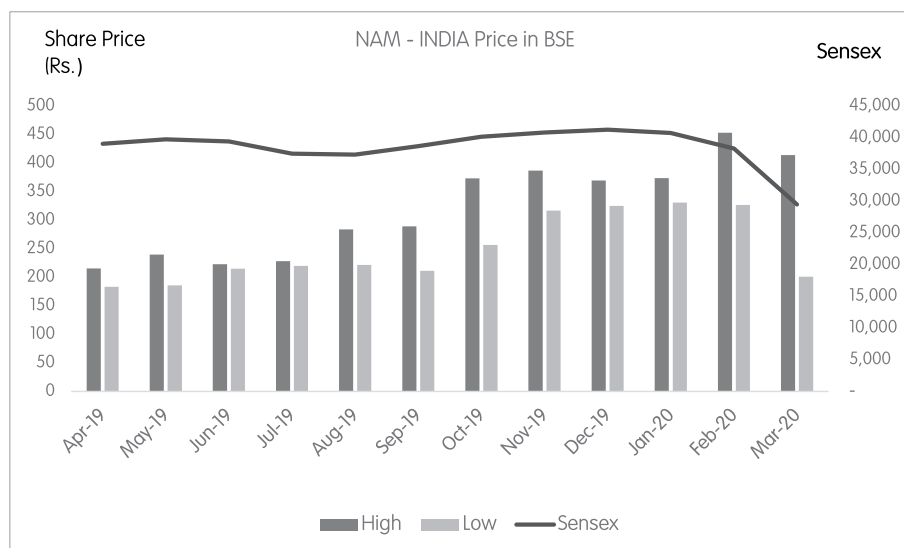
Equity History

Sr. No.	Date of Allotment	Reason/ Nature of allotment	Face value per Equity Share (₹)	Number of Equity Shares	Cumulative number of Equity Shares
1	March 10, 1995	Subscription to the MoA	10	700	700
2	March 10, 1995	Further issue	10	60,00,000	60,00,700
3	May 9, 1996	Further issue	10	15,00,000	75,00,700
4	September 30, 2007	Rights issue	10	24,99,300	1,00,00,000
5	December 21, 2007	Preferential Allotment	10	2,00,000	1,02,00,000
6	January 8, 2008	Preferential Allotment	10	5,10,000	1,07,10,000
7	March 30, 2011	Preferential Allotment	10	50,000	1,07,60,000
8	May 9, 2012	Allotment pursuant to bonus issuance	10	7,60,000	1,15,20,000
9	August 11, 2017	Allotment pursuant to bonus issuance	10	57,60,00,000	58,75,20,000
10	November 2, 2017	Allotment pursuant to the initial public offering	10	2,44,80,000	61,20,00,000
11	August 20, 2019	Allotment under ESOP	10	37,460	61,20,37,460
12	December 09, 2019	Allotment under ESOP	10	2,066	61,20,39,526
13	February 05, 2020	Allotment under ESOP	10	30,782	61,20,70,308
14	March 05, 2020	Allotment under ESOP	10	41,559	61,21,11,867

Stock Price and Volume

2019-20	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2019	215.10	183.00	11,99,865	215.00	182.60	1,35,95,751
May, 2019	239.70	185.70	23,25,951	239.50	185.55	2,82,83,862
June, 2019	222.75	215.05	13,91,866	222.40	215.15	2,70,29,276
July, 2019	228.00	219.70	14,01,766	227.90	219.75	1,92,66,653
August, 2019	283.80	221.40	8,29,914	284.00	221.00	1,21,41,772
September, 2019	289.05	211.25	36,38,059	289.00	211.10	5,41,62,650
October, 2019	372.95	256.30	58,67,778	373.00	256.15	6,09,31,728
November, 2019	386.50	316.70	61,02,550	386.40	316.25	6,55,48,738
December, 2019	369.30	325.00	29,20,789	369.35	325.00	3,39,36,806
January, 2020	373.60	330.45	24,99,372	373.90	330.50	3,13,14,590
February, 2020	452.95	326.50	41,55,841	452.90	326.50	5,51,20,188
March, 2020	414.00	201.00	44,10,748	413.95	207.70	5,28,11,050

Performance in comparison to broad-based indices such as BSE sensex, Nifty etc.



Stock exchange listings

The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.

Listing on stock exchange

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

Website: www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Website: www.nseindia.com

Stock Codes

BSE Limited : 540767
 National Stock Exchange of India Limited : NAM-INDIA
 ISIN for equity shares : INE298J01013

Payment of listing fees

Annual listing fee for the financial year 2020-21 has been paid by the Company to the stock exchanges

Key financial reporting dates for the financial year 2020-21

Unaudited results for the first quarter ended June 30, 2020: On or before August 14, 2020

Unaudited results for the second quarter / half year ended September 30, 2020 : On or before November 14, 2020

Unaudited results for the third quarter ended December 31, 2020: On or before February 14, 2021

Audited results for the financial year 2020-21: On or before May 30, 2021

Depository Services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 website: www.cdslindia.com.

Communication to Members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter. The Company's media releases and details of significant developments are made available on Company's website: www.nipponindiamf.com. The financial results were also published in leading newspapers.

Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital.

The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter.

Investors' correspondence may be addressed to the registrar and transfer agent of the company

Shareholders/Investors are requested to forward documents related to dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) at the below mentioned address for speedy response:

KFin Technologies Private Limited
 (Formerly known as Karvy Fintech Private Limited)
 Unit: Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited)
 Selenium Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda Hyderabad 500 032
 E-mail: namindiainvestor@kfintech.com

Shareholders / investors may send the above correspondence at the following address:

Queries relating to financial statement of the Company may be addressed to: Chief Financial Officer

Nippon Life India Asset Management Limited
 (formerly known as Reliance Nippon Life Asset Management Limited)
 Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055
 Tel.: 022 4303 1000 Fax: 022 4303 7662
 E-mail: Investorrelation@nipponindiaamc.com

Correspondence on investor services may be addressed to: Company Secretary & Compliance Officer

Nippon Life India Asset Management Limited
 (formerly known as Reliance Nippon Life Asset Management Limited)
 Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055
 Tel.: 022 4303 1000 Fax: 022 4303 7662
 E-mail: Investorrelation@nipponindiaamc.com

Plant locations

The Company is engaged in the business of financial services and as such has no plant.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risk and foreign exchange risk.

Dividend Policy

1. Introduction

The Board of Directors (the "Board") of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) (the "Company") at its meeting held on April 25, 2018, has adopted this Dividend Policy (the "Policy") in accordance with the Companies Act 2013, (the "Act") and regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

2. Objective

The objective of this policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits
- v. In the event of any regulation or contractual restriction.

The Company may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

4. Parameters to be considered while declaring Dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies act, 2013. The board may also declare interim dividends as may be permitted by the Companies Act, 2013. The company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial

decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

4.1 External Factors:

State of Economy: In case of uncertain or recessionary economic and business conditions, Company will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

4.2 Internal Factors:

Apart from the various external factors, the Company will take into account various internal factors while declaring Dividend, which inter alia will include:

- Income/ Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand/ Business Acquisitions;
- Expansion/ Modernization of existing businesses;
- Additional investments in subsidiaries/ associates of the Company;
- Fresh investments into external businesses;
- Any other factor as deemed fit by the Board.

5. Utilization of retained earnings

The company shall endeavor to utilize the retained earnings in the following manner:

- For expansion and growth of business;
- Additional investments in existing business;
- Declaration of dividend;
- General Corporate Purposes; and
- Any other specific purpose as may be approved by the Board.

6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters of dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other class of shares.

7. Review

This policy will be reviewed periodically by the Board.

8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing regulations shall prevail over this policy. Any subsequent amendment/modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

9. Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to

distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Company will endeavor to maintain a Dividend pay-out in the range of 60%-90% of profits after tax (PAT) on standalone financials. However, the Company may amend the pay-out range or declare dividend outside the payout range for a particular financial year, whenever considered appropriate by it, keeping in mind the external and internal factors which are having a bearing on the dividend pay-out.

Independent Auditor's Report

To the Members of **Nippon Life India Asset Management Limited**
(formerly known as **Reliance Nippon Life Asset Management Limited**)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 19 of the standalone Ind AS financial statements)	
Revenue from operations is the most significant balance in the statement of profit and loss. Revenue is made of a number of streams including: <ul style="list-style-type: none"> - Management fees ₹ 1,089.36 crore - Portfolio Management Services ₹ 42.31 crore There are inherent risks in computing the different revenue streams including manual input of key contractual terms and the computation of applicable Assets Under Management ('AUM'), which could result in errors. The complex nature of contractual terms involving multiple schemes requires effective monitoring to ensure all financial terms and conditions are captured accurately and applied appropriately.	We have performed the following procedures in relation to revenue recognised and accrued: <ul style="list-style-type: none"> • obtained and read the accounting policy for revenue recognition • understood the significant revenue items and identified where there is a higher risk of error, due to manual processes, complex contractual terms, and areas of judgement. • tested the operating effectiveness of key controls in place across the Company relevant to these revenue calculations, including the assets under management, set up and maintenance of contractual terms and fee billing. • obtained and assessed independent assurance reports for the relevant controls at the third-party administrators and considered whether there was any impact on our audit.

Key audit matters	How our audit addressed the key audit matter
<p>In addition to the complexity of interpreting the agreements, there is a risk of error as the calculation involves manual components and may involve some complexity.</p> <p>Any discrepancy in such computations could give rise to a material misstatement of the financial statements. Accordingly, revenue is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> • on a sample basis, we agreed key inputs in to the IT systems back to contracts, and re-performed calculations involving manual processes. • re-performed a sample of Portfolio Management Services Fee calculations to check that the said fees were appropriately calculated. We tested the data used by agreeing the basis of calculation to the contractual terms with the relevant agreements.
Impairment of Asset Management Rights (as described in Note 2.4 of the standalone Ind AS financial statements)	
<p>The Company's balance sheet as at March 31, 2020 includes ₹ 240 crore of Asset Management Rights, representing 8% of total assets.</p> <p>As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these assets to their recoverable amount to determine whether an impairment was required to be recognised.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.</p> <p>Further, the determination of the recoverable amount involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these assets.</p> <p>Accordingly, the impairment of Asset Management Rights was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>We have performed the following procedures with respect to impairment of asset management rights:</p> <ul style="list-style-type: none"> • obtained and read the accounting policy on impairment of asset management rights • evaluated the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also assessed the objectivity, competence and independence of Company's specialists involved in the process. • evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used. • assessed the recoverable value computed by the Company's specialists based on the various scenarios. • discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were reasonable. • read and assessed the specific disclosures made in the financial statements with regards to managements evaluation of the uncertainties arising from COVID-19.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis, Annual Return, Report on CSR activities, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the

Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner

Place of Signature: Mumbai
Date: May 15, 2020

Membership Number: 102102
UDIN: 20102102AAAAED9874

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: Nippon Life India Asset Management Limited
(formerly known as Reliance Nippon Life Asset Management Limited) ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of initial public offer were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Place of Signature: Mumbai
Date: May 15, 2020

per Shrawan Jalan
Partner
Membership Number: 102102

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Nippon Life India Asset Management Limited
(formerly known as Reliance Nippon Life Asset Management Limited)

We have audited the internal financial controls over financial reporting of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Place of Signature: Mumbai
Date: May 15, 2020

per Shrawan Jalan
Partner
Membership Number: 102102

Statement of Assets and Liabilities

as at March 31, 2020

(₹. in crore)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	3	193.70	13.18
Bank balance other than above	4	215.41	477.29
Receivables			
(I) Trade receivables	5A	50.94	90.17
(II) Other receivables	5B	-	-
Loans	6	48.83	431.81
Investments	7	1,870.41	1,279.96
Other financial assets	8	28.11	54.10
Sub-total - financial assets		2,407.40	2,346.51
Non-financial assets			
Current tax assets (net)	9	11.17	6.45
Deferred tax assets (net)	23	8.18	12.22
Property, plant and equipment	10	9.03	12.33
Capital work-in-progress		2.00	0.70
Other intangible assets	11	312.92	243.55
Other non-financial assets	12	60.65	90.02
Sub-total - Non financial assets		403.95	365.27
Total Assets		2,811.35	2,711.78
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	66.35	42.29
Other financial liabilities	14	129.49	55.08
Sub-total - financial liabilities		195.84	97.37
Non-financial Liabilities			
Provisions	15	38.19	43.04
Other non-financial liabilities	16	28.33	39.12
Sub-total - Non financial liabilities		66.52	82.16
EQUITY			
Equity share capital	17	612.11	612.00
Other equity	18	1,936.88	1,920.25
Total equity		2,548.99	2,532.25
Total Liabilities and Equity		2,811.35	2,711.78

The accompanying notes are integral part of these financial statements.

This is the statement of assets and liabilities referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number : 102102

For and on behalf of the Board of Directors of

Nippon Life India Asset Management Limited

(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka

Executive Director & CEO

DIN No. 02553654

Prateek Jain

Chief Financial Officer

Nilufer Shekhawat

Company Secretary

Ameeta Chatterjee

Director

DIN No. 03010772

Ajay Patel

Manager

Mumbai, May 15, 2020

Statement of Profit and Loss

For the year ended March 31, 2020

(₹. in crore)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	19	1,131.67	1,415.26
Other income	20	2.62	173.78
Total income		1,134.29	1,589.04
Expenses			
Finance costs		5.58	-
Fee and commission expenses		38.28	232.13
Employee benefits expenses	21	278.46	277.42
Depreciation, amortization and impairment		32.62	9.99
Others expenses	22	217.96	382.78
Total expenses		572.90	902.32
Profit before tax		561.39	686.72
Income tax expense:			
- Current tax	23	142.73	215.42
- Deferred tax	23	6.36	(3.87)
Total tax expense		149.09	211.55
Profit for the year		412.30	475.17
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(3.12)	(3.15)
- Income tax relating to these items		0.78	0.98
Other comprehensive income for the year		(2.34)	(2.17)
Total comprehensive income for the year		409.96	473.00
Earnings per equity share			
- Basic (₹)	33	6.74	7.77
- Diluted (₹)		6.65	7.77

The accompanying notes are integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

Mumbai, May 15, 2020

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Statement of changes in equity

for the year ended March 31, 2020

A. Equity share capital

(₹ in crore)

Particulars	Number	Amount
As at March 31, 2019	612,000,000	612.00
As at March 31, 2020	612,111,867	612.11

B. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total other equity
	Securities premium	Capital Redemption reserve	General reserve	Surplus/ (deficit) in the statement of profit and loss	Share based options outstanding account	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
As at March 31, 2018	574.11	-	96.51	1,050.94	1.39	6.10	(0.84)	1,728.22
Profit for the year	-	-	-	475.17	-	-	-	475.17
Other comprehensive income	-	-	-	-	-	-	(2.17)	(2.17)
Total Comprehensive Income for the year	-	-	-	475.17	-	-	(2.17)	473.00
- Share based payments:								-
Stock option expense for the year	-	-	-	-	11.33	-	-	11.33
Options lapsed during the year	-	-	0.01	-	(0.01)	-	-	-
- Interim dividend on equity shares	-	-	-	(183.60)	-	-	-	(183.60)
- Final dividend on equity shares	-	-	-	(61.20)	-	-	-	(61.20)
- Tax on dividend	-	-	-	(47.49)	-	-	-	(47.49)
As at March 31, 2019	574.11	-	96.52	1,233.82	12.71	6.10	(3.01)	1,920.25
Profit for the year	-	-	-	412.30	-	-	-	412.30
Other comprehensive income	-	-	-	-	-	-	(2.34)	(2.34)
Total Comprehensive Income for the year	-	-	-	412.30	-	-	(2.34)	409.96
- Share based payments:								-
Stock option expense for the year	-	-	-	-	51.36	-	-	51.36
Options lapsed during the year	-	-	0.47	-	(0.47)	-	-	-
- Interim dividend on equity shares	-	-	-	(367.21)	-	-	-	(367.21)
- Tax on dividend	-	-	-	(75.48)	-	-	-	(75.48)
- Leases opening effect	-	-	-	(4.32)	-	-	-	(4.32)
- Fresh issue of equity shares	2.47	-	-	-	(0.15)	-	-	2.32
As at March 31, 2020	576.58	-	96.99	1,199.11	63.45	6.10	(5.35)	1,936.88

The accompanying notes are integral part of these financial statements.

This is the statement of changes in Equity referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**
Partner
Membership Number : 102102

Mumbai, May 15, 2020

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Statement of Cash Flow

for the year ended March 31, 2019

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	561.39	686.72
Adjustments :		
Depreciation and amortization	32.62	9.99
Finance cost	5.58	-
Net (gain) / loss on sale of property, plant and equipments	-	(0.04)
Provision / (Reversal) for ECL on Inter Corporate Deposits	(8.58)	9.37
Remeasurement of defined benefit obligations	(2.34)	(2.18)
Employee share based payments	49.23	11.32
(Profit) / Loss on sale / fair value of Investments (net)	27.48	(44.84)
Fair Value (Gain) Loss on Investments	50.87	(13.34)
Dividend income	(9.66)	(9.75)
Interest income	(70.09)	(103.83)
Operating profit before working capital changes	636.50	543.42
Adjustments for (increase)/ decrease in operating assets:		
Trade and other receivables	39.23	(52.84)
Other financial assets	10.84	5.00
Other non-financial assets	29.37	173.20
Loans and advances to employees	0.06	0.57
Capital work-in-progress	(1.30)	1.89
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	24.06	(69.92)
Other financial liabilities	(5.48)	(0.66)
Provisions	(4.85)	13.69
Other non-financial liabilities	(10.79)	(13.34)
Cash generated from operations	717.64	601.01
Less : Income taxes paid (net of refunds)	147.43	208.26
Net cash inflow from operating activities	570.21	392.75
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	85.24	102.04
Dividend received	9.66	9.75
Sales proceeds from disposal of property, plant and equipments	0.03	0.09
Purchase of investments	(3,998.93)	(4,202.47)
Sale of investments	3,332.25	3,931.59
Proceeds from maturity of Fixed deposits placed with financial institution	261.88	58.40
Inter corporate deposit repayment	393.50	75.00
Inter corporate deposit given	(2.00)	(77.70)
Purchase of property, plant and equipments and intangible assets	(4.04)	(8.52)
Net cash outflow from investing activities	77.59	(111.82)

Statement of Cash Flow

for the year ended March 31, 2019

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issuance of Share Capital	2.43	-
Principal Element of Lease Payments	(21.44)	-
Interest Element of Lease Payments	(5.58)	-
Dividend paid (including dividend distribution tax)	(442.69)	(292.29)
Net cash outflow from financing activities	(467.28)	(292.29)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	180.52	(11.36)
Add : Cash and cash equivalents at the beginning of the year	13.18	24.54
Cash and cash equivalents at the end of the year	193.70	13.18

The accompanying notes are integral part of these financial statements.

This is the statement of cash flow referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

per Shrawan Jalan
Partner
Membership Number : 102102

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Ameeta Chatterjee
Director
DIN No. 03010772

Prateek Jain
Chief Financial Officer

Ajay Patel
Manager

Nilufer Shekhawat
Company Secretary

Mumbai, May 15, 2020

Significant Accounting Policies and Notes to Accounts

for the year ended March 31, 2020

(Currency : Indian Rupees)

1 Corporate Information

Nippon Life India Asset Management Limited ('the Company') was incorporated on February 24, 1995.

The Company's principal activity is to act as an investment manager to Nippon India Mutual Fund (Formerly Reliance Mutual Fund) ('the Fund') and to provide Portfolio Management Services ('PMS') and advisory services to clients under Securities and Exchange Board of India (SEBI) Regulations. The Company is registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.

The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on November 6, 2017.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis Of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities (including derivatives instruments).
- b. Defined benefit plans – plan assets and
- c. Equity Settled share based payments

2.2 Property Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company

and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant & Equipment which are significant to total cost of that item of Property plant & Equipment and having different useful life are accounted separately

Depreciation methods, estimated useful lives & residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
IT equipments - computers & printers	3 years
Vehicles	8 years

Leasehold improvements are amortized over the primary period of the lease on straight-line basis or useful life of asset, whichever is lower

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

2.3 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

Acquisition of rights to manage and administer the schemes of Goldman Sachs Mutual Fund have been stated at cost net of impairment losses, if any.

2.4 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.5 Leases

As a lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract

conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.6 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Executive Director who has been identified as the Chief Operating Decisions Maker.

2.7 Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

2.8 Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

Financial Assets measured at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange

gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets measured at Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

C. Equity instruments

All equity investments are measured at fair value with value changes recognised in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

D. Impairment of Financial Asset

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the

12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an expense in the statement of profit or loss.

2.9 Financial Liabilities

A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

2.10 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115

2.11 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

(i) Investment Management Fees (net of tax)

Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) schemes.

(ii) Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

(iii) Portfolio Management Fees (net of tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

(iv) Interest income

Interest income is recognized using the effective interest rate.

(v) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

2.12 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred Tax

Deferred tax is recognised on temporary differences

arising between carrying amounts of asset and liabilities in financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.13 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

2.14 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognised over the lock in period for investment in the schemes.

2.15 Fund expenses

Expenses incurred on behalf of schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are recognised in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Nippon India Mutual Fund are charged to the statement of profit and loss under respective heads. Distribution cost is recognised over the lock in period for investment in the schemes

2.16 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of

a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

2.18 Employee-Benefits Expense

(i) Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the service.

(ii) Post-employment obligations

Defined contribution plans

The Company recognises contribution payable to provident fund scheme as an expense, when the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

Phantom shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price. The present value of the obligation under such plan is determined based on actuarial valuation.

2.19 Share-based payments

Employee Stock Option Scheme (ESOS)

Equity settled share based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revives its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefits Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

2.20 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

Notes to financial statement

as at March 31, 2020

3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	-	-
Cheques on hand	-	-
Balances with banks:		
In current accounts	5.29	13.18
Deposits with original maturity of less than 3 months	188.41	-
Total	193.70	13.18

4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.11	0.04
In deposit accounts		
Term Deposits against the bank guarantee	14.39	14.31
Other Term Deposits	200.91	462.94
Total	215.41	477.29

5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	50.94	90.17
(Less): Allowance for impairment loss	-	-
Total	50.94	90.17

5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	-
(Less): Allowance for impairment loss	-	-
Total	-	-

6. Loans

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At amortized cost		
Term loans (unsecured)		
Loans and advances to related parties	48.70	62.20
Loans and advances to employees	0.25	0.31
Loans and advances Others	2.00	380.00
Total (A) - Gross	50.95	442.51
(Less): Impairment loss allowance	(2.12)	(10.70)
Total (A) - Net	48.83	431.81
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	50.95	442.51
Total (B) - Gross	50.95	442.51
(Less): Impairment loss allowance	(2.12)	(10.70)
Total (B) - Net	48.83	431.81
Loans in India		
- Public sector	-	-
- Others	50.95	442.51
Total (C) - Gross	50.95	442.51
(Less): Impairment loss allowance	(2.12)	(10.70)
Total (C) - Net	48.83	431.81

Recociliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.93	9.77	-	10.70
New assets originated / change in inputs to ECL model	0.73	1.39	-	2.12
Assets derecognized or repaid	(0.93)	(9.77)	-	(10.70)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	0.73	1.39	-	2.12

(₹ in crore)

Particulars	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.31	1.01	-	1.32
New assets originated / change in inputs to ECL model	0.71	8.67	-	9.38
Assets derecognized or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.09)	0.09	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	0.93	9.77	-	10.70

7. Investments

(₹ in crore)

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2020					
Mutual funds	-	-	1,680.38	1,680.38	1,680.38
Government securities	135.02	-	-	-	135.02
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	33.42	-	-	-	33.42
Associates	12.73	-	-	-	12.73
Others	-	-	8.81	8.81	8.81
Total (A) - Gross	181.17	-	1,689.24	1,689.24	1,870.41
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	181.17	-	1,689.24	1,689.24	1,870.41
Investments outside India	30.79	-	-	-	30.79
Investments in India	150.38	-	1,689.24	1,689.24	1,839.62
Total (B) - Gross	181.17	-	1,689.24	1,689.24	1,870.41
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	181.17	-	1,689.24	1,689.24	1,870.41
As at March 31, 2019					
Mutual funds	-	-	1,084.25	1,084.25	1,084.25
Debt securities	135.18	-	-	-	135.18
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	31.30	-	-	-	31.30
Associates	12.73	-	-	-	12.73
Others	-	-	16.45	16.45	16.45
Total (A) - Gross	179.21	-	1,100.75	1,100.75	1,279.96
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	179.21	-	1,100.75	1,100.75	1,279.96

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
Investments outside India	30.79	-	-	-	30.79
Investments in India	148.42	-	1,100.75	1,100.75	1,249.17
Total (B) - Gross	179.21	-	1,100.75	1,100.75	1,279.96
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	179.21	-	1,100.75	1,100.75	1,279.96

8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	10.54	21.00
Interest accrued on loans	0.14	17.19
Interest accrued on others	14.63	12.73
Accrued Fee Income	2.80	3.18
Total	28.11	54.10

9. Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax paid in advance (net of provision)	11.17	6.45
Total	11.17	6.45

10 Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
Year ended March 31, 2019						
Gross carrying amount						
Cost as at April 1, 2018	27.78	1.07	10.05	2.76	16.68	58.34
Additions	2.68	0.05	0.96	0.16	3.93	7.78
Less: Disposals and transfers	0.66	-	0.65	0.29	2.11	3.71
Closing gross carrying amount	29.80	1.12	10.36	2.63	18.50	62.41
Accumulated depreciation						
Opening accumulated depreciation	22.08	0.94	8.16	2.40	12.58	46.16
Depreciation charge during the year	3.39	0.13	0.73	0.08	3.25	7.58
Less: Disposals and transfers	0.65	-	0.63	0.28	2.10	3.66
Closing accumulated depreciation	24.82	1.07	8.26	2.20	13.73	50.08
Net carrying amount as at March 31, 2019	4.98	0.05	2.10	0.43	4.77	12.33

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
Year ended March 31, 2020						
Gross carrying amount						
Cost as at April 1, 2019	29.80	1.12	10.36	2.63	18.50	62.41
Additions	2.82	-	0.52	0.10	0.18	3.62
Less: Disposals and transfers	0.11	0.03	0.26	0.17	0.51	1.08
Closing gross carrying amount	32.51	1.09	10.62	2.56	18.17	64.95
Accumulated depreciation						
Opening accumulated depreciation	24.82	1.07	8.26	2.20	13.73	50.08
Depreciation charge during the year	3.25	0.01	0.80	0.07	2.76	6.89
Less: Disposals and transfers	0.11	0.03	0.25	0.17	0.49	1.05
Closing accumulated depreciation	27.96	1.05	8.81	2.10	16.00	55.92
Net carrying amount as at March 31, 2020	4.55	0.04	1.81	0.46	2.17	9.03

11 Intangible assets

(₹ in crore)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
Year ended March 31, 2019				
Gross carrying amount				
Cost as at April 1, 2018	-	18.16	250.14	268.30
Additions	-	0.74	-	0.74
Less: Disposals and transfers	-	-	-	-
Closing gross carrying amount	-	18.90	250.14	269.04
Accumulated amortization				
Opening accumulated amortization	-	12.94	10.14	23.08
Amortization during the year	-	2.41	-	2.41
Less: Disposals and transfers	-	-	-	-
Closing accumulated depreciation	-	15.35	10.14	25.49
Net carrying amount as at March 31, 2019	-	3.55	240.00	243.55
Year ended March 31, 2020				
Gross carrying amount				
Cost as at April 1, 2019	-	18.90	250.14	269.04
Transition to IND AS 116	73.18	-	-	73.18
Additions	21.50	0.42	-	21.92
Less: Disposals and transfers	-	-	-	-
Closing gross carrying amount	94.68	19.32	250.14	364.14
Accumulated amortization				
Opening accumulated amortization	-	15.35	10.14	25.49
Amortization during the year	23.68	2.05	-	25.73
Less: Disposals and transfers	-	-	-	-
Closing accumulated depreciation	23.68	17.40	10.14	51.22
Net carrying amount as at March 31, 2020	71.00	1.92	240.00	312.92

12 Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to Vendors	12.33	5.62
GST Input tax credit	13.33	24.74
Prepaid expenses	34.99	59.66
Total	60.65	90.02

13 Trade payable

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	66.35	42.29
Total	66.35	42.29

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and relied upon by the auditors, is as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

14 Other financial liability

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Other payables	49.49	55.04
Unclaimed dividend	0.11	0.04
Lease liability	79.89	-
Total	129.49	55.08

15 Provisions

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits		
Leave encashment	3.02	3.25
Gratuity	0.65	0.03
Phantom Shares	31.33	36.47
Compensated Absence Cost	3.19	3.29
Total	38.19	43.04

16 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	28.33	39.12
Total	28.33	39.12

17 Equity share capital

(₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00
Preference shares of ₹ 100 each	3,000,000	3.00	3,000,000	3.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	612,111,867	612.11	612,000,000	612.00
Total	612,111,867	612.11	612,000,000	612.00

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares

(₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Outstanding at the beginning of the year	612,000,000	612.00	612,000,000	612.00
Stock options exercised under the ESOS	111,867	0.11	-	-
Bonus Shares issued during the year	-	-	-	-
Shares issued / (redeemed) during the year	-	-	-	-
Outstanding at the end of the year	612,111,867	612.11	612,000,000	612.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The dividend proposed by the Board of Directors is subject to the approval of Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 28.

d) Details of Shareholders holding more than 5% of the shares in the Company

Equity Shareholders	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Nippon Life Insurance Company	459,028,095	74.99	262,395,000	42.88
Reliance Capital Limited*	-	-	262,395,000	42.88

* Including shares held jointly with nominee Shareholders

18 Other Equity

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	576.58	574.11
General reserve	96.99	96.52
Surplus in the statement of profit and loss	1,199.11	1,233.82
Share based options outstanding account	63.45	12.71
Other comprehensive income	0.75	3.09
Total	1,936.88	1,920.25

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account		
Opening balance	574.11	574.11
Add/(Less) : Changes during the year		
Fresh issue of equity shares	2.47	-
Closing balance	576.58	574.11
General reserve		
Opening balance	96.52	96.51
Add/(Less) : Changes during the year		
Share based options outstanding account	0.47	0.01
Closing balance	96.99	96.52
Surplus/(deficit) in the statement of profit and loss		
Opening balance	1,233.82	1,050.94
Net profit for the period	412.30	475.17
Dividends:		
Interim dividend on equity shares	(367.21)	(183.60)
Final dividend on equity shares	-	(61.20)
Tax on dividend (net of refund)	(75.48)	(47.49)
Leases opening effect	(4.32)	-
Closing balance	1,199.11	1,233.82
Share based options outstanding account		
Opening balance	12.71	1.39
Add: Stock option expense for the year	51.36	11.33
Less: Transferred to General Reserve	(0.47)	(0.01)
Add: Fresh issue of equity shares	(0.15)	-
Closing balance	63.45	12.71

Other Comprehensive Income

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
As at April 01, 2018	6.10	(0.84)	5.26
Remeasurements of post-employment benefit obligations	-	(3.15)	(3.15)
Deferred tax	-	0.98	0.98
As at March 31, 2019	6.10	(3.01)	3.09
Remeasurements of post-employment benefit obligations	-	(3.12)	(3.12)
Deferred tax	-	0.78	0.78
As at March 31, 2020	6.10	(5.35)	0.75

Nature and purpose of reserve:

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

c) Share based options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under share based payments arrangement over the vesting period. (Refer Note. 28)

19 Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Management Fees	1,089.36	1,376.29
Portfolio Management Fees (including advisory fees)	42.31	38.97
Total	1,131.67	1,415.26

20 Other Income

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	70.09	103.83
Dividend income	9.66	9.75
Gain on sale of Investment	(78.35)	58.18
Miscellaneous income	1.22	2.02
Total	2.62	173.78

21 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	213.72	248.20
Contribution to provident and other funds	10.64	10.51
Employee stock option scheme	49.23	11.33
Staff welfare expenses	4.87	7.38
Total	278.46	277.42

22 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Marketing, advertisement and publicity	53.22	96.98
Outsourced business service	45.37	87.86
Legal and Professional charges	23.14	27.04
Information technology	25.22	25.59
Rent	0.84	24.93
Scheme expenses	0.74	19.88
Communication Costs	10.01	17.24
Office administration	14.40	17.66
Conveyance and travelling	13.09	12.03
Corporate Social Responsibility	13.25	12.00
Rates, taxes and energy costs	1.83	5.62
Repairs and maintenance	7.08	5.48
Filing fees and stamp duty	5.07	5.13
Seminar and training	2.33	4.55
Membership and subscription	3.75	4.53
Insurance	2.87	3.56
Printing and stationery	2.74	1.41
Director's fees allowances and expenses	0.37	0.39
Auditor's fees and expenses	0.36	0.25
Expected credit loss (ECL)	(8.58)	9.38
Net loss on foreign currency transactions and translations	(0.38)	(0.01)
Miscellaneous expenses	1.24	1.28
Total	217.96	382.78

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	0.18	0.16
Certification matters	0.18	0.09
Out of pocket expenses	0.01	0.00
Total	0.37	0.25

b) Contribution for corporate social responsibility (CSR)

CSR amount required to be spent as per section 135 of the companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 13.08 Crore (Previous Year ₹ 11.91 Crore). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 13.25 Crore (previous year ₹ 12 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Promoting healthcare including preventive healthcare	5.75	7.00
Promoting education, enhancing Vocational Skills	1.50	1.50
Armed Forces Welfare	1.00	2.00
Training for Sports	3.00	1.50
Prime Minister Relief Fund	1.00	-
Infrastructure & Rural Development	1.00	-
Total	13.25	12.00

23 Income tax

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	147.95	217.64
Adjustment in respect of current income tax of prior years	(5.22)	(2.22)
Deferred tax	6.36	(3.87)
Total	149.09	211.55

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2020 and March 31, 2019 is, as follows:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	561.39	686.72
Tax at India's statutory income tax rate of 25.168% (previous year 34.608%)	141.29	239.97
Tax effect of the amount which are not taxable in calculating taxable income :		
- Adjustment in respect of current income tax of previous years	(5.22)	(2.22)
- Corporate Social responsibility expenditure	0.28	4.19
- Disallowance of estimated expenditure to earn tax exempt	0.68	1.06
- Tax free interest	(2.67)	(3.71)
- Exempt Income-Dividend	(2.43)	(3.38)
- Profit / Loss on investments (including MTM)	19.47	(15.83)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
- Depreciation on Intangible Assets	(7.75)	(14.33)
- Income tax relating to items that will not be reclassified to profit or loss-OCI	0.78	0.98
- Impact of Tax rate change on Deferred Tax Asset	4.00	-
- Others	0.66	4.82
Income tax expense at effective tax rate	149.09	211.55
Effective tax rate	26.56%	30.81%

c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

(₹ in crore)

Particulars	As at March 31, 2018	Charged/ credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
<u>Deferred tax liability :</u>				
FVTPL of financial instruments	9.52	4.49	-	14.01
Total (a)	9.52	4.49	-	14.01
<u>Deferred tax asset :</u>				
Property, plant and equipment	7.14	0.32	-	7.46
Leave Encashment	1.16	(0.02)	-	1.14
Compensated absense cost	1.46	(0.31)	-	1.15
Phantom Shares	7.64	5.10	-	12.74
Impairment allowance for financial assets	0.46	3.28	-	3.74
Total (b)	17.86	8.37	-	26.23
Net deferred tax (asset)/liability (a - b)	(8.34)	(3.87)	-	(12.22)

(₹ in crore)

Particulars	As at March 31, 2019	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
<u>Deferred tax liability :</u>				
FVTPL of financial instruments	14.01	(4.23)	-	9.78
Total (a)	14.01	(4.23)	-	9.78
<u>Deferred tax asset :</u>				
Property, plant and equipment	7.46	(1.72)	-	5.74
Leave Encashment	1.14	(0.38)	-	0.76
Compensated absense cost	1.15	(0.35)	-	0.80
Phantom Shares	12.74	(4.85)	-	7.89
Impairment allowance for financial assets	3.74	(3.21)	-	0.53
IND AS 116 Leases	-			
Total (b)	26.23	(10.51)	-	15.72
Net deferred tax (asset)/liability (a - b)	(12.22)	6.28	-	(5.94)
Transition to IND As 116 Lease through reserves (C)	2.32	(0.08)		2.24
Net deferred tax (asset)/liability (a - b - C)	(14.54)	6.36	-	(8.18)

24 Employee benefit obligations

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	6.74	6.90
Superannuation fund	0.05	0.07
Pension fund	1.57	1.45

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in crore)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	16.76	17.46	(0.70)
Current service cost	1.94	-	1.94
Interest expense/(income)	1.29	1.35	(0.06)
Return on plan assets (excl. Interest Income)	-	(0.25)	0.25
Actuarial loss / (gain) arising from change in financial assumptions	0.19	-	0.19
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	-	2.72
Liability Transferred In/ Acquisitions	(0.01)	0.02	(0.03)
Employer contributions	-	4.28	(4.28)
Benefit payments	(2.64)	(2.64)	-
As at March 31, 2019	20.25	20.22	0.03
Current service cost	2.25	-	2.25
Interest expense/(income)	1.54	1.53	0.00
Return on plan assets (excl. Interest Income)	-	(1.49)	1.49
Actuarial loss / (gain) arising from change in financial assumptions	1.36	-	1.36
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	0.27	-	0.27
Liability Transferred In/ Acquisitions	(0.25)	0.00	(0.25)
Reversal of the liability	-	-	-
Employer contributions	-	4.50	(4.50)
Benefit payments	(2.19)	(2.19)	-
As at March 31, 2020	23.23	22.58	0.65

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of plan liabilities	23.23	20.25
Fair value of plan assets	22.58	20.22
Plan liability (net of plan assets)	0.65	0.03

ii) **Statement of Profit and Loss**

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee Benefit Expenses:		
Current service cost	2.25	1.94
Total	2.25	1.94
Net Interest Cost	0.00	(0.06)
Net impact on the profit before tax	2.25	1.88
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/ income	1.49	0.25
Actuarial gains/(losses) arising from changes in financial assumptions	1.36	0.19
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	0.27	2.72
Net impact on the other comprehensive income before tax	3.12	3.16

iii) **Defined benefit plans assets**

(₹ in crore)

Category of assets (% allocation)	As at March 31, 2020	As at March 31, 2019
Insurer managed funds		
- Government securities	41.66%	44.63%
- Deposit and money market securities	4.28%	1.92%
- Debentures / bonds	33.96%	29.11%
- Equity shares	17.96%	19.82%
- Others	2.14%	4.52%
Total	100.00%	100.00%

iv) **Actuarial assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.82%	7.59%
Salary escalation rate*	6.00%	6.00%

* Takes into account the inflation, seniority, promotions and other relevant factors

v) **Demographic assumptions**

Mortality in Service : Indian Assured Lives Mortality (2006-08)

vi) Sensitivity

(₹ in crore)

As at March 31, 2020	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.74)	1.98
Salary escalation rate	1.00%	1.97	(1.77)
Employee Turnover	1.00%	0.07	(0.08)

As at March 31, 2019	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.50)	1.71
Salary escalation rate	1.00%	1.72	(1.54)
Employee Turnover	1.00%	0.15	(0.17)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	1.52	1.46
2nd Following Year	1.48	1.37
3rd Following Year	1.59	1.40
4th Following Year	1.61	1.49
5th Following Year	2.37	1.70
Sum of 6 to 10 Years	10.55	9.32
Sum of 11 Year and above	25.28	25.38

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

c) Phantom Stock Option Scheme:

- i) Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

Date of grant	01 December 2015
Appreciation as per Phantom stock Option	Excess of 'fair market value of share on the date of exercise' / 'NAV of unit on the date of exercise' determined in term of the Phantom Stock Option Scheme over 'the Base Price' / 'the Base NAV'
Exercise Period	In case of continuation of employment: Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and
	In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

- ii) The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The Projected benefit obligation is calculated using Project Unit Credit Method. The valuation of the shares/units is done considering the intrinsic value and the progression of share/unit price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 5 years.
- iii) For the current year the Company has created provision of ₹ (5.14) crore (Previous year ₹ 8.76 crore).

25 Segment information

The Company is in the business of providing asset management services to the schemes of Reliance Mutual Fund and portfolio management service to clients. The primary segment is identified as asset management services. Portfolio management services does not qualify as reportable segment as per the criteria mentioned under Ind AS 108 and hence not disclosed separately.

26 Fair value measurement

a) Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2020

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At Amortized Cost					
Cash and cash equivalents	193.70	-	-	-	193.70
Investments	181.17	-	-	-	181.17
Bank balance other than cash and cash equivalents above	215.41	-	-	-	215.41
Receivables					
(I) Trade receivables	50.94	-	-	-	50.94
(II) Other receivables	-				-
Loans	48.83	-	-	-	48.83
Other financial assets	28.11	-	-	-	28.11
At Fair Value Through Profit/Loss					
Investments	-	1,689.24	-	-	1,689.24
Total financial assets	718.16	1,689.24	-	-	2,407.40
Financial liabilities					
At Amortized Cost					
Payables	66.35	-	-	-	66.35
Other financial liabilities	129.49	-	-	-	129.49
Total financial liabilities	195.84	-	-	-	195.84

As at March 31, 2019

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At Amortized Cost					
Cash and cash equivalents	13.18	-	-	-	13.18
Investments	179.21	-	-	-	179.21
Bank balance other than cash and cash equivalents above	477.29	-	-	-	477.29
Receivables					
(I) Trade receivables	90.17	-	-	-	90.17
(II) Other receivables	-				-
Loans	431.81	-	-	-	431.81
Other financial assets	54.10	-	-	-	54.10
At Fair Value Through Profit/Loss					
Investments	-	1,100.75	-	-	1,100.75
Total financial assets	1,245.76	1,100.75	-	-	2,346.51
Financial liabilities					
At Amortized Cost					
Payables	42.29	-	-	-	42.29
Other financial liabilities	55.08	-	-	-	55.08
Total financial liabilities	97.37	-	-	-	97.37

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

27 Financial risk management

The Company activities expose it to credit risk, liquidity risk and market risk. The Company's risk management is carried out by a Risk department under the policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the other departments.

A Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company is also exposed to other credit risks arising from investments in debt securities. Credit risk is the one of the largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

1. The maximum exposure to credit risk at the reporting date is primarily from Cash & Cash Equivalents and Bank Fixed Deposit. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high
2. The Company has extended loans to various parties. Credit risk on the loans has been managed by the Company through external credit assessments done, if any, by domestic credit rating agencies and continuously monitoring the credit worthiness of the Company. The Company uses expected credit loss model to assess the impairment loss or gain. Refer note 6 for the same.
3. Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As the Company has a contractual right to such receivables as well as has the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments to meet payment obligations, when due, under all circumstances.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with practice and limits set by the Company after giving due considerations to internal and external factors that could impact the liquidity position of the Company. Further, since the Company has no external borrowings and has sufficient cash and liquid investments to meet payment obligations, there is low liquidity risk.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2020

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Financial assets					
Cash and cash equivalents	193.70	-	-	-	193.70
Bank balance other than cash and cash equivalents above	0.11	201.00	14.30	-	215.41

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Receivables					
(I) Trade receivables	-	50.94	-	-	50.94
(II) Other receivables	-	-	-	-	-
Loans	-	0.13	23.35	25.35	48.83
Investments	1,549.58	25.00	139.66	156.17	1,870.41
Other financial assets	-	18.17	5.77	4.17	28.11
Total assets	1,743.39	295.24	183.09	185.69	2,407.40
Financial liabilities					
Payables					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	66.35	-	-	66.35
Other financial liabilities	-	129.49	-	-	129.49
Total liabilities	-	195.84	-	-	195.84
Net	1,743.39	99.40	183.09	185.69	2,211.56

As at March 31, 2019

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Financial assets					
Cash and cash equivalents	13.18	-	-	-	13.18
Bank balance other than cash and cash equivalents above	-	463.37	13.92	-	477.29
Receivables					
(I) Trade receivables	-	90.17	-	-	90.17
(II) Other receivables	-	-	-	-	-
Loans	-	370.23	61.58	-	431.81
Investments	913.47		212.28	154.21	1,279.96
Other financial assets	-	54.10	-		54.10
Total assets	926.65	977.87	287.78	154.21	2,346.51
Financial liabilities					
Payables					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	42.29	-	-	42.29
Other financial liabilities	-	55.08	-	-	55.08
Total liabilities	-	97.37	-	-	97.37
Net	926.65	880.50	287.78	154.21	2,249.14

C Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

i) Foreign currency risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

ii) Interest Rate Risk

Interest rate risk is the risk where the Company is exposed to the risk that fair value or future cash flows of its financial instruments will fluctuate as a result of change in market interest rates. Tax Free Bonds held by the Company and loans extended by the Company to various parties are at fixed rate of coupon and accordingly the Company does not perceive any interest rate risk.

iii) Price risk

Exposure

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market. The Company's exposure to price risk arises from diversified investments in mutual funds, preference shares held by the Company and classified in the balance sheet at fair value through profit or loss (note 7).

Sensitivity Analysis

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2020	As at March 31, 2019
NAV - Increase 5%	84.02	54.21
NAV - Decrease 5%	(84.02)	(54.21)

28 Employee share based payments

Employee stock option scheme (ESOS) (Equity settled)

The Company have ESOS 2017 and ESOS 2019 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS :

	ESOS 2017		ESOS 2019	
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I
Date of Grant	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40
Exercise / Strike Price (Rs)	204.25	256.10	202.35	223.32

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50
Expected Volatility	13.92% to 20.81%	14.21%	16.66%	16.46%
Weighted Average Fair Value (Rs)	10.82	45.71	38.94	43.06

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:
(As certified by the management)

Particulars	No. of stock options as at March 31, 2020			
	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Date of Grant				
Outstanding at the beginning of the year	4,764,828	4,464,829	-	-
Granted during the year	-	-	11,190,706	18,081,008
Exercised during the year	84,486	27,381	-	-
Forfeited during the year	-	-	-	-
Lapsed/expired during the year	354,143	396,439	332,747	264,136
Outstanding at the end of the year	4,326,199	4,041,009	10,857,959	17,816,872
Vested and exercisable	1,517,934	990,470	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	August 08, 2017	April 25, 2018	April 29, 2019	July 29, 2019
Expiry date	August 08, 2024	April 25, 2025	April 29, 2026	July 29, 2026
Exercise price	204.25	256.10	202.35	223.32
Outstanding as at March 31, 2020	4,326,199	4,041,009	10,857,959	17,816,872
Outstanding as at March 31, 2019	4,764,828	4,464,829	-	-

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted are as under:

Assumptions	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I
Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%
Expected dividends	3.09%	3.25%	2.97%	3.22%
Expected term (In years)	4	4	4	4
Risk free rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%
Exercise price	204.25	256.10	202.35	223.32
Market price	145.10	253.90	202.35	227.40
Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026
Fair value of the option at grant date	10.82	45.71	38.94	43.06

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from share-based payment transactions

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee stock option scheme (equity settled)	49.23	11.33

29 Related party transactions

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

(i)	Sr No.	Name of Related Party
	I	Holding Company
	1	Nippon Life Insurance Company (w.e.f 27th September 2019)
	II	Major Investing Party
	1	Nippon Life Insurance Company (upto 27th September 2019)
	2	Reliance Capital Limited (upto 27th September 2019)
	III	Key Managerial Personnel
	A	Executive Director & CEO
	1	Sundeep Sikka
	B	Non-Executive Director
	1	Ameeta Chatterjee
	2	General Ved Prakash Malik (Retd.)
	3	Mahadevan Veeramony (Appointed w.e.f. 23rd September 2019)
	4	Akira Shibata
	5	Minoru Kimura
	6	Jai Anmol Ambani (upto 23rd May 2019)
	7	Kanu Doshi (upto 23rd September 2019)
	8	S C Tripathi (upto 23rd September 2019)
	IV	Subsidiary
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)
	2	Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)
	3	Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)
	4	Reliance Japan Equity Fund (upto May 2, 2018)*
	5	Reliance ETF Long Term Gilt Fund (upto May 2, 2018 and from May 15, 2018 to September 18, 2018)*
	6	Reliance ETF Dividend Opportunities Fund (upto September 13, 2018)*
	7	Reliance ETF Nifty 100 Fund (upto September 13, 2018)*
	8	Reliance ETF Consumption Fund (upto September 20, 2018)*
	9	Reliance Commodity Plus AIF Scheme - 1 (w.e.f February 28, 2019, Liquidated on July 31, 2019)*
	V	Associate
	1	Reliance Capital Pension Fund Limited
	VI	Subsidiary of Investing Company
	1	Nissay Asset Management Corporation
	2	Nippon Life Global Investors Americas, Inc.
	3	Reliance General Insurance Company Limited (upto 27th September 2019)
	4	Reliance Nippon Life Insurance Company Limited (upto 27th September 2019)
	5	Reliance Commercial Finance Limited (upto 27th September 2019)
	6	Reliance Securities Limited (upto 27th September 2019)
	7	Reliance Money Solutions Private Limited (upto 27th September 2019)
	VII	Associate of Holding Company
	1	Reliance Nippon Life Insurance Company Limited (w.e.f 27th September 2019)

* The above mentioned schemes have been consolidated as per the requirement of IND AS 110. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Transactions during the year with related parties:

(₹ in crore)

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2019-20		2018-2019	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	0.09	-	0.09	-
		(ii) Reimbursement of expenses paid	0.41	-	0.45	-
2	Reliance Capital Limited	(i) Management fees	3.00	-	6.00	-
		(ii) Reimbursement of expenses paid	1.04	-	3.75	-
		(iii) Loans and advances to Related Parties	-	-	-	0.96
3	Sundeeep Sikka	(i) Remuneration paid to Sundeeep Sikka	7.02	-	10.48	-
4	Ameeta Chatterjee	(i) Sitting fees	0.08	-	0.09	-
5	Mahadevan Veeramony	(i) Sitting fees	0.05	-	-	-
6	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.08	-	0.05	-
7	Kanu Doshi	(i) Sitting fees	0.04	-	0.09	-
8	S C Tripathi	(i) Sitting fees	0.04	-	0.07	-
9	Nippon Life India AIF Management Limited	(i) Inter corporate deposit given	55.23	-	77.70	-
		(ii) Repayment of inter corporate deposit	68.73	-	30.00	-
		(iii) Interest income	6.24	-	3.89	-
		(iv) Reimbursement for staff on deputation	0.97	-	1.18	-
		(v) Rent Cost	0.67	-	0.30	-
		(vi) Reimbursement of employee retirement benefit	0.47	-	-	-
		(vii) ESOP related expenses	2.13	-	-	-
		(viii) Inter corporate deposit	-	48.70	-	62.20
(ix) Receivable for staff deputation	-	0.06	-	0.09		
10	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.11	-	0.12	-
		(ii) Recovery of employee retirement benefit	0.22	-	-	-
11	Nippon Life India Asset Management (Singapore) Pte. Ltd.	(i) Advisory Fees	9.30	-	6.76	-
		(ii) Offshore advisory fee receivable	-	0.61	-	1.75
12	Reliance Japan Equity Fund	(i) Management fee	-	-	0.01	-
		(ii) Sale of Investment	-	-	3.00	-
13	Reliance ETF Long Term Gilt Fund	(i) Management fee	-	-	0.00	-
		(ii) Sale of Investment	-	-	17.76	-
14	Reliance ETF Dividend Opportunities Fund	(i) Management fee	-	-	0.00	-
		(ii) Sale of Investment	-	-	20.85	-
		(iii) Purchase of Investment	-	-	4.97	-

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2019-20		2018-2019	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
15	Reliance ETF Nifty 100 Fund	(i) Management fee	-	-	0.03	-
		(ii) Sale of Investment	-	-	1.20	-
		(iii) Purchase of Investment	-	-	-	-
16	Reliance ETF Consumption Fund	(i) Management fee	-	-	0.00	-
		(ii) Sale of Investment	-	-	6.33	-
17	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	3.99	-	8.60	-
		(ii) Reimbursement of expenses paid	0.87	-	0.63	-
		(iii) payment of funded gratuity	4.50	-	-	-
		(iv) Advance towards insurance policies	-	0.02	-	0.52
18	Reliance Securities Limited	(i) Repayment of inter corporate deposit	-	-	15.00	-
		(ii) Interest income	-	-	1.60	-
		(iii) Brokerage	0.40	-	1.81	-
		(iv) Inter corporate deposit given	-	-	-	-
		(v) Inter corporate deposits receivable	-	-	-	15.00
19	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	5.95	-	5.05	-
		(ii) Reimbursement of expenses paid	-	-	-	-
		(iii) Advance towards insurance availed	-	-	-	0.05
20	Nissay Asset Management Ltd	(i) Advisory Fees Income	18.48	-	19.12	-
		(ii) Offshore Advisory fee paid	0.09	-	-	-
		(iii) Offshore advisory fees charges	-	-	0.06	-
		(iv) Reimbursement for Expenses	-	-	-	-
		(v) Advisory Fee Receivable	-	0.76	-	0.02
		(vi) Off shore fees payable	-	2.23	-	1.00
21	Nippon Life Global Investors Americas, Inc.	(i) Reimbursement of expenses paid	0.14	-	-	-
22	Reliance Money Solutions Private Limited	(i) Brokerage	-	-	0.00	-
23	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	0.00	-	0.01	-

Note: Above figures are excluding GST

30 Lease

Right to use of asset (₹ in crore)

Particulars	Property	Motor Vehicles	Total
As at 1 April 2019			
Opening (Transition to IND AS 116)	73.18	-	73.18
Additions	20.79	0.71	21.50
Depreciation expense	(23.61)	(0.07)	(23.68)
As at 31 March 2020	70.36	0.64	71.00

Lease liability (₹ in crore)

Particulars	Amount
As at 1 April 2019	
Opening (Transition to IND AS 116)	79.82
Additions (net)	21.51
Accretion of interest	5.58
Payments	(27.02)
As at 31 March 2020	79.89

(₹ in crore)

Particulars	Year ended March 31, 2020
Depreciation expense of right-of-use assets	23.68
Interest expense on lease liabilities	5.58
Expense relating to short-term leases (included in other expenses)	0.84
Total amount recognised in profit or loss	30.10

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only

Using modified retrospective method, as permitted by the said standard. Accordingly, Rs 73.18 Cr is recognised as Right to use asset and lease liability of ₹ 79.82 Cr is created on April 1, 2019. As per the transitional provision in the standard, the Company is not required to restate the comparative figures.

31 Dividend during the year

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Dividend during the year		
Dividends on ordinary shares:		
Final dividend for FY 2017-18: 1 per share	-	61.20
Interim dividend for FY 2018-19: 3 per share	183.60	-
Interim dividend for FY 2019-20: 3 per share (FY 2018-19: 3 per share)	183.61	183.60
Dividend Distribution tax on the above	75.48	50.32
Total dividends paid	442.69	295.12
B. Proposed (not recognised as a liability)		
Dividend on ordinary shares:		
Final dividend for FY 2019-20: 2 per share	122.42	-
Interim dividend for FY 2019-20: Nil (FY 2018-19: 3 per share)	-	183.60
Dividend Distribution tax on the above	-	37.74

32 Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax available for equity Shareholders (Rs in crores)	412.30	475.25
Weighted average number of equity shares	612,111,867	612,000,000

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share	6.74	7.77
Effect of outstanding stock options	0.09	-
Diluted earnings per share	6.65	7.77

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of shares for computation of Basic EPS	612,111,867	612,000,000
Dilutive effect of outstanding stock options	8,354,211	-
Weighted average number of shares for computation of Diluted EPS	620,466,078	612,000,000

33 Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims not acknowledged as debts in respect of:		
- Guarantees to banks and financial institutions	11.00	21.00
- Claims against Company not acknowledged as debt	1.42	1.41

34 Capital commitments

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	1.05	0.47

35 Expenditure in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Travelling Expenses	0.59	0.64
Legal & Professional Fees	3.06	1.76
Salary and benefits	3.03	2.60
Rent	-	0.28
Other expenses	0.56	2.00
Total	7.24	7.28

Earning in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advisory fees	28.97	26.86
Total	28.97	26.86

36 The details of utilization of IPO proceeds ₹ 588.85 crore (net of IPO related expenses) are as follows:

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilized upto March 31, 2020	Unutilized amount as of March 31, 2020
Setting up new branches and relocating certain existing branches	38.31	4.62	33.69
Upgrading the IT system	40.65	33.30	7.35
Advertising, marketing and brand building activities	72.09	34.47	37.62
Lending to our Subsidiary (Reliance AIF Management Company Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	52.45	72.55
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	100.00	-
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
Total	588.85	272.64	316.21

37 The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organisation. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended by 19 days across the nation to contain the spread of the virus. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

In preparing the accompanying financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2020. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

38 Events occurring after the reporting period

The Board of Directors have proposed final dividend of ₹ 2/- per equity share of ₹ 10/- each, aggregating ₹ 122.42 Crore for the financial year 2019-20. This is in addition to the interim dividend of ₹ 3/- per equity share declared by the Board of Directors on January 23, 2020.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

Mumbai, May 15, 2020

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Independent Auditor's Report

To the Members of **Nippon Life India Asset Management Limited**
(formerly known as Reliance Nippon Life Asset Management Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and an associate comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and an associate as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 19 of the consolidated Ind AS financial statements)	
Revenue is the most significant balance in the statement of profit and loss. Revenue is made of a number of streams including: <ul style="list-style-type: none"> - Management fees ₹ 1,163.58 crore - Portfolio Management Services ₹ 39.40 crore 	We have performed the following procedures in relation to revenue recognised and accrued: <ul style="list-style-type: none"> • obtained and read the accounting policy for revenue recognition • understood the significant revenue items and identified where there is a higher risk of error, due to manual processes, complex contractual terms, and areas of judgement.

Key audit matters	How our audit addressed the key audit matter
<p>There are inherent risks in computing the different revenue streams including manual input of key contractual terms and the computation of applicable Assets Under Management ('AUM'), which could result in errors. The complex nature of contractual terms involving multiple schemes requires effective monitoring to ensure all financial terms and conditions are captured accurately and applied appropriately.</p> <p>In addition to the complexity of interpreting the agreements, there is a risk of error as the calculation involves manual components and may involve some complexity.</p> <p>Any discrepancy in such computations could give rise to a material misstatement of the financial statements. Accordingly, revenue is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> • tested the operating effectiveness of key controls in place across the Company relevant to these revenue calculations, including the assets under management, set up and maintenance of contractual terms and fee billing. • obtained and assessed independent assurance reports for the relevant controls at the third-party administrators and considered whether there was any impact on our audit. • on a sample basis, we agreed key inputs in to the systems back to contracts, and re-performed calculations involving manual processes. <p>re-performed a sample of Portfolio Management Services Fee calculations to check that the said fees were appropriately calculated. We tested the data used by agreeing the basis of calculation to the contractual terms with the relevant agreements.</p>
<p>Impairment of Asset Management Rights (as described in Note 2.5 of the consolidated Ind AS financial statements)</p>	
<p>The Company's balance sheet as at March 31, 2020 includes ₹ 240 crore of Asset Management Rights, representing 8% of total assets.</p> <p>As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these assets to their recoverable amount to determine whether an impairment was required to be recognised.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.</p> <p>Further, the determination of the recoverable amount involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these assets.</p> <p>Accordingly, the impairment of Asset Management Rights was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>We have performed the following procedures with respect to impairment of asset management rights:</p> <ul style="list-style-type: none"> • obtained and read the accounting policy on impairment of asset management rights • evaluated the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also assessed the objectivity, competence and independence of Company's specialists involved in the process. • evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used. • assessed the recoverable value computed by the Company's specialists based on the various scenarios. • discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were reasonable. • read and assessed the specific disclosures made in the financial statements with regards to managements evaluation of the uncertainties arising from COVID-19.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the in the Director's Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis, Annual Return, Report on CSR activities, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial

position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including an associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of an associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of an associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of an associate are responsible for assessing the ability of the Group and of an associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of an associate are also responsible for overseeing the financial reporting process of the Group and of an associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and an associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and an associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and an associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of ₹ 62.56 crore as at March 31, 2020, and total revenues of ₹ 36.00 crore and net cash outflows of ₹ 6.72 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 0.52 crore for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of an associate whose financial statements, other financial information has been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and associate company, none of the directors of the

Group's companies and an associate, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, and an associate, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and an associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and an associate in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;
 - ii. The Group and an associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and an associate, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAEE6855

Place of Signature: Mumbai

Date: May 15, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED (formerly known as RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Nippon Life India Asset Management Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such associate company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Place of Signature: Mumbai
Date: May 15, 2020

per Shrawan Jalan
Partner
Membership Number: 102102

Consolidated Statement of Assets and Liabilities

as at March 31, 2020

(₹ in crore)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	3	203.54	30.03
Bank balance other than cash and cash equivalents above	4	259.80	512.75
Receivables			
(I) Trade receivables	5A	59.30	102.57
(II) Other receivables	5B	-	-
Loans	6	0.86	369.61
Investments	7	1,884.56	1,289.98
Other financial assets	8	28.15	55.42
Sub-total - Financial assets		2,436.21	2,360.36
Non-financial assets			
Income tax assets (net)	9	18.57	11.05
Deferred tax assets (Net)		0.67	-
Property, plant and equipment	10	9.18	12.53
Capital work-in-progress		2.00	0.70
Other intangible assets	11	314.43	243.58
Other non-financial assets	12	99.77	147.62
Sub-total - Non Financial assets		444.62	415.48
Total assets		2,880.83	2,775.84
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	67.68	47.37
Other financial liabilities	14	138.64	60.61
Sub-total - financial liabilities		206.32	107.98
Non-financial Liabilities			
Income tax liabilities (net)			
Provisions	15	39.26	43.47
Deferred tax liabilities (net)	23	-	0.02
Other non-financial liabilities	16	42.20	54.35
Sub-total - Non financial liabilities		81.46	97.84
EQUITY			
Equity share capital	17	612.11	612.00
Other equity	18	1,980.94	1,958.02
Non Controlling Interest		-	-
Total equity		2,593.05	2,570.02
Total liabilities and equity		2,880.83	2,775.84

The accompanying notes are integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Mumbai, May 15, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in crore)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	19	1,202.98	1,478.64
Other income	20	(9.77)	171.28
Total income		1,193.21	1,649.92
Expenses			
Finance costs		5.67	-
Fee and commission expenses		70.46	258.29
Employee benefits expenses	21	302.35	293.49
Depreciation, amortization and impairment	10 & 11	33.25	10.07
Others expenses	22	221.67	387.83
Total expenses		633.40	949.68
Profit before tax		559.81	700.24
Income tax expense:			
- Current tax	23	142.36	217.38
- Deferred tax	23	1.69	(4.21)
Total tax expense		144.05	213.17
Profit for the year		415.76	487.07
Share of profit / (loss) in associate		(0.51)	0.03
Net profit after tax and share of profit in associate		415.25	487.10
Profit attributable to non-controlling interest		-	1.01
Profit for the period		415.25	486.09
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(3.20)	(3.15)
- Income tax relating to these items		0.80	0.98
Other comprehensive income / (loss) for the year		(2.40)	(2.17)
Total comprehensive income for the year		412.85	484.93
Earnings per equity share			
- Basic (₹)	36	6.78	7.94
- Diluted (₹)		6.69	7.94

The accompanying notes are integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Mumbai, May 15, 2020

Consolidated Statement of changes in equity

for the year ended March 31, 2020

(₹ in crore)

A. Equity share capital

Particulars	Number	Amount
As at March 31, 2019	612,000,000	612.00
As at March 31, 2020	612,111,867	612.11

B. Other equity

Particulars	Reserves and surplus						Other comprehensive income		Total other equity
	Securities premium	Capital Redemption reserve	General reserve	Surplus/ (deficit) in the statement of profit and loss	Foreign currency translation reserve	Share based options outstanding account	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
As at March 31, 2018	574.10	-	96.51	1,037.41	38.65	1.39	6.10	(0.85)	1,753.31
Profit for the year	-	-	-	486.09	-	-	-	-	486.09
Other comprehensive income	-	-	-	-	-	-	-	(2.18)	(2.18)
Total comprehensive income for the year	-	-	-	486.09	-	-	-	(2.18)	483.92
- changes during the year	-	-	-	-	1.76	-	-	-	1.76
- Share based payments:									
Stock option expense for the year	-	-	-	-	-	11.33	-	-	11.33
Options lapsed during the year	-	-	0.01	-	-	(0.01)	-	-	-
- Interim dividend on equity shares	-	-	-	(183.60)	-	-	-	-	(183.60)
- Final dividend on equity shares	-	-	-	(61.20)	-	-	-	-	(61.20)
- Tax on dividend	-	-	-	(47.49)	-	-	-	-	(47.49)
As at March 31, 2019	574.10	-	96.52	1,231.21	40.41	12.71	6.10	(3.03)	1,958.02
Profit for the year	-	-	-	415.25	-	-	-	-	415.25
Other comprehensive income	-	-	-	-	-	-	-	(2.40)	(2.40)
Total comprehensive income for the year	-	-	-	415.25	-	-	-	(2.40)	412.85
- Share based payments:									
Stock option expense for the year	-	-	-	-	-	51.36	-	-	51.36
Options lapsed during the year	-	-	0.47	-	-	(0.47)	-	-	(0.00)
- changes during the year	-	-	-	-	3.41	-	-	-	3.41
- Interim dividend on equity shares	-	-	-	(367.21)	-	-	-	-	(367.21)
- Tax on dividend	-	-	-	(75.48)	-	-	-	-	(75.48)
Leases opening effect	-	-	-	(4.32)	-	-	-	-	(4.32)
Fresh issue of equity shares	2.47	-	-	-	-	(0.15)	-	-	2.32
As at March 31, 2020	576.57	-	96.98	1,199.45	43.82	63.45	6.10	(5.43)	1,980.94

The accompanying notes are integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Mumbai, May 15, 2020

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	559.81	700.24
Adjustments :		
Depreciation and amortization	33.25	10.07
Finance cost	5.67	-
Net (gain) / loss on sale of property, plant and equipments	-	(0.04)
Provision / (Reversal) for ECL on Inter Corporate Deposits	(9.31)	9.38
foreign currency transactions and translations	3.40	1.76
Remeasurement of defined benefit obligations	(2.39)	(2.18)
Employee share based payments	51.36	11.32
(Profit) / Loss on sale / fair value of Investments (net)	27.29	(42.58)
Fair Value (Gain) / Loss on Investments	58.77	(14.89)
Dividend income	(9.66)	(9.76)
Interest income	(65.90)	(100.91)
Operating profit before working capital changes	652.29	562.41
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	43.27	(62.16)
Other financial assets	12.11	6.47
Other Non-financial assets	47.85	170.41
Loans and advances to employees	0.06	0.57
Capital work-in-progress	(1.30)	1.89
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	20.31	(85.49)
Other financial liabilities	(3.40)	(3.53)
Provisions	(4.21)	13.73
Other Non-financial liabilities	(12.15)	(6.42)
Cash generated from operations	754.83	597.88
Less : Income taxes paid (net of refunds)	149.88	211.83
Net cash inflow from operating activities	604.95	386.05
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	81.06	99.17
Dividend received	9.66	9.76
Sales proceeds from disposal of property, plant and equipments	0.03	0.08
Purchase of investments	(4,013.40)	(4,193.06)
Sale of investments	3,332.25	3,953.90
Proceeds from maturity of Fixed deposits placed with financial institution	252.95	58.93
Inter corporate deposit repayment	380.00	45.00
Inter corporate deposit given	(2.00)	-
Purchase of property, plant and equipments and Intangible assets	(4.04)	(8.53)
Net cash outflow from investing activities	36.51	(34.75)

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issuance of Share Capital	2.43	-
Principal Element of Lease Payments	(22.02)	-
Interest Element of Lease Payments	(5.67)	-
Change in Non Controlling Interest	-	(66.39)
Dividend paid (including dividend distribution tax)	(442.69)	(292.29)
Net cash outflow from financing activities	(467.95)	(358.68)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	173.51	(7.38)
Add : Cash and cash equivalents at the beginning of the year	30.03	37.41
Cash and cash equivalents at the end of the year	203.54	30.03

The accompanying notes are integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

Mumbai, May 15, 2020

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

Significant Accounting Policies and Notes to Accounts

to the Consolidated Financial Statement for the year ended March 31, 2020

(Currency : Indian Rupees)

1 CORPORATE INFORMATION

Nippon Life India Asset Management Limited ('the Company') was incorporated on February 24, 1995.

The Company together with its subsidiaries (collectively, the Group) is primarily engaged as an investment manager to Nippon India Mutual Fund (Formerly Reliance Mutual Fund) ('the Fund') and to provide Portfolio Management Services ('PMS') and advisory services to clients under Securities and Exchange Board of India (SEBI) Regulations. The Company is registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.

The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on November 6, 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis Of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities (including derivatives instruments).
- b. Defined benefit plans – plan assets and
- c. Equity Settled share based payments

2.2 Basis of consolidation

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate. Control exists when the parent has power over the entity, is exposed or has

rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the group companies are consolidated on line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

2.3 Property Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant & Equipment which are significant to total cost of that item of Property plant & Equipment and having different useful life are accounted separately

Depreciation methods, estimated useful lives & residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
IT Equipments - Computers & printers	3 years
Vehicles	8 years

Leasehold improvements are amortized over the primary period of the lease on straight-line basis or useful life of asset, whichever is lower

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

2.4 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

Acquisition of rights to manage and administer the schemes of Goldman Sachs Mutual Fund have been stated at cost net of impairment losses, if any.

2.5 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An

impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Leases

As a lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.7 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Executive Director who has been identified as the Chief Operating Decisions Maker.

2.8 Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

2.9 Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

Financial Assets measured at Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets measured at Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

C. Equity instruments

All equity investments are measured at fair value with value changes recognised in consolidated statement of profit and loss, except for those equity investments for which the group has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

D. Impairment of Financial Asset

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an expense in the statement of profit or loss.

2.10 Financial Liabilities

A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing/, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115

2.12 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

- (i) Investment Management Fees (net of tax)

Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) schemes.

- (ii) Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

- (iii) Portfolio Management Fees (net of tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

(iv) Interest income

Interest income is recognized using the effective interest rate

(v) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

2.13 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred Taxes

Deferred is recognised on temporary differences arising between carrying amounts of asset and liabilities in financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.14 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

2.15 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognised over the lock in period for investment in the schemes.

2.16 Fund expenses

Expenses incurred on behalf of schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are recognised in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are charged to the statement of profit and loss under respective heads. Distribution cost is recognised over the lock in period for investment in the schemes.

2.16 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

2.18 Employee-Benefits Expense

(i) Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the service.

(ii) Post-employment obligations

Defined contribution plans

The Company recognises contribution payable to provident fund scheme as an expense, when the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution

already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are

entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

2.19 Share-based payments

Employee Stock Option Scheme (ESOS)

Equity settled share based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefit Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

2.20 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	1.65	0.01
Balances with banks:		
In current accounts	13.48	30.02
Deposits with original maturity of less than 3 months	188.41	-
Total	203.54	30.03

4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.11	0.04
In deposit accounts		
Term deposits against the bank guarantee	14.39	14.31
Other term deposits	245.30	498.40
Total	259.80	512.75

5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables considered good - secured	-	-
Receivables considered good - unsecured	59.30	102.57
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
(less): Allowance for impairment loss	-	-
Total	59.30	102.57

5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables considered good - secured	-	-
Receivables considered good - unsecured	-	-
(less): Allowance for impairment loss	-	-
Total	-	-

6. Loans

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At amortized cost		
Term loans (unsecured)		
Loans and advances to employees	0.25	0.31
Loans and advances others	2.00	380.00
Total (A) - Gross	2.25	380.31
(Less): Impairment loss allowance	(1.39)	(10.70)
Total (A) - Net	0.86	369.61
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	2.25	380.31
Total (B) - Gross	2.25	380.31
(Less): Impairment loss allowance	(1.39)	(10.70)
Total (B) - Net	0.86	369.61
Loans in India		
- Public sector	-	-
- Others	2.25	380.31
Total (C) - Gross	2.25	380.31
(Less): Impairment loss allowance	(1.39)	(10.70)
Total (C) - Net	0.86	369.61

Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.93	9.77	-	10.70
New assets originated / change in inputs to ECL model	-	1.39	-	1.39
Assets derecognized or repaid	(0.93)	(9.77)	-	(10.70)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	-	1.39	-	1.39

(₹ in crore)

Particulars	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.31	1.01	-	1.32
New assets originated / change in inputs to ECL model	0.71	8.67	-	9.38
Assets derecognized or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.09)	0.09	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	0.93	9.77	-	10.70

7. Investments

(₹ in crore)

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2020					
Mutual funds	-	-	1,680.38	1,680.38	1,680.38
Debt securities	135.02	-	-	-	135.02
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	-	-	-	-	-
Associates	12.25	-	-	-	12.25
Others	-	-	56.86	56.86	56.86
Total (A) - Gross	147.27	-	1,737.29	1,737.29	1,884.56
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	147.27	-	1,737.29	1,737.29	1,884.56
Investments outside India	-	-	-	-	-
Investments in India	147.27	-	1,737.29	1,737.29	1,884.56
Total (B) - Gross	147.27	-	1,737.29	1,737.29	1,884.56
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	147.27	-	1,737.29	1,737.29	1,884.56
As at March 31, 2019					
Mutual funds	-	-	1,084.25	1,084.25	1,084.25
Debt securities	135.18	-	-	-	135.18
Equity Shares	-	-	0.05	0.05	0.05
Preference shares	-	-	-	-	-
Associates	12.76	-	-	-	12.76
Others	-	-	57.74	57.74	57.74
Total (A) - Gross	147.94	-	1,142.04	1,142.04	1,289.98
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	147.94	-	1,142.04	1,142.04	1,289.98
Investments outside India	-	-	-	-	-
Investments in India	147.94	-	1,142.04	1,142.04	1,289.98
Total (B) - Gross	147.94	-	1,142.04	1,142.04	1,289.98
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	147.94	-	1,142.04	1,142.04	1,289.98

8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	10.54	21.00
Interest accrued on loans	0.14	17.19
Interest accrued on others	14.82	12.93
Accrued Fee Income	1.87	2.62
Margin towards Future & Option	-	0.99
Others	0.78	0.69
Total	28.15	55.42

9. Income tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax paid in advance (net of provision)	18.57	11.05
Total	18.57	11.05

10. Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
Year ended March 31, 2019						
Gross carrying amount						
Cost as at April 1, 2018	27.91	1.36	10.06	2.96	16.68	58.97
Additions	2.68	0.06	0.96	0.17	3.93	7.80
Less: Disposals and transfers	0.66	-	0.65	0.29	2.11	3.71
Closing gross carrying amount	29.93	1.42	10.37	2.84	18.50	63.06
Accumulated depreciation						
Opening accumulated depreciation	22.17	1.12	8.16	2.50	12.58	46.53
Depreciation charge during the year	3.41	0.17	0.73	0.10	3.25	7.66
Less: Disposals and transfers	0.65	-	0.63	0.28	2.10	3.66
Closing accumulated depreciation	24.93	1.29	8.26	2.32	13.73	50.53
Net carrying amount as at March 31, 2019	5.00	0.13	2.11	0.52	4.77	12.53
Year ended March 31, 2020						
Gross carrying amount						
Cost as at April 1, 2019	29.93	1.42	10.37	2.84	18.50	63.06
Additions	2.82	-	0.52	0.11	0.18	3.63
Less: Disposals and transfers	0.11	0.03	0.26	0.17	0.51	1.08
Closing gross carrying amount	32.64	1.39	10.63	2.78	18.17	65.61
Accumulated depreciation						
Opening accumulated depreciation	24.93	1.29	8.26	2.32	13.73	50.53
Depreciation charge during the year	3.26	0.04	0.80	0.09	2.76	6.95
Less: Disposals and transfers	0.11	0.03	0.25	0.17	0.49	1.05
Closing accumulated depreciation	28.08	1.30	8.81	2.24	16.00	56.43
Net carrying amount as at March 31, 2020	4.56	0.09	1.82	0.54	2.17	9.18

11. Intangible assets

(₹ in crore)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
Year ended March 31, 2019				
Gross carrying amount				
Cost as at April 1, 2018	-	18.21	250.14	268.35
Additions	-	0.73	-	0.73
Less: Disposals and transfers	-	-	-	-
Closing gross carrying amount	-	18.94	250.14	269.08
Accumulated amortization				
Opening accumulated amortization	-	12.95	10.14	23.09
Amortization during the year	-	2.41	-	2.41
Less: Disposals and transfers	-	-	-	-
Closing accumulated depreciation	-	15.36	10.14	25.50
Net carrying amount as at March 31, 2019	-	3.58	240.00	243.58
Year ended March 31, 2020				
Gross carrying amount				
Cost as at April 1, 2019	-	18.94	250.14	269.08
Transition to IND AS 116	75.23	-	-	75.23
Additions	21.50	0.41	-	21.92
Less: Disposals and transfers	-	-	-	-
Closing gross carrying amount	96.73	19.35	250.14	366.23
Accumulated amortization				
Opening accumulated amortization	-	15.36	10.14	25.50
Amortization during the year	24.25	2.05	-	26.30
Less: Disposals and transfers	-	-	-	-
Closing accumulated depreciation	24.25	17.41	10.14	51.80
Net carrying amount as at March 31, 2020	72.48	1.94	240.00	314.43

12. Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to vendors	12.95	6.16
GST Input tax credit	51.82	27.40
Prepaid expenses	35.00	114.06
Total	99.77	147.62

13 Trade payable

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	67.68	47.37
Total	67.68	47.37

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and relied upon by the auditors, is as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

14. Other financial liability

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Other payables	57.10	60.57
Unclaimed dividend	0.11	0.04
Lease liability	81.43	-
Total	138.64	60.61

15. Provisions

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits		
Leave encashment	3.29	3.45
Gratuity	1.30	0.18
Phantom Shares	31.33	36.47
Compensated Absence Cost	3.34	3.37
Total	39.26	43.47

16. Other non-financial liabilities

(₹ in crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Revenue received in advance	11.21	12.92
Statutory dues	30.99	41.43
Total	42.20	54.35

17. Equity share capital

(₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00
Preference shares of ₹ 100 each	3,000,000	3.00	3,000,000	3.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	612,111,867	612.11	612,000,000	612.00
Total	612,111,867	612.11	612,000,000	612.00

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares

(₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Outstanding at the beginning of the year	612,000,000	612.00	612,000,000	612.00
Stock options exercised under the ESOS	111,867	0.11	-	-
Bonus Shares issued during the year	-	-	-	-
Shares issued / (redeemed) during the year	-	-	-	-
Outstanding at the end of the year	612,111,867	612.11	612,000,000	612.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The dividend proposed by the Board of Directors is subject to the approval of Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 29.

d) Details of Shareholders holding more than 5% of the shares in the Company

Equity Shareholders	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Nippon Life Insurance Company	459,028,095	74.99	262,395,000	42.88
Reliance Capital Limited*	-	-	262,395,000	42.88

* Including shares held jointly with nominee Shareholders

18. Other Equity

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	576.57	574.10
General reserve	96.98	96.52
Surplus in the statement of profit and loss	1,199.45	1,231.21
Share based options outstanding account	63.45	12.71
Foreign currency translation reserve	43.82	40.41
Other comprehensive income	0.67	3.07
Total	1,980.94	1,958.02

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account		
Opening balance	574.10	574.10
Add/(Less) : Changes during the year		
Fresh issue of equity shares	2.47	-
Closing balance	576.57	574.10
General reserve		
Opening balance	96.52	96.51
Add/(Less) : Changes during the year		
Share based options outstanding account	0.47	0.01
Closing balance	96.98	96.52
Surplus/(deficit) in the statement of profit and loss		
Opening balance	1,231.21	1,037.41
Net profit for the period	415.25	486.09
Dividends -		
Interim dividend on equity shares	(367.21)	(183.60)
Final dividend on equity shares	-	(61.20)
Tax on dividend (net of refund)	(75.48)	(47.49)
Leases opening effect	(4.32)	-
Closing balance	1,199.45	1,231.21
Share based options outstanding account		
Opening balance	12.71	1.39
Add: Stock option expense for the year	51.36	11.33
Less: Transferred to General Reserve	(0.47)	(0.01)
Add: Fresh issue of equity shares	(0.15)	-
Closing balance	63.45	12.71
Foreign currency translation reserve		
Opening balance	40.41	38.65
Add/(Less) : Changes during the year	3.41	1.76
Closing balance	43.82	40.41

Other Comprehensive Income

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
As at April 01, 2018	6.10	(0.85)	5.25
Remeasurements of post-employment benefit obligations	-	(3.16)	(3.16)
Deferred tax	-	0.98	0.98
As at March 31, 2019	6.10	(3.03)	3.07
Remeasurements of post-employment benefit obligations	-	(3.20)	(3.20)
Deferred tax	-	0.80	0.80
As at March 31, 2020	6.10	(5.43)	0.67

Nature and purpose of reserve:

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

c) Share based options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under share based payments arrangement over the vesting period. (Refer Note 28)

19. Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Management Fees	1,163.58	1,446.43
Portfolio Management Fees (including advisory fees)	39.40	32.21
Total	1,202.98	1,478.64

20. Other Income

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	65.90	100.91
Dividend income	9.66	9.76
Gain on sale of Investment	(86.06)	57.47
Miscellaneous income	0.73	3.14
Total	(9.77)	171.28

21. Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	234.15	263.04
Contribution to provident and other funds	11.82	11.62
Employee stock option scheme	51.36	11.33
Staff welfare expenses	5.02	7.50
Total	302.35	293.49

22. Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Marketing, advertisement and publicity	53.59	98.10
Outsourced business service	45.37	87.86
Legal and Professional charges	24.95	28.78
Information technology	25.33	25.73
Rent	0.93	25.60
Scheme expenses	0.74	19.96
Communication Costs	10.21	17.44
Office administration	14.43	17.68
Conveyance and travelling	13.21	12.21
Corporate Social Responsibility	13.44	12.19
Rates, taxes and energy costs	1.83	5.62
Repairs and maintenance	7.08	5.48
Filing fees and stamp duty	5.19	5.33
Seminar and training	2.33	4.55
Membership and subscription	3.92	4.71
Insurance	3.40	3.99
Printing and stationery	2.78	1.46
Director's fees allowances and expenses	0.43	0.41
Auditor's fees and expenses	0.65	0.60
Net loss on foreign currency transactions and translations	(0.56)	(0.92)
Expected credit loss (ECL)	(9.31)	9.38
Miscellaneous expenses	1.73	1.67
Total	221.67	387.83

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	0.45	0.45
Certification matters	0.18	0.09
Other matters	0.01	0.06
Out of pocket expenses	0.01	0.00
Total	0.65	0.60

b) Contribution for corporate social responsibility (CSR)

CSR amount required to be spent as per section 135 of the companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 13.27 Crore (Previous Year ₹ 12.10 Crore). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 13.44 Crore (previous year ₹ 12.19 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Promoting healthcare including preventive healthcare	5.94	7.00
Promoting education, enhancing Vocational Skills	1.50	1.50
Armed Forces Welfare	1.00	2.00
Training for Sports	3.00	1.50
Prime Minister Relief Fund	1.00	-
Infrastructure & Rural Development	1.00	0.19
Total	13.44	12.19

23. Income tax

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	147.58	219.60
Adjustment in respect of current income tax of prior years	(5.22)	(2.22)
Deferred tax	1.69	(4.21)
Total	144.05	213.17

b) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

(₹ in crore)

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
<u>Deferred tax liability :</u>				
FVTPL of financial instruments	9.52	4.71	-	14.23
Brokerage	14.52	1.32	-	15.84
Total (a)	24.04	6.03	-	30.07
<u>Deferred tax asset :</u>				
Property, plant and equipment	7.14	0.32	-	7.46
Gratuity	0.04	0.00	0.00	0.04
Leave Encashment	1.25	(0.04)		1.21
Compensated absense cost	1.42	(0.31)	-	1.11
Phantom Shares	7.64	5.10	-	12.74
FVTPL of financial instruments	0.02	(0.02)	-	-
Impairment allowance for financial assets	0.46	3.27	-	3.73
Other*	1.83	1.92		3.76
Total (b)	19.79	10.24	0.00	30.05
Net deferred tax (asset)/liability (a - b)	4.25	(4.21)	(0.00)	0.02

(₹ in crore)

Particulars	As at March 31, 2019	Charged/ credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
<u>Deferred tax liability :</u>				
FVTPL of financial instruments	14.23	(4.45)	-	9.78
Brokerage	15.84	(4.80)	-	11.03
Total (a)	30.07	(9.25)	-	20.81
<u>Deferred tax asset :</u>				
Property, plant and equipment	7.46	(1.72)	-	5.74
Gratuity	0.04	0.15	0.02	0.21
Leave Encashment	1.21	(0.45)		0.76
Compensated absense cost	1.11	(0.26)	-	0.85
Phantom Shares	12.74	(4.86)	-	7.89
Impairment allowance for financial assets	3.73	(3.20)	-	0.53
Other	3.76	(0.52)		3.26
Total (b)	30.05	(10.86)	0.02	19.24
Net deferred tax (asset)/liability (a - b)	0.02	1.61	(0.02)	1.57
Transition to IND As 116 Lease through reserves (C)	2.32	(0.08)	-	2.24
Net deferred tax (asset)/liability (a - b - C)	(2.30)	1.69	(0.02)	(0.67)

24. Employee benefit obligations

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	7.41	7.03
Superannuation fund	0.07	0.08
Pension fund	1.60	1.47

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in crore)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	16.91	17.46	(0.55)
Current service cost	1.96	-	1.96
Interest expense/(income)	1.30	1.35	(0.05)
Return on plan assets (excl. Interest Income)	-	(0.25)	0.25
Actuarial loss / (gain) arising from change in financial assumptions	0.19	-	0.19
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	-	2.72
Liability Transferred In/ Acquisitions	(0.01)	0.02	(0.03)
Employer contributions	-	4.28	(4.28)
Benefit payments	(2.65)	(2.65)	-
As at March 31, 2019	20.42	20.21	0.21
Current service cost	2.33	-	2.33
Interest expense/(income)	1.55	1.53	0.02
Return on plan assets (excl. Interest Income)	-	(1.49)	1.49
Actuarial loss / (gain) arising from change in financial assumptions	1.40	-	1.40
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	0.30	-	0.30
Liability Transferred In/ Acquisitions	0.21	0.00	0.21
Reversal of the liability	-	-	-
Employer contributions	-	4.50	(4.50)
Benefit payments	(2.31)	(2.19)	(0.13)
As at March 31, 2020	23.90	22.56	1.33

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of plan liabilities	24.55	20.42
Fair value of plan assets	22.57	20.21
Plan liability (net of plan assets)	1.98	0.21

ii) Statement of Profit and Loss

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee Benefit Expenses:		
Current service cost	2.33	1.96
Total	2.33	1.96
Net Interest Cost	0.01	(0.05)
Net impact on the profit before tax	2.34	1.91
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	1.49	0.25
Actuarial gains/(losses) arising from changes in financial assumptions	1.40	0.19
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	0.30	2.72
Net impact on the other comprehensive income before tax	3.19	3.16

iii) Defined benefit plans assets

(₹ in crore)

Category of assets (% allocation)	As at March 31, 2020	As at March 31, 2019
Insurer managed funds		
- Government securities	41.66%	44.63%
- Deposit and money market securities	4.28%	1.92%
- Debentures / bonds	33.96%	29.11%
- Equity shares	17.96%	19.82%
- Others	2.14%	4.52%
Total	100.00%	100.00%

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.82%	7.59%
Salary escalation rate*	6.00%	6.00%

* Takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08)

vi) Sensitivity

(₹ in crore)

As at March 31, 2020	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(1.78)	2.02
Salary escalation rate	1%	2.02	(1.77)
Employee Turnover	1%	0.07	(0.08)

As at March 31, 2019	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(1.52)	1.73
Salary escalation rate	1%	1.74	(1.55)
Employee Turnover	1%	0.15	(0.17)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	1.55	1.46
2nd Following Year	1.52	1.38
3rd Following Year	1.63	1.41
4th Following Year	1.88	1.50
5th Following Year	2.40	1.71
Sum of 6 to 10 Years	10.68	9.38
Sum of 11 Year and above	25.77	25.66

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

c) Phantom Stock Option Scheme:

- i) Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

Date of grant	01 December 2015
Appreciation as per Phantom stock Option	Excess of 'fair market value of share on the date of exercise' / 'NAV of unit on the date of exercise' determined in term of the Phantom Stock Option Scheme over 'the Base Price' / 'the Base NAV'
Exercise Period	In case of continuation of employment: Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and
	In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

- ii) The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The Projected benefit obligation is calculated using Project Unit Credit Method. The valuation of the shares/units is done considering the intrinsic value and the progression of share/unit price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 5 years.
- iii) For the current year the Company has created provision of ₹ (5.14) crore (Previous year ₹ 8.76 crore).

25 Segment information

The Company is in the business of providing asset management services to the schemes of Reliance Mutual Fund and portfolio management service to clients. The primary segment is identified as asset management services. Portfolio management services does not qualify as reportable segment as per the criteria mentioned under Ind AS 108 and hence not disclosed separately.

26. Fair value measurement

a) Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2020

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At amortized cost					
Cash and cash equivalents	203.54	-	-	-	203.54
Investments	147.27	-	-	-	147.27
Bank balance other than cash and cash equivalents above	259.80	-	-	-	259.80
Receivables					
(I) Trade receivables	59.30	-	-	-	59.30
(II) Other receivables	-	-	-	-	-
Loans	0.86	-	-	-	0.86
Other financial assets	28.15	-	-	-	28.15
At Fair Value Through Profit/Loss					
Investments	-	1,737.29	-	-	1,737.29
Total financial assets	698.92	1,737.29	-	-	2,436.21
Financial liabilities					
At amortized cost					
Payables	67.68	-	-	-	67.68
Other financial liabilities	138.64	-	-	-	138.64
Total financial liabilities	206.32	-	-	-	206.32

As at March 31, 2019

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At amortized cost					
Cash and cash equivalents	30.03	-	-	-	30.03
Investments	147.94	-	-	-	147.94
Bank balance other than cash and cash equivalents above	512.75	-	-	-	512.75
Receivables					
(I) Trade receivables	102.57	-	-	-	102.57
(II) Other receivables	-	-	-	-	-
Loans	369.61	-	-	-	369.61
Other financial assets	55.42	-	-	-	55.42
At Fair Value Through Profit/Loss					
Investments	-	1,142.04	-	-	1,142.04
Total financial assets	1,218.32	1,142.04	-	-	2,360.36
Financial liabilities					
At amortized cost					
Payables	47.37	-	-	-	47.37
Other financial liabilities	60.61	-	-	-	60.61
Total financial liabilities	107.98	-	-	-	107.98

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

27 Financial risk management

The Company activities expose it to credit risk, liquidity risk and market risk. The Company's risk management is carried out by a Risk department under the policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the other departments.

A Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company is also exposed to other credit risks arising from investments in debt securities. Credit risk is the one of the largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

1. The maximum exposure to credit risk at the reporting date is primarily from Cash & Cash Equivalents and Bank Fixed Deposit. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high
2. The Company has extended loans to various parties. Credit risk on the loans has been managed by the Company through external credit assessments done, if any, by domestic credit rating agencies and continuously monitoring the credit worthiness of the Company. The Company uses expected credit loss model to assess the impairment loss or gain. Refer note 6 for the same.
3. Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As the Company has a contractual right to such receivables as well as has the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments to meet payment obligations, when due, under all circumstances.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with practice and limits set by the Company after giving due considerations to internal and external factors that could impact the liquidity position of the Company. Further, since the Company has no external borrowings and has sufficient cash and liquid investments to meet payment obligations, there is low liquidity risk.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2020

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Financial assets					
Cash and cash equivalents	203.54	-	-	-	203.54
Bank balance other than cash and cash equivalents above	0.11	245.39	14.30	-	259.80

As at March 31, 2020

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Receivables					
(I) Trade receivables	-	59.30	-	-	59.30
(II) Other receivables	-	-	-	-	-
Loans	-	0.86	-	-	0.86
Investments	1,516.14	72.59	139.66	156.17	1,884.56
Other financial assets	-	18.20	5.77	4.17	28.15
Total assets	1,719.79	396.35	159.74	160.34	2,436.21
Financial liabilities					
Payables					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	67.68	-	-	67.68
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	138.64	-	-	138.64
Total liabilities	-	206.32	-	-	206.32
Net	1,719.79	190.03	159.74	160.34	2,229.90

As at March 31, 2019

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
Financial assets					
Cash and cash equivalents	30.03	-	-	-	30.03
Bank balance other than cash and cash equivalents above	-	512.45	0.30	-	512.75
Receivables					
(I) Trade receivables	-	102.57	-	-	102.57
(II) Other receivables	-	-	-	-	-
Loans	-	369.61	-	-	369.61
Investments	923.49	-	212.28	154.21	1,289.98
Other financial assets	-	55.42	-	-	55.42
Total assets	953.52	1,040.05	212.58	154.21	2,360.36
Financial liabilities					
Payables					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	47.37	-	-	47.37
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	60.61	-	-	60.61
Total liabilities	-	107.98	-	-	107.98
Net	953.52	932.07	212.58	154.21	2,252.38

C Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

i) Foreign currency risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

ii) Interest Rate Risk

Interest rate risk is the risk where the Company is exposed to the risk that fair value or future cash flows of its financial instruments will fluctuate as a result of change in market interest rates. Tax Free Bonds held by the Company and loans extended by the Company to various parties are at fixed rate of coupon and accordingly the Company does not perceive any interest rate risk.

iii) Price risk

Exposure

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market. The Company's exposure to price risk arises from diversified investments in mutual funds, preference shares held by the Company and classified in the balance sheet at fair value through profit or loss (note 7).

Sensitivity Analysis

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2020	As at March 31, 2019
NAV - Increase 5%	86.86	37.45
NAV - Decrease 5%	(86.86)	(37.45)

28 Employee share based payments

Employee stock option scheme (ESOS) (Equity settled)

The Company have ESOS 2017 and ESOS 2019 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS :

	ESOS 2017			ESOS 2019
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I
Date of Grant	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40
Exercise / Strike Price (Rs)	204.25	256.10	202.35	223.32

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Risk Free Interest Rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50
Expected Volatility	13.92% to 20.81%	14.21%	16.66%	16.46%
Weighted Average Fair Value (Rs)	10.82	45.71	38.94	43.06

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:

(As certified by the management)

Particulars	No. of stock options as at March 31, 2020			
	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Date of Grant				
Outstanding at the beginning of the year	4,764,828	4,464,829	-	-
Granted during the year	-	-	11,190,706	18,081,008
Exercised during the year	84,486	27,381	-	-
Forfeited during the year	-	-	-	-
Lapsed/expired during the year	354,143	396,439	332,747	264,136
Outstanding at the end of the year	4,326,199	4,041,009	10,857,959	17,816,872
Vested and exercisable	1,517,934	990,470	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026
Exercise price	204.25	256.10	202.35	223.32
Outstanding as at March 31, 2020	4,326,199	4,041,009	10,857,959	17,816,872
Outstanding as at March 31, 2019	4,764,828	4,464,829	-	-

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted are as under:

Assumptions	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I
Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%
Expected dividends	3.09%	3.25%	2.97%	3.22%
Expected term (In years)	4	4	4	4
Risk free rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%
Exercise price	204.25	256.10	202.35	223.32
Market price	145.10	253.90	202.35	227.40
Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026
Fair value of the option at grant date	10.82	45.71	38.94	43.06

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from share-based payment transactions

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee stock option scheme (equity settled)	51.36	11.33

29 Related party transactions

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

(i)	Sr No.	Name of Related Party
	I	Holding Company
	1	Nippon Life Insurance Company (w.e.f 27th September 2019)
	II	Major Investing Party
	1	Nippon Life Insurance Company (upto 27th September 2019)
	2	Reliance Capital Limited (upto 27th September 2019)
	III	Key Managerial Personnel
	A	Executive Director & CEO
	1	Sundeep Sikka
	B	Non-Executive Director
	1	Ameeta Chatterjee
	2	General Ved Prakash Malik (Retd.)
	3	Mahadevan Veeramony (Appointed w.e.f. 23rd September 2019)
	4	Akira Shibata
	5	Minoru Kimura
	6	Jai Anmol Ambani (upto 23rd May 2019)
	7	Kanu Doshi (upto 23rd September 2019)
	8	S C Tripathi (upto 23rd September 2019)
	IV	Subsidiary
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)
	2	Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)
	3	Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)
	4	Reliance Japan Equity Fund (upto May 2, 2018)*
	5	Reliance ETF Long Term Gilt Fund (upto May 2, 2018 and from May 15, 2018 to September 18, 2018)*
	6	Reliance ETF Dividend Opportunities Fund (upto September 13, 2018)*
	7	Reliance ETF Nifty 100 Fund (upto September 13, 2018)*
	8	Reliance ETF Consumption Fund (upto September 20, 2018)*
	9	Reliance Commodity Plus AIF Scheme - 1 (w.e.f February 28, 2019, Liquidated on July 31, 2019)*
	V	Associate
	1	Reliance Capital Pension Fund Limited
	VI	Subsidiary of Investing Company
	1	Nissay Asset Management Corporation
	2	Nippon Life Global Investors Americas, Inc.
	3	Reliance General Insurance Company Limited (upto 27th September 2019)
	4	Reliance Nippon Life Insurance Company Limited (upto 27th September 2019)
	5	Reliance Commercial Finance Limited (upto 27th September 2019)
	6	Reliance Securities Limited (upto 27th September 2019)
	7	Reliance Money Solutions Private Limited (upto 27th September 2019)
	VII	Associate of Holding Company
	1	Reliance Nippon Life Insurance Company Limited (w.e.f 27th September 2019)

* The above mentioned schemes have been consolidated as per the requirement of IND AS 110. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Transactions during the year with related parties:

(₹ in crore)

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2019-20		2018-2019	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	0.09	-	0.09	-
		(ii) Reimbursement of expenses paid	0.41	-	0.45	-
2	Reliance Capital Limited	(i) Management fees	3.00	-	6.00	-
		(ii) Reimbursement of expenses paid	1.04	-	3.75	-
		(iii) Loans and advances to Related Parties	-	-	-	0.96
3	Sundeep Sikka	(i) Remuneration paid to Sundeep Sikka	7.02	-	10.48	-
4	Ameeta Chatterjee	(i) Sitting fees	0.08	-	0.09	-
5	Mahadevan Veeramony	(i) Sitting fees	0.05	-	-	-
6	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.08	-	0.05	-
7	Kanu Doshi	(i) Sitting fees	0.04	-	0.09	-
8	S C Tripathi	(i) Sitting fees	0.04	-	0.07	-
9	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.11	-	0.12	-
		(ii) Recovery of employee retirement benefit	0.22	-	-	-
10	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	3.99	-	8.60	-
		(ii) Reimbursement of expenses paid	0.87	-	0.63	-
		(iii) payment of funded gratuity	4.50	-	-	-
		(iv) Advance towards insurance policies	-	0.02	-	0.52
11	Reliance Securities Limited	(i) Repayment of inter corporate deposit	-	-	15.00	-
		(ii) Interest income	-	-	1.60	-
		(iii) Brokerage	0.40	-	1.81	-
		(iv) Inter corporate deposit given	-	-	-	-
		(v) Inter corporate deposits receivable	-	-	-	15.00
12	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	5.95	-	5.05	-
		(ii) Reimbursement of expenses paid	-	-	-	-
		(iii) Advance towards insurance availed	-	-	-	0.05
13	Nissay Asset Management Ltd	(i) Advisory Fees Income	18.48	-	19.12	-
		(ii) Offshore Advisory fee paid	0.09	-	-	-
		(iii) Offshore advisory fees charges	-	-	0.06	-
		(iv) Reimbursement for Expenses	-	-	-	-
		(v) Advisory Fee Receivable	-	0.76	-	0.02
		(vi) Off shore fees payable	-	2.23	-	1.00
14	Nippon Life Global Investors Americas, Inc.	(i) Reimbursement of expenses paid	0.14	-	-	-
15	Reliance Money Solutions Private Limited	(i) Brokerage	-	-	0.00	-
16	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	0.00	-	0.01	-
		(ii) Loans & Advances	-	-	-	-

30. Lease

Right to use of asset

(₹ in crore)

Particulars	Property	Motor Vehicles	Total
As at 1 April 2019			
Opening (Transition to IND AS 116)	75.23	-	75.23
Additions	20.79	0.71	21.50
Depreciation expense	(24.18)	(0.07)	(24.25)
As at 31 March 2020	71.84	0.64	72.48

Lease liability

(₹ in crore)

Particulars	Amount
As at 1 April 2019	
Opening (Transition to IND AS 116)	81.88
Additions (net)	21.51
Accretion of interest	5.67
Payments	(27.63)
As at 31 March 2020	81.43

(₹ in crore)

Particulars	Year ended March 31, 2020
Depreciation expense of right-of-use assets	24.25
Interest expense on lease liabilities	5.67
Expense relating to short-term leases (included in other expenses)	0.93
Total amount recognised in profit or loss	30.85

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only

Using modified retrospective method, as permitted by the said standard. Accordingly, ₹ 75.23 Cr is recognised as Right to use asset and lease liability of ₹ 81.88 Cr is created on April 1, 2019. As per the transitional provision in the standard, the Company is not required to restate the comparative figures.

31. Investment in subsidiaries

a) The consolidated financial statements of the group includes subsidiaries listed in the table below.

Name of subsidiary	Country of incorporation	% equity interest	% equity interest
		March 31, 2020	March 31, 2019
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	Singapore	100.00	100.00
Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)	Mauritius	100.00	100.00
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	India	100.00	100.00
Reliance Commodity Plus AIF Scheme - 1 (w.e.f February 28, 2019, Liquidated on July 31, 2019)	India	-	100.00

32. Investment in associate

The group has a 49% interest in Reliance Capital Pension Fund Limited, which is registered as a “Pension Fund Manager” with the Pension Fund Regulatory and Development Authority (PFRDA) to act as a pension fund manager to manage the pension assets under the New Pension System (NPS). The group’s interest in Reliance Capital Pension Fund Limited is accounted for using the equity method in the consolidated financial statements. The following are the group’s share in the profit of the associate:

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(loss) before tax	(1.32)	0.26
Profit/(loss) for the year	(1.06)	0.08
Other comprehensive income	0.02	(0.01)
Total comprehensive income for the year	(1.04)	0.07

33. Additional Information:

March 31, 2020

(₹ in crore)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent	97.02%	2515.84	99.46%	413.01
Subsidiaries				
Indian				
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	0.91%	23.47	0.33%	1.39
Foreign				
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	1.05%	27.16	0.19%	0.80
Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)	1.03%	26.58	0.14%	0.57
Associates (Investment as per the equity method)				
Indian				
Reliance Capital Pension Fund Limited	0.00%	-	(0.12%)	(0.51)
Total	100.01%	2593.05	100.00%	415.26

March 31, 2019

(₹ in crore)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent	97.31%	2,500.86	97.75%	475.16
Subsidiaries				
Indian				
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	0.78%	20.02	1.93%	9.39

March 31, 2019

(₹ in crore)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Reliance Japan Equity Fund	0.00%	-	0.03%	0.12
Reliance ETF Long Term Gilt Fund	0.00%	-	0.02%	0.08
Reliance ETF Dividend Opportunities Fund	0.00%	-	0.02%	0.11
Reliance ETF Nifty 100 Fund	0.00%	-	0.11%	0.52
Reliance ETF Consumption Fund	0.00%	-	0.04%	0.17
Reliance Commodity Plus AIF Scheme - 1 (w.e.f. February 28, 2019)	0.00%	-	0.00%	-
Foreign				
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	0.98%	25.25	(0.43%)	(2.11)
Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)	0.93%	23.89	0.75%	3.63
Minority interest in all subsidiaries	0.00%	-	(0.21%)	(1.01)
Associates (Investment as per the equity method)				
Indian				
Reliance Capital Pension Fund Limited	0.00%	-	0.01%	0.03
Total	100.00%	2,570.02	100.02%	486.09

34. Dividend during the year

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Dividend during the year		
Dividends on ordinary shares:		
Final dividend for FY 2017-18: 1 per share	-	61.20
Interim dividend for FY 2018-19: 3 per share	183.60	
Interim dividend for FY 2019-20: 3 per share (FY 2018-19: 3 per share)	183.61	183.60
Dividend Distribution tax on the above	75.48	50.32
Total dividends paid	442.69	295.12
B. Proposed (not recognised as a liability)		
Dividend on ordinary shares:		
Final dividend for FY 2019-20: 2 per share	122.42	-
Interim dividend for FY 2019-20: Nil (FY 2018-19: 3 per share)	-	183.60
Dividend Distribution tax on the above	-	37.74

35. Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax available for equity Shareholders (₹ in Crore)	415.25	486.09
Weighted average number of equity shares	612,111,867	612,000,000

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share	6.78	7.94
Effect of outstanding stock options	(0.09)	-
Diluted earnings per share	6.69	7.94

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of shares for computation of Basic EPS	612,111,867	612,000,000
Dilutive effect of outstanding stock options	8,354,211	-
Weighted average number of shares for computation of Diluted EPS	620,466,078	612,000,000

36. Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims not acknowledged as debts in respect of:		
- Guarantees to banks and financial institutions	11.00	21.00
- Claims against Company not acknowledged as debt	1.42	1.41

37. Capital commitments

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	40.45	11.22

38. The details of utilisation of IPO proceeds ₹ 588.85 crore (net of IPO related expenses) are as follows:

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilized upto March 31, 2020	Unutilized amount as of March 31, 2020
Setting up new branches and relocating certain existing branches	38.31	4.62	33.69
Upgrading the IT system	40.65	33.30	7.35
Advertising, marketing and brand building activities	72.09	34.47	37.62
Lending to our Subsidiary (Reliance AIF Management Company Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	52.45	72.55
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	100.00	-
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
Total	588.85	272.64	316.21

39. The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organisation. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended by 19 days across the nation to contain the spread of the virus. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

In preparing the accompanying financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2020. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

40. Events occurring after the reporting period

The Board of Directors have proposed final dividend of ₹ 2/- per equity share of ₹ 10/- each, aggregating ₹ 122.42 Crore for the financial year 2019-20. This is in addition to the interim dividend of ₹ 3/- per equity share declared by the Board of Directors on January 23, 2020.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

Mumbai, May 15, 2020

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Ameeta Chatterjee
Director
DIN No. 03010772

Ajay Patel
Manager

FORM AOC - I

Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.
Statement containing salient features of the financial statement of subsidiaries and associate as on March 31, 2020

₹ in Crore

Part "A": Subsidiaries

Sr. No.	Name of the subsidiaries	Nippon Life India Asset Management (Mauritius) Ltd	Nippon Life India Asset Management (Singapore) Pte. Ltd.	Nippon Life India AIF Management Limited
1	Reporting currency	USD	SGD	INR
2	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR 75.37	INR 53.01	-
3	Share / Unit capital	14.77	30.44	0.51
4	Other Equity	11.81	(3.28)	22.96
5	Total assets	28.44	34.12	97.91
6	Total Liabilities	1.84	6.99	74.45
7	Investments	0.00	-	48.06
8	Total Income	1.83	35.27	38.03
9	Profit before taxation	0.58	0.80	(3.66)
10	Provision for taxation	0.01	-	(5.05)
11	Profit after taxation	0.57	0.80	1.39
12	Other Comprehensive Income	-	-	(0.06)
13	Total Comprehensive Income	0.57	0.80	1.33
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	100%	100%

Part "B": Associate

Sr. No.	Name of Associate	Reliance Capital Pension Fund Limited
1	Latest audited Balance Sheet Date	31-Mar-20
2	Shares of Associate / Joint Ventures held by the Company on the year end	
i.	Number of shares	12,249,994
ii.	Amount of Investment in Associates/Joint Venture (₹ in Crore)	12.73
iii.	Extend of Holding %	49%
3	Description of how there is significant influence	Refer Note '1'
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	13.11
6	Profit / Loss for the year	
i.	Considered in Consolidation (₹ in Crore)	(0.51)
ii.	Not Considered in Consolidation (₹ in Crore)	-

Note:

1 There is significant influence due to percentage(%) of voting power.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Nippon Life India Asset Management Limited
(Formerly Reliance Nippon Life Asset Management Limited)

per Shrawan Jalan
Partner
Membership Number : 102102

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Ameeta Chatterjee
Director
DIN No. 03010772

Prateek Jain
Chief Financial Officer

Ajay Patel
Manager

Mumbai, May 15, 2020

Nilufer Shekhawat
Company Secretary

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.