

Versatility

Accessibility



Responsibility

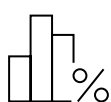
Prosperity

# Fostering **Financialisation**



# Nippon AMC

## Snapshot



**100%**

Dividend  
Payout Ratio



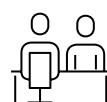
**270**

Locations



**1.96 Crores**

Folios



**~1,000**

Employees



**1.35 Crores**

Unique Investors

## Performance Highlights FY 2022-23

**₹ 3,62,981 Crores**

Assets Under  
Management (AUM)

▲ 5%

**₹ 2,86,873 Crores**

Mutual Fund Assets  
Under Management (AUM)

▲ 3.4%

**₹ 723 Crores**

Profit After Tax

▼ 2.8%

▲ Growth rate

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For complete information on our offerings referred to in this document, please refer our website <https://mf.nipponindiaim.com/>





## NAM India at a Glance

Nippon Life India Asset Management Limited (NAM India or 'the Company') is one of India's leading asset management companies with a long track record, having been established in 1995.

### Purpose

To play leadership role in driving financial literacy and prosperity across India with a future ready approach.

### Mission statement

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

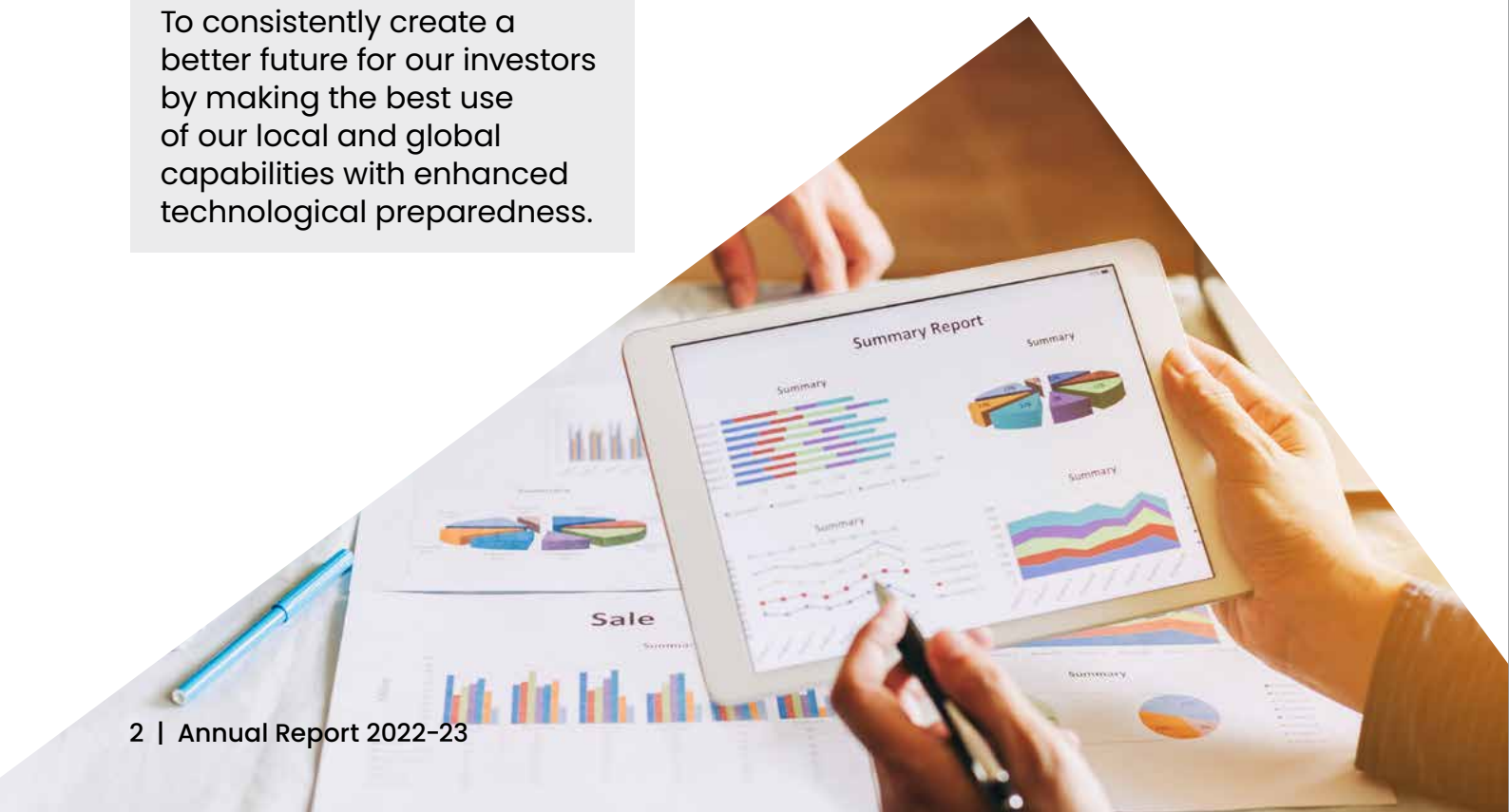
### Vision statement

To consistently create a better future for our investors by making the best use of our local and global capabilities with enhanced technological preparedness.

As of March 31, 2023, total Assets Under Management (AUM) stood at ₹ 3,62,981 Crores and Mutual Fund AUM stood at ₹ 2,86,873 Crores. Nippon Life Insurance Company Japan (NLI) is the promoter of the Company and holds 73.7% of its paid-up equity share capital as on (March 31, 2023).

The Company's product lines include:

- 1 **Mutual Funds including Active and Passive Schemes across Equity, Hybrid, Debt, Liquid and Commodity categories**
- 2 **Managed Accounts including Alternative Investment Funds (AIF), Portfolio Management Services (PMS) and Pension Funds**
- 3 **Offshore Business and Advisory Mandates**



## Sponsor: Nippon Life Insurance Company (Japan)

Nippon Life Insurance Company Japan (NLI), is one of the leading private life insurers in Japan, with assets of over US\$ 722 billion as on March 31, 2022. It offers a wide range of financial products, including individual and group life and annuity policies through various distribution channels. The Group has 57 asset

management and 21 insurance-related operations worldwide. NLI primarily operates in Japan, North America, Europe, Oceania and Asia and conducts asset management operations in Asia, through its subsidiary Nissay Asset Management Corporation (Nissay), which manages assets globally.

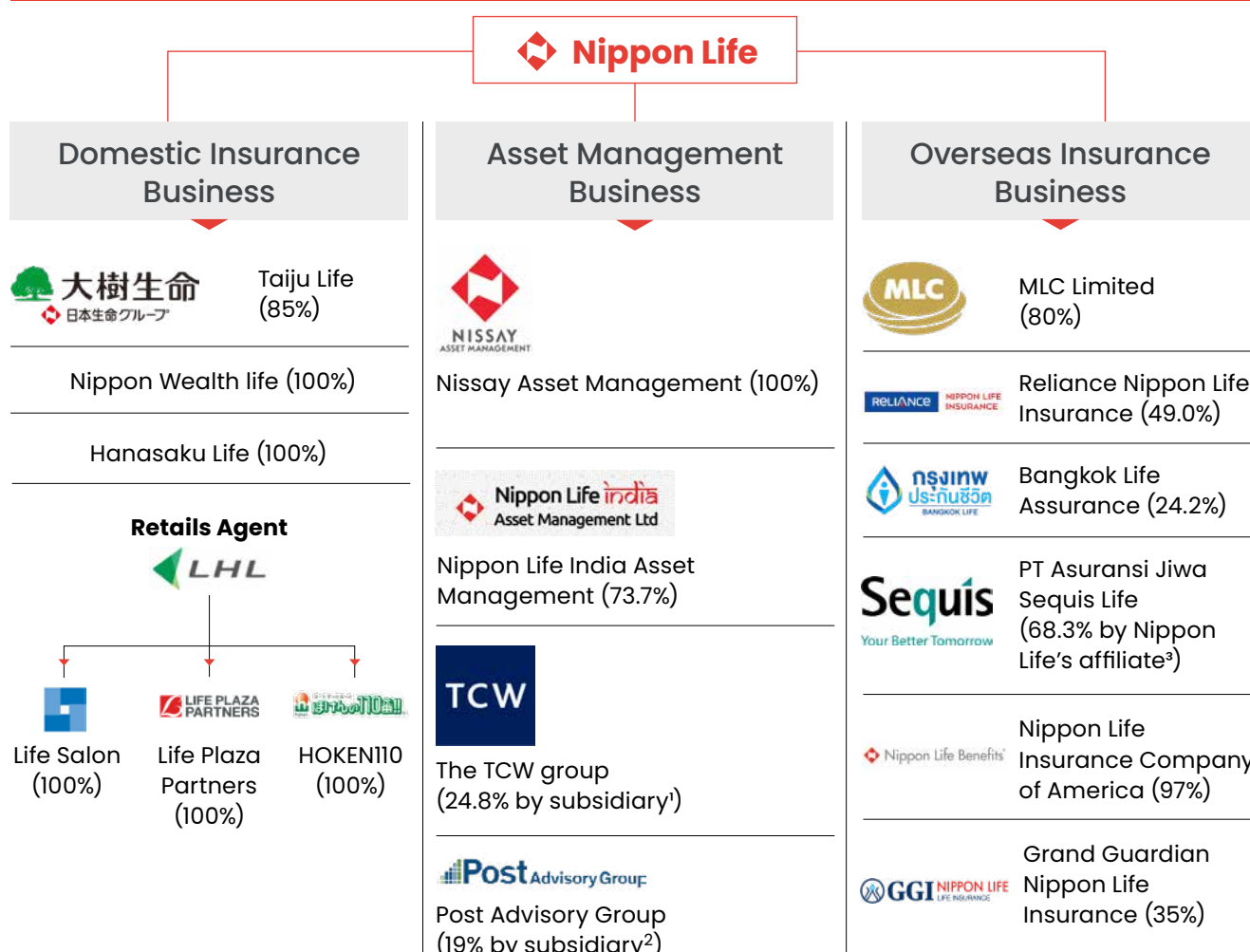
### 73.7%

Shareholding in  
Asset Management in India

### 49.0%

Shareholding in  
Life Insurance in India

### Nippon Life Group



**Note: As of March 31, 2022**

<sup>1</sup>100% held by a subsidiary of Clipper Holding, L.P., of which 24.75% of voting rights are held by Nippon Life's fully owned subsidiary Nippon Life Americas

<sup>2</sup>An equity-method affiliate held by Nippon Life's fully owned subsidiary Nippon Life Americas

<sup>3</sup>68.3% held by Nippon Life's equity-method affiliate PT Sequis, in which Nippon Life holds 29.3% of the total voting rights. 0.01% is held directly by Nippon Life

A young girl with her arms around a smiling man sitting on a sofa. The man is wearing a light pink polo shirt and blue jeans, and the girl is wearing a red and white striped shirt and denim shorts. They are both smiling and looking at each other. The background shows a sofa with a decorative pillow and a green plant.

# Fostering Financialisation



At NAM India, we don't just manage money – we are on a mission to create a better future for all! With over 140 Crores people in India, our diverse background demands investments to fit our unique needs. That's where we come in – fostering financialisation for India.

Financialisation is essentially a movement of investments from traditional physical forms including gold and real estate, towards financial assets.

Increasing financialisation in India has been driven by increasing disposable income, government incentives, financial inclusion and greater awareness about investments along with inflation.

The number of MF folios and unique investors has continued to grow at a rapid pace, with unique investors in mutual funds in India growing at an ~21% CAGR over FY20-23. Despite this, mutual funds still account for only 6-7% of households' gross financial savings, indicating a long growth runway going forward.

Apart from mutual funds, there have been higher inflows into AIFs and PMS as well which have a minimum investment of ₹ 1 Crore and ₹ 50 Lakhs respectively.

We are proud to be at the forefront of India's financial revolution, managing assets across the spectrum of investors to meet their varying needs.

## Quick Facts

### 3.73 Crores

Unique MF Investors  
(March 31, 2023)

### 6.85 Crores

Tax Payers  
(AY 2022-23)

### 61 Crores

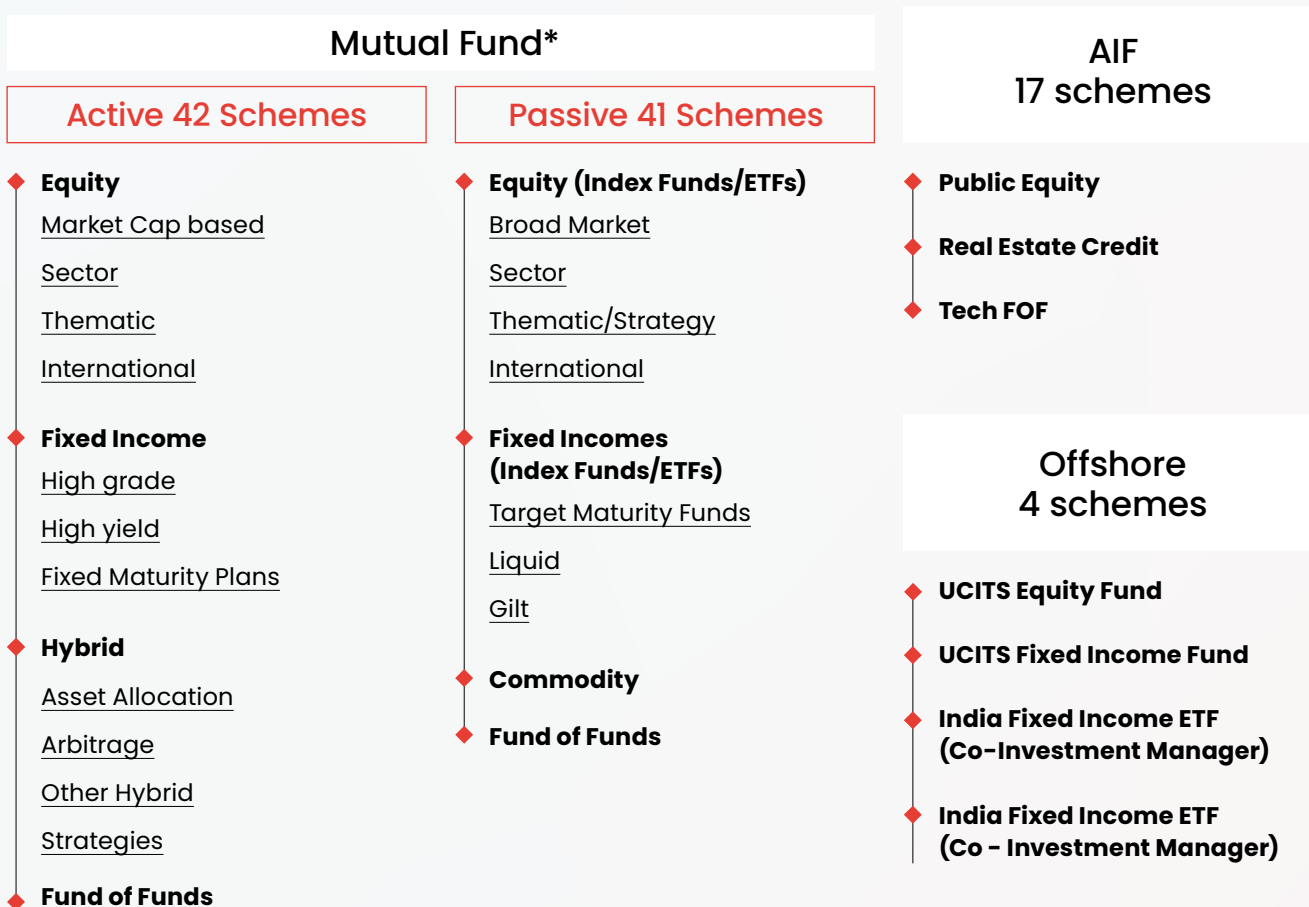
PAN card Holders  
(January 2023)

## Versatility

# Diversified Universe of Wealth Creation

As a one-stop investment shop, we proudly cater to the diverse needs of our esteemed clientele. We offer a diverse product suite across mutual funds, AIF, PMS, and offshore investments that cater to investors at all levels of expertise, risk-return profiles and investment horizons. With a commitment to innovation, transparency and responsible investing we are dedicated to enabling our customers to achieve their financial goals while making a positive impact on the world.

## Our Product Suite



\*Open-ended funds



## Mutual Funds

We offer a combination of active and passive schemes under our mutual funds to suit different types of investor preferences. With 270 locations, we have a pan-India presence. As of March 31, 2023, our mutual funds business (referred to as Nippon India Mutual Fund 'NIMF') offered

**₹ 70,024 Crores**

ETF QAAUM for  
Jan-Mar 23

**61%**

ETF share of folios

**70%**

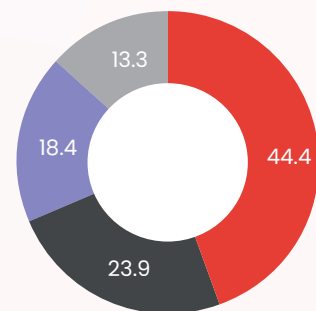
ETF volume share  
on exchanges

83 open-ended schemes. These schemes are across active and passive styles with categories including equity, debt, liquid and ETFs. The number of active schemes stood at 42, the break-up of which was as follows – Equity – 17, Hybrid – 6, Solution Oriented – 2, Fund of Funds – 2 and Debt – 15.

We also offer one of the industry's best passive product suites with 41 passive schemes including one of the largest ETF bouquets with 25 ETFs across Equity, Debt and Commodities. We manage the largest gold and silver ETFs in the industry. We endeavour to continually improve and expand our offerings for our unitholders.

Our MF AUM is spread across asset classes with Equity AUM at 44% (up 2% points yoy) and ETF AUM at 24% (up 4% points yoy). Debt funds account for 18% of AUM and Liquid for 13%.

**MF QAAUM (%)**  
as of Jan-Mar 2023



	₹ Crores
Equity	130,087
ETFs	70,024
Debt	54,068
Liquid	38,979
<b>Total</b>	<b>293,159</b>

## Alternative Investment Fund (AIF)

Our Subsidiary, Nippon Life India AIF Management Limited (NAIF) manages 17 schemes across 3 business lines namely Public Equity, Real Estate Credit and Tech FoF.

With a proven track record of delivering consistent long-term investment performance across asset classes, our AIF has continued to attract substantial commitments, totalling ₹ 5,615 Crores as of March, 2023.

## Portfolio Management Services (PMS)

The Company provides portfolio management services to high-net-worth individuals and institutional investors. The Company has been one of the few AMCs in India who have won and managed various prestigious government mandates in the past.

## Offshore Business

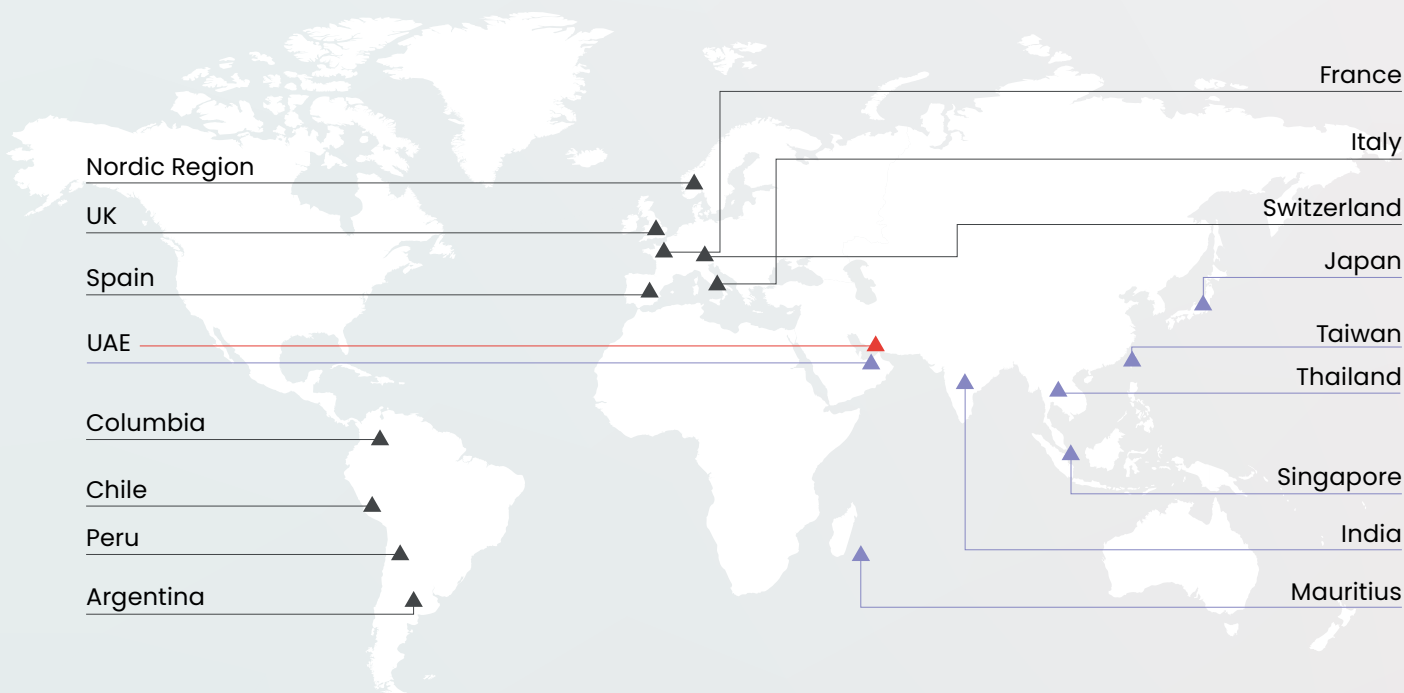
We leverage the extensive network of NLI to create a global expressway for investors and offer Indian investors unique access to equity markets in Japan, Hong Kong, and Taiwan. As the sole AMC facilitating such international exposure, we empower our clients to diversify their portfolios and capitalise on the potential of these dynamic markets. The Company manages offshore

funds and distribution through its subsidiary in Singapore and has a representative office in Dubai. The Company also acts as an Investment Advisor for India-focused equity and fixed-income funds in Japan and for a Nifty 50 ETF in Australia. 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.

### Offshore AUM (₹ in Crores)

Particulars	Mar-23
Managed	8,865
Advisory	2,012
<b>Total</b>	<b>10,877</b>



### Other International Tie-ups

- Xtrackers India Govt. Bond UCITS ETF
- Godo Kaisha Genkai India Investment
- Bualuang Bharata Fund
- Nippon India Taiwan Equity Fund

### Key presence

- Singapore
- Dubai
- Japan

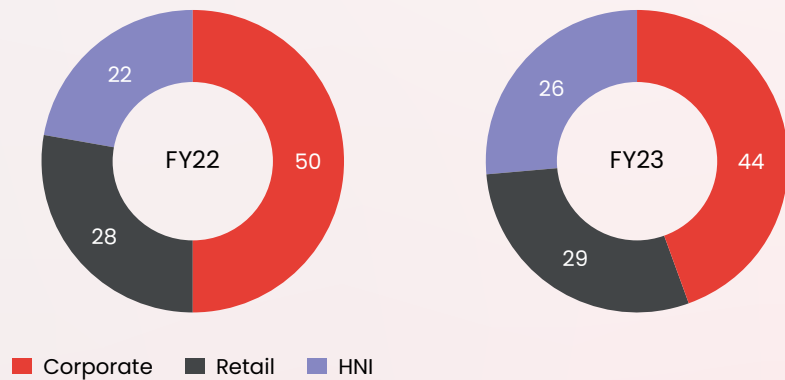
## Catering to All Types of Investors

Customer centricity is our motto. Given this, over the last two decades, we have established ourselves as a formidable force in the retail segment. Today one in every three mutual fund investors in India entrusts us with their investments. We have diligently grown our assets in this category generating long-term wealth for our retail investors. While the retail segment is a focus area, we have an equally strong presence in the HNI and Corporate Segments as well. In FY 2022-23, we were able to increase our market share in the Individual segment (Retail + HNI) to ~7% (up 35 bps yoy), which led to an increase in the share of our AUM contributed by the Retail & HNI segments which bode well for us going forward. We enjoy a higher share of AUM from the retail segment at 29% versus the industry average of 25%.

**5.3 per Crore folios vs. average of 13.4 for other top 5 MNCs**

One of the lowest level of investor complaints aided by customer centricity.

### Investor Mix Change - MAAUM (%)





## Accessibility

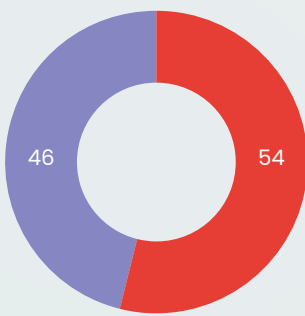
# Far-Reaching Presence

Our phygital presence offers a blend of convenience through technology and human touch through our physical presence. We continue to expand our retail presence by adopting a strategic combination of on-ground presence in smaller locations and cutting-edge digital assets for tech-enabled customers.

## Strong Physical Distribution

A large base of mutual fund distributors is one of our biggest strengths. We continue to derive 46% of our AUMs through our distributors.

### Overall Distribution Mix (%)



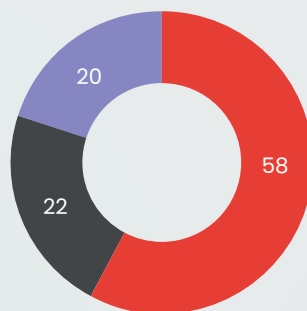
- Direct Channel
- Distributed Assets



### Mix of Distributed Assets

Based on QAAUM for January-March 2023, 58% of our AUM was contributed by Mutual Funds Distributors (MFDs), 20% by National Distributors and 22% by Banking Distributors. We have the lowest dependence on the banking channel among the 5 largest AMCs. Further, no single distributor contributes >5% of assets indicating the granular nature of our AUM.

### Mix of Distributed Assets (%)



- Mutual Fund Distributors
- Banking Distributors
- National Distributors

**78**  
Banks

**76**  
Alternate

**91,000+**  
Distributors

**87**  
National Distributors

### B-30 Remains a Focus Area

Aided by our vast distribution network of 91,000+ distributors, we continue to be amongst the leaders in B-30 locations with an AUM of ₹ 55,680 Crores as of FY 2022-23, accounting for 19% of total MF AUM. Our B-30 AUM grew 16% yoy in FY 2022-23, much above the overall average. Consequently, our B-30 market share improved by 48 bps in FY 2022-23 to 8.14%.

Focus on B-30 locations has also led to improvement in geographical diversity, with the share of top-5 cities declining by 5.5 percentage points to 69% in FY 2022-23.

#### Geographical Spread of our MF AUM (%)

Particulars	FY22	FY23
Top 5 Cities	74.5	69.0
Next 10 Cities	10.1	11.4
Next 20 Cities	5.7	6.8
Next 75 Cities	7.9	9.0
Others	1.8	3.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**₹ 55,680 Crores**

B-30 AUM

**19.0%**

NIMF B-30 AUM/Total AUM

**16.9%**

Industry B-30 AUM/Total AUM

## Focused Business Verticals for Various Segments

We have created a focused business group among our segments to give the best-in-class service to our different customers.

Business Vertical	Target Segments
Key Clients Group (KCG)	Large Corporate Groups, Banks, Financial Institutions
Elite Partners & Client Group (EPCG)	Mid-size Corporates, HNI Investors
Retail Business Development (RBD)	PSU Banks, Old Private Banks, Co-operative Banks, Gold Loan Companies, Small Finance Banks
Rural & Emerging Market Group (REMG)	B-100 markets

## Digital Infrastructure

As an industry leader, we remain at the forefront of the digital revolution, with our platform being a partner of choice to customers, distributors and fintech partners alike. Our contemporary and future-ready digital platform provides best-in-class experience to our valued customers.

We redefine the investment landscape, revolutionising how individuals invest and navigate their financial journey.

Our digital distribution franchise witnessed 33 Lakhs in digital transactions in FY 2022-23 which contributed to 57% of overall

purchase transactions. Further, we had 9 new digital purchases every minute and we were searched digitally every 2.6 seconds.

### Investors

Simply Save App with Conversational Commerce

Investor Web and Mobile Purchase Website with Cart Buying

All new NIMF Investor App (Android and IOS)

Revamped Investor Portfolio Dashboard

WhatsApp for Investors

### Distributors

Business Easy 2.0 App

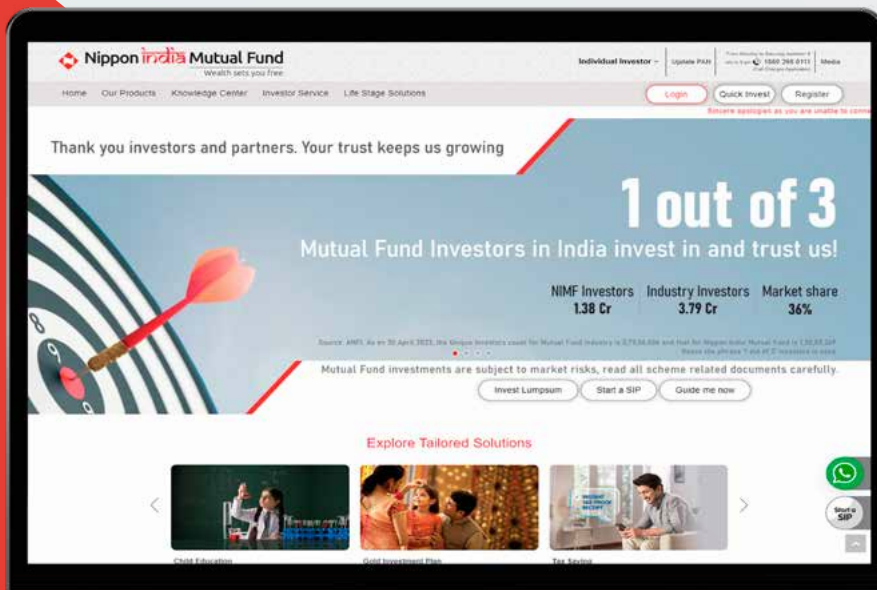
Business Easy on WhatsApp#

### Fintech Partners

Partner API Stack

### Institutional Clients

New Corporate Solutions Suite





## Nurturing Smart Financial Habits



At NIMF, we believe in the power of nudges. We have also developed smart customer centric nudges and tips drive investors to towards prudent financial decisions. By seamlessly integrating behavioural insights

into our strategies, we foster smart financial habits and guide investors towards optimal investment performance. These nudges also help us improve our operating performance.

**8%**

SIP pause intervention upon cancellation

**34%**

Win-back of payment failures on Retry feature

**1.2%**

Redemption to Switch Conversion

**13%**

Drop-Off Win-back recovery

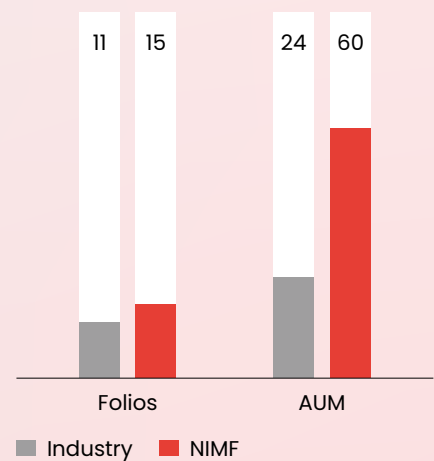
## Systematic Investments



Systematic flows are a stable and key driver of the industry's long-term equity flows. As a result of our efforts on our distribution network, both physical and digital, we have witnessed an increase in market share in systematic flows in FY 2022-23, ending with an AUM of ₹ 58,024 Crores (+13% yoy) and an annualised book of ~₹ 13,400 Crores.

We benefitted by having a lower ticket size versus the industry average for our systematic book, given that this AUM tends to be stickier. This is demonstrated by the longer vintage enjoyed by our SIP AUM.

### SIP Accounts Continuing for >5 Years (%)



## Responsibility

# Our Investment Philosophy

A strong investment philosophy based on adherence to the fund mandate, with a longer-term view, is imperative to achieve consistent fund out-performance. Helping us stay true to our philosophy is our 60-member strong investment team across Equity MF (27), Fixed Income MF (16), Managed Accounts (15) and Offshore Business (2), with a cumulative experience of 900+ years. We also have dedicated teams for credit research, real estate and venture capital. As a signatory to UN-PRI, we also follow responsible investing.

## Equity-Oriented Schemes

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Equity investments are backed by fundamental research with a longer-term view. This would involve a combination of top-down research including overall economic outlook and macro-economic conditions and bottom-up research including each business, its relevant industry, revenue and profitability drivers and overall outlook going forward.



## Fixed Income Schemes

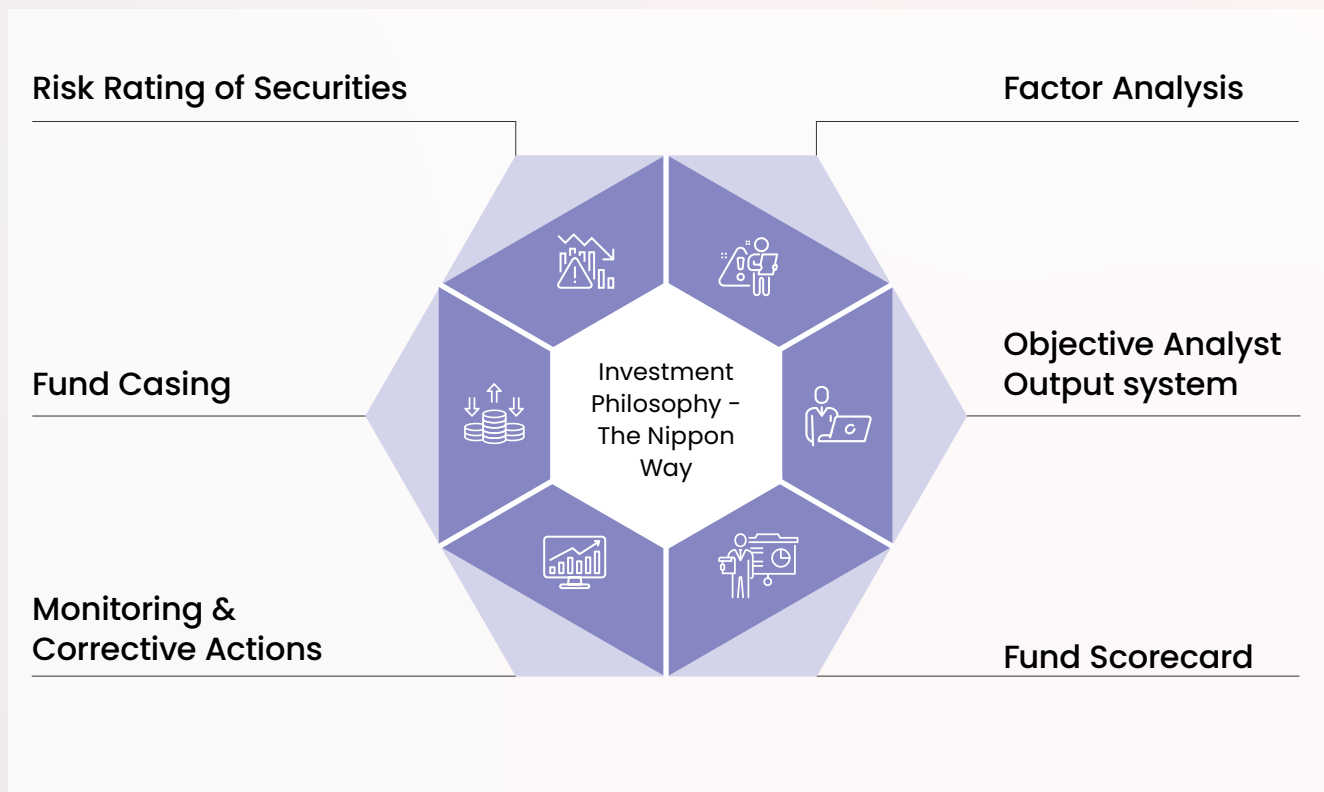
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Debt investments are also backed by fundamental research with a focus on the safety of capital, liquidity and returns. Investments can be made only from a list of pre-approved lists by considering industry classification and credit rating basis the assigned limits. Each Fixed Income scheme has a documented Investment Policy guideline, which is approved by the Investment Committee and greenlights all fresh investments.



## Process Orientation

We follow a strong process orientation with regard to investments across asset classes including various aspects such as risk rating of securities, fund casing, monitoring and corrective actions, fund scorecard, objective analyst output system and factor analysis.



## Fund Evaluation Using PDCA Approach

The PDCA Approach (Plan Do Check Act) forms an important part of our investment process across all asset classes.

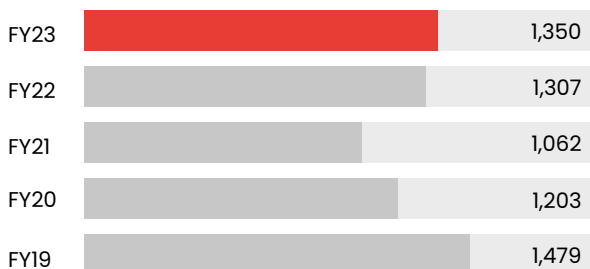
<b>P</b> Plan	<b>D</b> Do	<b>C</b> Check	<b>A</b> Act
<p>Within the fund mandate (target return, risk, benchmark, investment theme, etc.), each Fund Manager makes an investment plan on how to achieve the target return.</p>	<p>Analysis and prediction of macro economy and market coupled with portfolio construction based on analyst research, valuation, fund casing, style analysis, etc.</p>	<ul style="list-style-type: none"> <li>i) Monthly fund review by the Fund Management Team,</li> <li>ii) Risk and return measurement and</li> <li>iii) Interactive discussion on each Fund Manager's investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>i) Adjustment in the portfolio for better risk-return,</li> <li>ii) Refine performance improvement and reproducibility and</li> <li>iii) Communicate the outcome of the Check and Action to the Investment Committee.</li> </ul>



## Key Performance Indicators

### Revenue from Operations

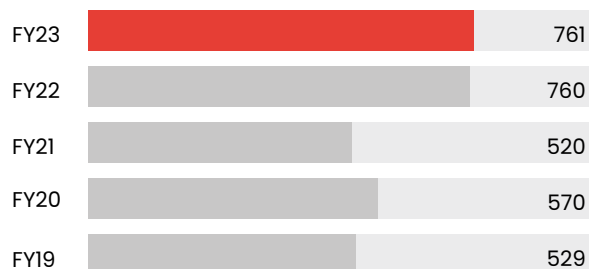
(₹ in Crores)



▼ **3%** 5 year CAGR

### Operating Profit

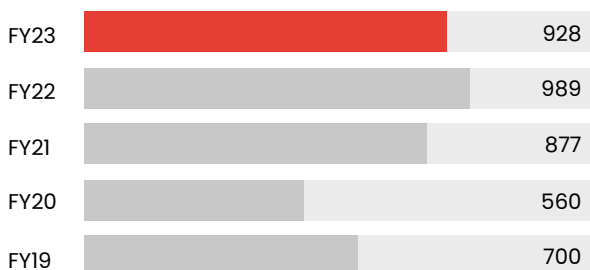
(₹ in Crores)



▲ **9%** 5 year CAGR

### Profit Before Tax

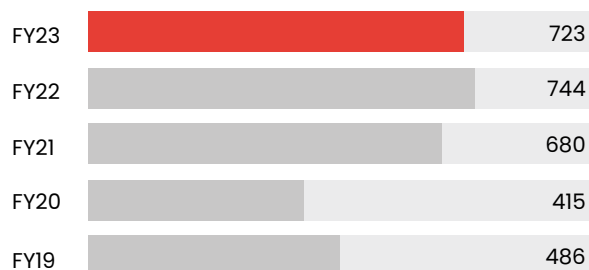
(₹ in Crores)



▲ **7%** 5 year CAGR

### Profit After Tax

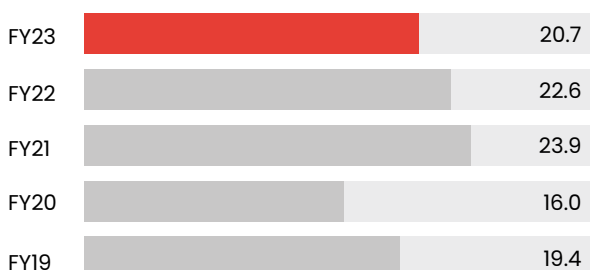
(₹ in Crores)



▲ **10%** 5 year CAGR

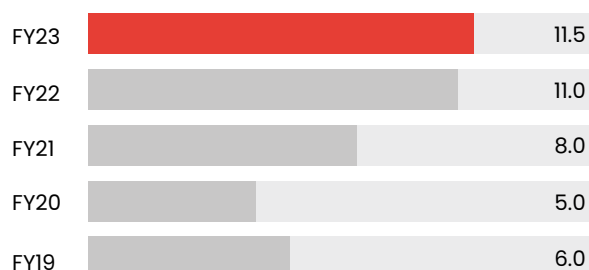
### Return on Equity

(%)



### Dividend Per Share

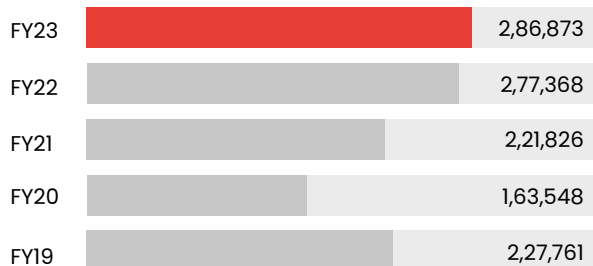
(₹)



Financial data is based on consolidated financials

### Assets Under Management

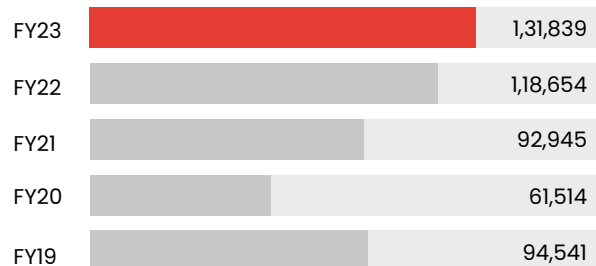
(₹ in Crores)



▲ 5% 5 year CAGR

### Equity AUM

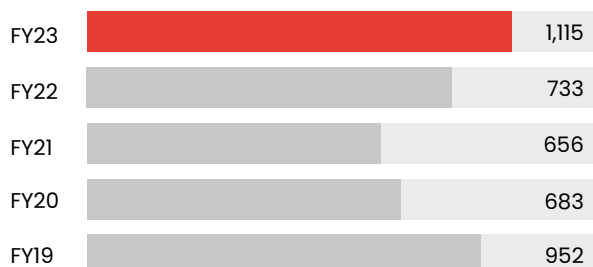
(₹ in Crores)



▲ 9% 5 year CAGR

### Systematic Book#

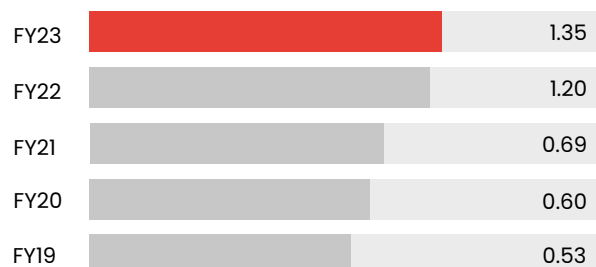
(₹ in Crores)



▲ 4% 5 year CAGR

### Investor Base – Unique Investors

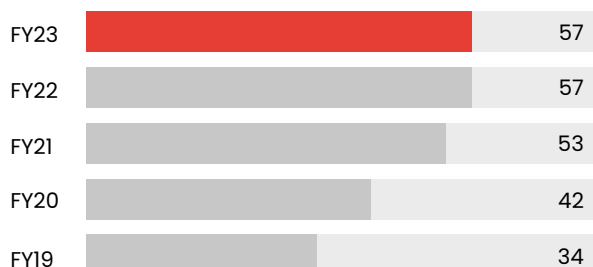
(Crores)



▲ 22% 5 year CAGR

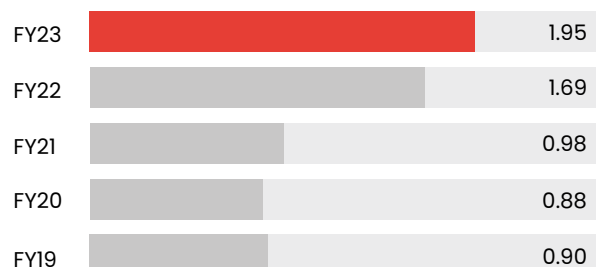
### Digital Transactions as % of Total\*

(%)



### Live Individual Accounts

(₹ in Crores)



\* Digital Transaction Share consists of

- only Purchases & New SIPs Registered and not all transaction types
- transactions happening through NIMF owned Digital Assets or Digital Fintech Alliances
- other aggregator modes of electronic transactions viz. Exchanges/MFU/Others are not considered here as Digital Transactions

# Includes SIP & STP | Data reflects the systematic book as of March 31

## ED & CEO's Message

# Navigating Turbulence, Paving the Path to Success: **A Reflection on FY23**



**Sundeep Sikka**  
ED & CEO



**Dear Shareholders,**

It is my pleasure to write this note on behalf of the entire team at NAM India. I am pleased to present the Annual Report for FY 2022-23 and share some of the highlights of our progress with you.

### Uncertain Global Environment but India Resilient

FY23 was a tumultuous year for the world economy, beginning with geopolitical disturbances and the long-term impact of the pandemic causing spiralling inflation all over the globe. Central banks sprang into action with tightening monetary policy and withdrawing accommodation extended during the pandemic. Growth started slowing, albeit slower than expected. Towards the end of FY23, there was fear of banking contagion after a few banks in the US failed and UBS took over Credit Suisse. However, India remained resilient through the macro-economic headwinds due to government and regulatory foresight and emerged as the best-performing large economy. The IMF described India as the “bright spot” in the world economy once again as it has done so in past crises and with 7.2% GDP growth as per CSO (Central Statistical Organisation) for FY23 that exceeded consensus expectations, India once again proved worthy of the title.

Amidst this, the markets remained volatile and ended the year almost flat with S&P BSE Sensex returning 0.7%. Small cap indices returned negative 7%. There was an increase of 250 bps in the Repo Rate, while the 10 Year G-Sec yield went up by 50 bps.

### Continued Growth in the Mutual fund Industry

Overall assets of the Mutual Fund sector increased by 5% to ₹ 39.4 lakhs Crores in FY23 (₹ 40.5 lakhs Crores on a QAAUM basis). At ~₹ 14,300 Crores, March 2023 recorded the highest-ever monthly SIP flows. Total SIP folios increased by 21% yoy in March 2023 and total SIP AUM increased by 19% yoy to ₹ 6.8 lakhs Crores. In FY23, the number of active Demat accounts in India rose by 27% to 11.4 Crores. Industry MF folios rose to 14.6 Crores from 13 Crores in March 2022.

This growth in the asset management industry despite low market returns, was driven by increasing financialisation, higher awareness and improved access to mutual fund products. Over the past decade, households have increasingly preferred financial assets over physical assets to achieve long-term savings goals. Within household financial savings, the share of mutual funds returned to >6% for 2021-2022, post two years of the COVID impact.

### NAM Remains Well-positioned Going Forward

We improved our mutual fund industry ranking (based on total AUM) by 2 places to 4th position in FY23 with QAAUM increasing by 3.5% to ₹ 2,93,159 Crores. Overall market share however declined 14 bps to 7.24%. Total folios as of FY23 stood at 1.96 Crores, up by 26 lakhs folios over FY22 and we continue to have the largest investor base in the mutual fund industry. Our share of industry-unique investors was largely stable at ~36% with a base of more than 1.35 Crores investors. Our systematic AUM rose by 13% over the year to reach ₹ 58,024 Crores and our annualised systematic transaction book is at ~₹ 13,400 Crores as of March 2023.

## ED & CEO's Message

The stickiness of our SIP folios and AUM is superior to the industry. 60% of our SIP AUM has continued for over 5 years vis-a-vis 24% for the industry. Also, in volatile markets, folios with lower ticket sizes have demonstrated longer vintage and better stickiness. 15% of our SIP folios have continued for more than 5 years against the industry average of 11%.

Our ETF AUM stood at ₹ 70,024 Crores and we have a market share of ~14%. Our share in the industry's ETF folios rose to 61%. During the year we accounted for 70% of volume share in the ETF segment.

Today, we offer one of the most complete suite of offerings for all segments of investors (retail, HNI, institutional, corporate and offshore) and product classes (Equity, Debt, Liquid, ETF, Commodity, Real Estate and VC Funds).

### Digital Leadership

We believe that a digital-centric strategy is one of the cornerstones of sustainable growth and profitability going forward. We rolled out several digital initiatives such as cart buying, WhatsApp Channel, a real-time comprehensive transaction and a service suite to enhance our partners and investor experience. We also launched the Business Easy 2.0 app aimed at driving more meaningful engagement, attention and growth through advisory, detailed analytics and smart insights.

Digital purchase transactions rose to 33 Lakhs, up from 30 Lakhs in the last year. Digital channels contributed 57% to total new purchase transactions.

### Our People

We have fostered a culture that places immense value on its employees, recognising their pivotal role in the Company's presence and achievements.

A testament to our commitment is the remarkable fact that over 70% of our leaders have risen through our ranks, embodying our home-grown talent philosophy.

Our efforts have garnered prestigious accolades, including the esteemed AON Best Employer recognition. We have received this award four times in the last six years (2016, 2018, 2019, and 2021). In FY23, we won the Employee Focus Kincentric Award for the fifth time in 7 years. We also received the Outstanding Employee Engagement Award from Ekin Care and the Global Employee Choice Award 2022 by WE Matter.

► For more on our people, please refer to pg 78.

### Environmental, Social and Governance (ESG) framework

We have adopted an Environmental, Social, and Governance (ESG) framework aligned with our commitment to responsible and sustainable investing. We became a UN-PRI signatory in June 2021 to fulfil our responsibility towards the sustainability of Planet Earth. In addition to our ongoing efforts in climate conservation and community welfare, we have proactively implemented measures to enhance data protection practices, mitigate cyber risks and strengthen our overall risk, control and governance framework. Digitisation of our CRM ecosystem has enhanced our customers' experience and satisfaction. At NAM India, we recognise the importance of upholding ethical practices, ensuring transparency, and adhering to regulatory requirements.

► For more on ESG, please refer to pg 140

### Outlook

Despite global apprehensions about low growth, higher-than-usual inflation and banking contagion, India is poised to achieve the target of a \$ 5 trillion economy by 2025. The Amrit Kaal vision of sustainable and inclusive development for all by 2047 will lead to strong growth in disposable income for the population. Given the under-penetration of mutual funds in India with MF AUM at 16% of GDP vs. 73% for the world and 60% of our population in the working

age group, we believe the next few years will see further growth in the asset management industry.

NAM India aspires to take this opportunity to foster this financialisation with a diversified bouquet of products that will achieve sustainable returns for our investors. Customer centricity will remain our key theme and we aim to expand our business both domestically and internationally.

Our stated dividend policy is to distribute 60%-90% of our profits subject to approvals from the board. In FY23, we have exceeded this and are distributing 100% of our profits among investors.

The NAM India team is dedicated to enriching and creating substantial value for all stakeholders. Serving you, our esteemed clients, shareholders and employees is a privilege we hold in high regard.

Going forward, we will continue to transform ourselves to meet investors' and industry needs with passion, professionalism, commitment and humility; a combination that is a hallmark of your Company and which our clients trust.

**Sundeep Sikka**  
ED & CEO



## Our Board of Directors



**General Ved Prakash Malik (Retd.)**  
Independent Director

He worked in the Indian Army as Chief of the Army Staff from October 1, 1997, to September 30, 2000. He had the dual responsibility of being an advisor to the Government as well as commander of the 1.2 million-strong Indian Army to fulfil its national role and assigned missions. During his service in Indian Army, General Malik was bestowed with prestigious awards like Ati Vishisht Seva Medal (1986) and Param Vishisht Seva Medal (1996). He has also received the 'Excellence in Leadership Award' from Atur Foundation, the 'Pride of Nation Award' from Doon Citizens Council and the 'Distinguished Fellowship' from the Institute of Directors, New Delhi (1999).



**Ms. Ameeta Chatterjee**  
Independent Director

She has over 18 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and the 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 the corporate sector as GM - Investments & Acquisitions at Leighton India Contractors Pvt. Ltd. where she worked on various joint venture projects and 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.



**Mr. Ashvin Parekh**  
Independent Director

Mr. Ashvin Parekh is a qualified Chartered Accountant and has set up the advisory firm that provides services to the Boards and the management of BFSI companies. Mr. Parekh retired as a Senior Partner from Ernst & Young in June 2013. Earlier, Mr. Parekh was the ED of Deloitte Touche Tohmatsu India Pvt. Ltd. Mr. Parekh has also held senior positions in Arthur Anderson, PwC, KPMG and Hindustan Lever. Mr. Parekh has worked in the United Kingdom, Dubai, Australia, Germany and the US for about 11 years. He is registered with the World Bank and the Asian Development Bank as an expert in the financial services sector. He has worked on gamut of areas like business strategies, corporate planning, institutional strengthening and business transformation across industries including banking, insurance, pension and capital markets. He has been a member of several committees set up by the Ministry of Finance, RBI, IRDA and SEBI. He is also a member of industry bodies and associations namely CII, FICCI and ASSOCHAM.



**Mr. B. Sriram**  
Independent Director

He has 37 years of experience in all areas of Banking and Finance. He joined State Bank of India as a Probationary Officer in December 1981 and has held various key assignments within the Bank and the Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking and International Operations. His rich experience includes stints as Managing Director & CEO, IDBI Bank Ltd. (from June 30, 2018 to September 29, 2018), Managing Director, State Bank of India (from July 2014 to June 2018), Managing Director, State Bank of Bikaner & Jaipur (from March 2013 to July 2014).



**Mr. Upendra Kumar Sinha**  
Independent Director and Chairman\*

He is a 1976 batch IAS officer of Bihar cadre and during his three decades plus of experience has held several responsible government positions in India, including as Joint Secretary (Banking) and Joint Secretary (Capital Markets) in the Ministry of Finance; Chairman of the Working Group on Foreign Investment in India and Chairman of the Securities and Exchange Board of India (SEBI), to name a few. He has also been the Chairman & Managing Director of UTI Asset Management Company Limited and Chairman of the Association of Mutual Funds in India. He has actively contributed to the financial sector reforms in the country and is credited with starting the micro pension movement in India. Under his leadership, SEBI introduced significant developmental changes in the areas of Foreign Portfolio Investors, Alternate Investment Funds, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs) and Corporate Governance.



**Mr. Minoru Kimura**  
Associate Director

He serves as Director & Managing Executive Officer, Head of Global Business at Nippon Life Insurance (Nippon). In his 32-year professional career with Nippon, he has engaged in corporate planning for more than 10 years. Also, he worked for Nissay Asset Management in investment planning for 5 years from 2010 to 2015. Other than the above, he has also spent his professional career with Nissay Deutsche Asset Management (Europe) and NLI Investments (Europe), where he carried the position of CEO for 4 years (2003 to 2007). He has grown the company to an all-round brand that five times won 'Kincentric Best Employer' in the last seven years and is included in Kincentric Best Employers Club - 2023.

## Our Board of Directors



**Mr. Tomohiro Yao**  
Associate Director

He is the Regional CEO for Asia-Pacific and Head of India at Nippon Life Insurance (Nippon). He is responsible for operations in the Asia-Pacific region. He is a seasoned professional with over 25 years of experience in the life insurance industry. He has extensive knowledge of Planning & Research and Global Business Planning at Nippon. In 2011 he assumed charge as Executive Assistant to the Chairman of Life Insurance Association, Japan for 2 years. Following this, he was engaged in Nippon's Global Business Planning, leading Nippon's international M&A strategy. He was also responsible for driving Nippon's overseas insurance businesses including India, mainland China as well as the US.



**Mr. Hiroki Yamauchi**  
Associate Director

He serves as General Manager/Global Asset Management Business Department at Nippon Life Insurance Company (NLI). In his over 20-year professional career with NLI, he has performed various roles, including corporate planning, marketing planning, and group annuity business. Also, he has worked for Nissay Asset Management in corporate/investment planning for 4 years. Besides the above, he has also spent his professional career with Nissay Deutsche Asset Management (Europe), where he held the position of Fund Manager for 3 years. In his most recent role, he has engaged in NLI's Indian life insurance and asset management business as Head of Indian Business for 2 years (2020-2022).



**Mr. Sundeep Sikka**  
Executive Director & CEO

He has held both Vice-Chairman and Chairman positions of the industrial body AMFI (Association of Mutual Funds in India). Sundeep joined NAM India in 2003, holding various leadership positions before being elevated in 2009 when he became one of the youngest CEOs in India. Possessing rich experience in the financial services sector, Sundeep 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 five times won 'Kincentric Best Employer' in the last seven years and is included in Kincentric Best Employers Club - 2023.

## Our Leadership Team



**Sundeep Sikka**  
Executive Director &  
Chief Executive Officer



**Sailesh Raj Bhan**  
CIO–Equity Investments



**Amit Tripathi**  
CIO–Fixed Income  
Investments



**Saugata Chatterjee**  
Co–Chief Business Officer



**Aashwin Dugal**  
Co–Chief Business Officer



**Prateek Jain**  
Chief Financial Officer



**Rajesh Derhgawen**  
Chief Human  
Resources Officer



**Sandeep Walunj**  
Chief Marketing Officer



**Arpanarghya Saha**  
Chief Digital Officer



**Abhijit Shah**  
Chief Technology Officer



**Rishi Garg**  
Chief Risk Officer



**Milind Nesarikar**  
Chief Officer – Operations &  
Customer Service



**Muneesh Sud**  
Chief Legal and  
Compliance Officer



**Pradeep Andrade**  
Head – Infrastructure  
and Administration



**Prithwijiit Mukherjee**  
Segment Head–Customer  
Service & Digital Operations



**Parag Khetan**  
Head – Internal Audit



**Arun Sundaresan**  
Head – Product  
Management & Investor  
Relations



**BOARD OF DIRECTORS:**

Gen. Ved Prakash Malik (Retd.)  
Ms. Ameeta Chatterjee  
Mr. Ashvin Parekh  
Mr. B. Sriram  
Mr. Tomohiro Yao  
Mr. Minoru Kimura  
Mr. Akira Shibata (Resigned w.e.f. 25/04/2023)  
Mr. Hiroki Yamauchi (Appointed w.e.f. 25/04/2023)  
Mr. Upendra Kumar Sinha (Appointed w.e.f. 01/05/2023)  
Mr. Sundeep Sikka – Executive Director & Chief Executive Officer

**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:**

4<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganapatrao Kadam Marg, Lower Parel (W),  
Mumbai – 400013  
CIN: L65910MH1995PLC220793  
Tel.: +91 22 6808 7000  
Fax: +91 22 6808 7097  
E-mail: [investorrelation@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com)  
Website: <https://mf.nipponindiaim.com>

**REGISTRAR AND TRANSFER AGENT:**

KFIN Technologies Limited  
(Formerly Known as KFIN Technologies Private Limited)  
SELENIUM Tower – B, Plot No. 31 & 32,  
Gachibowli, Financial District &, Nanakramguda  
Serilingampalle, Hyderabad- 500 032, Telangana, India  
Toll Free No.: 1800-309-4001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
RTA email: [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)  
WhatsApp Number: (91) 910 009 4099  
KPRISM (Mobile Application): <https://kprism.kfintech.com/>  
RTA Website: <https://ris.kfintech.com>  
Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

## Notice

Notice is hereby given that the Twenty Eight Annual General Meeting of the Members of Nippon Life India Asset Management Limited will be held on Wednesday, July 12, 2023 at 12:00 noon (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 standalone financial statement of the Company for the financial year ended March 31, 2023 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, 2023 and the report of the Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 4.00 per equity share and to declare a Final Dividend of ₹ 7.50 per equity share for the financial year 2022-23.
- (3) To appoint a director in place of Mr. Tomohiro Yao (DIN: 08429687), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
- (4) To re-appoint Statutory Auditors of the Company and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors, M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company, at a remuneration of ₹ 31,05,000/- (Thirty One Lakhs and Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ended March 31, 2024, and further increment(s) for the remaining tenure of the appointment, as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in this behalf.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any duly constituted Committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary and incidental for giving effect to this Resolution."

### SPECIAL BUSINESS:

- (5) **Appointment of Mr. Upendra Kumar Sinha as a Non-executive Independent Director**

To consider and, if thought fit, to give your assent or dissent to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions 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 other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Articles of Association of the Company, Mr. Upendra Kumar Sinha (DIN: 00010336), who has given his consent for appointment as an Independent Director of the Company and who was appointed by the Board of Directors as an Additional Independent Director of the Company with effect from May 1, 2023 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 161 of the Act, and who has already submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations and being eligible, and in respect of whom a written Notice pursuant to Section 160 of the Act, has been received by the Company from a member, signifying the intention to propose the candidature of Mr. Upendra Kumar Sinha as a Director of the Company and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years commencing from May 1, 2023 till April 30, 2028.

**RESOLVED FURTHER THAT** in terms of Regulation 17 of Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the continuance of appointment of Mr. Upendra Kumar Sinha (DIN: 00010336), who will be attaining the

age of seventy five years during his tenure, as Non-Executive Independent Director up to April 30, 2028 on the aforementioned terms and conditions.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.”

**(6) Appointment of Mr. Hiroki Yamauchi as the 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 other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Articles of Association of the Company, Mr. Hiroki Yamauchi (DIN: 08813007), who has given his consent for appointment as a Director of the Company and who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 25, 2023 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 161 of the Act, but who being eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company and which has been recommended by the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation.”

**By Order of the Board of Directors  
For Nippon Life India Asset Management Limited**

**Nilufer Shekhawat**  
Company Secretary  
Membership No.: A – 23264

**Registered Office**

4<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganapatrao Kadam Marg, Lower Parel (West),  
Mumbai - 400 013

CIN: L65910MH1995PLC220793

Website: <https://mf.nipponindiaim.com>

Tel.: +91 22 68087000, Fax: +91 22 68087097

E-mail: [Investorrelation@nipponindiaim.com](mailto:Investorrelation@nipponindiaim.com)

**Date: April 25, 2023**

**Notes:**

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), relating to item no. 4 of the Notice set out above, and special businesses to be transacted at the Annual General Meeting is annexed hereto. The relevant details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) and Secretarial Standard-2 of persons seeking appointment as Directors is also annexed.
2. The Ministry of Corporate Affairs, Government of India (“MCA”), vide it’s Circulars dated May 5, 2020 read with Circulars dated April 8, 2020, and December 28, 2022 (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, on or before September 30, 2023. The Securities and Exchange Board of India (“SEBI”) also vide its Circular dated January 5, 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Accordingly, in compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
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 intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorisation, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutiniser by email through its registered email address to [siroyam@gmail.com](mailto:siroyam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 are being sent only through electronic mode to those Members

whose e-mail addresses are registered with the Company or CDSL / NSDL (“Depositories”).

**Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report.**

If your e-mail address is not registered with the Depositories (if shares held in electronic form) / Company (if shares held in physical form), you may write to [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com) to receive the Notice of the AGM along with the Annual Report 2022-23.

Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website <https://mf.nipponindiaim.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

6. SEBI vide circular dated March 16, 2023 read with circular dated November 3, 2021 has mandated the listed companies to have PAN, KYC details, bank account details, and nomination details, specimen signature of all Shareholders holding shares in physical form for their corresponding folios. On or after October 1, 2023, in case of any of the above cited documents/ details are not available in the Folio(s), the Registrar and Transfer Agent (RTA) shall be constrained to freeze such Folio(s) as per the aforesaid SEBI circular. Further, Members may please note that for payment of dividend in respect of such frozen folios, will be made only through electronic mode with effect from April 1, 2024, on updating the KYC details. The investor service requests forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on the Company’s website <https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Information.aspx>. In view of the above, we urge the Shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the Shareholders holding shares in physical form in relation to the aforesaid. In respect of Shareholders who hold shares in the dematerialised form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants (DP).
7. Members may please note that SEBI vide its Circular dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz. Issue of duplicate securities

certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition etc.

8. Process for registration of e-mail address for obtaining Annual Report and all future correspondence and for updation of the bank account details, please follow the below process:

Type of holder	Process to be followed	
Physical Holding	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFIN Technologies Limited (Kfintech) either by email to <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
Demat Holding	Form to be filed by nominee/ claimant/legal heir while requesting transmission of securities	Form ISR-5
Demat Holding	Please contact your DP and register your e-mail address and bank account details in your demat account, as per the process advised by your DP.	

9. 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.
10. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorised agency for conducting of the e-AGM and providing e-voting facility.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. 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 Practicing Company Secretary confirming the compliance of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014] with respect to the Company's Employees Stock Option Schemes 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@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com)

14. Re-appointment of Director:

At the ensuing AGM, Mr. Tomohiro Yao (DIN: 08429687), is liable to retire by rotation in terms of section 152(6) of the Act, and, being eligible, has offered himself for re-appointment.

15. 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 thereto which are required to be transferred during the year 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, 2022 on its website at <https://mf.nipponindiaim.com/investor-service/customer-service/nam-india-shareholders-investors> and also on the website of the Ministry of Corporate Affairs.

Please note that, Shareholders, who have so far not encashed their dividend are requested to do so at the earliest possible, failing which the dividend and the equity shares relating thereto will be transferred to the IEPF Authority.

16. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
17. 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.
18. The Company has fixed Friday, June 30, 2023 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM. The final dividend, once approved by the Members in the ensuing AGM will be paid on and from July 19, 2023, 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. To avoid delay in receiving the dividend, Members are requested to update their KYC with their depositories (where shares are held in dematerialised 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.
19. 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 1, 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	10% 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 2023-24 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. Resident 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 FY 2023-24 obtained from the revenue authorities of the country of tax residence,
- Electronically Form 10F as available on the Income Tax Portal,
- 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 the 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).

Kindly note that the aforesaid documents, as applicable, should be uploaded with Kfintech at <https://ris.kfintech.com/form15> on or before July 5, 2023 by 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 5, 2023 6:00 PM IST. The Company will arrange a separate communication to download a soft copy of the TDS certificate from Kfintech’s website 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 them, an option is available to them to file the return of income as per Income tax Act 1961 and claim appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted.**

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

20. SEBI has mandated the submission of PAN by every participant in the 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. In the 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.
22. 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 10, 2023 through email on [investorrelation@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com). The same will be replied by the Company suitably.
23. Instructions for e-voting and attending the AGM are as follows:

**A. Voting Through Electronic Means:**

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standards on General Meetings (‘SS-2’) issued by the ICSI and Regulation 44 of the Listing Regulations

read with the MCA Circulars & the SEBI Circulars, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

- (ii) The remote e-Voting period commences on July 8, 2023 (9:00 a.m. IST) and ends on July 11, 2023 (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 demat form, as on July 5, 2023, i.e. cut-off date, may cast their vote electronically. 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. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- (iii) The Board of Directors have appointed Mr. Mukesh Siroya, of M/s M Siroya & Co., Company Secretaries (Membership No. FCS 5682) as a Scrutiniser to scrutinise the 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 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 holding shares in physical form and non-individual Shareholders, 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](mailto: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. In case of Individual Shareholders holding securities in demat mode and 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 follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode."
- (vii) The details of the process and manner for remote e-Voting and voting during the meeting are explained herein below:

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on "e-Voting facility provided by Listed Companies", Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <p>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered, follow the below steps:</p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p><b>B. e-Voting website of NSDL</b></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p>

**NSDL Mobile App is available on**





Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for CDSL Easi/Easiest facility, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. To login Easi /Easiest, users are requested to visit CDSL website, viz. <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.

5. 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 user ID is 101456001***

6. Password details for Shareholders other than Individual Shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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 by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - 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'.
  - In case you have not registered your email ID with the Company/Depository, please follow instructions mentioned below in this notice.

7. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

- 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](http://www.evoting.nsdl.com).

b) Physical User "Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for Shareholders

- Institutional 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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [siroyam@gmail.com](mailto:siroyam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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](http://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](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Assistant Vice President - NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement/ scanned copy of the physical share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained above.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a. Member will be provided with a facility to attend the 28<sup>th</sup> AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. 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.
- e. Members holding shares as on the cut-off date i.e. Wednesday, July 5, 2023 and 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@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com) from Wednesday, July 5, 2023 (9:00 a.m.) to Saturday, July 8, 2023 (5:00 p.m.). 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.

- f. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- g. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager - NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). or call on toll free no: 022 - 4886 7000 and 022 - 2499 7000.

#### 24. Other Instructions

- i. The Scrutiniser shall, immediately after the conclusion of the voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the Company and provide, not later than forty eight (48) hours of conclusion of the AGM, a consolidated Scrutiniser'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.
- ii. The result declared along with the Scrutiniser's Report shall be placed on the Company's website at <https://mf.nipponindiaim.com> and on the website of NSDL at <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to The National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM, i.e. Wednesday, July 12, 2023.
- iii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

25. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing companies to send documents to their Shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the RTA of the Company and register their e-mail ID. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Company's website at <https://mf.nipponindiaim.com>.

#### Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 to the accompanying notice dated April 25, 2023

#### Item no. 4: To re-appoint Statutory Auditors of the Company and to fix their remuneration

M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005) ('SRB'), were appointed as the Statutory Auditors of the Company by the Members at the 23<sup>rd</sup> Annual General Meeting ("AGM") held on September 18, 2018 to hold office from the conclusion of the 23<sup>rd</sup> AGM till the conclusion of the 28<sup>th</sup> AGM of the Company. Accordingly, their first term gets completed on conclusion of this AGM.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years. SRB is eligible for re-appointment for a second term of five years.

Considering the past performance, experience and expertise of SRB and based on the recommendation of the Audit Committee and Board, it is proposed to appoint SRB as statutory auditors of the Company for a second term of five consecutive years till the conclusion of the 33<sup>rd</sup> AGM of the Company subject to approval of the Shareholders of the Company

#### Brief Profile of SRB

*M/s. S.R. Batliboi & Co. LLP (FRN: 301003E/E300005), ("the Audit Firm") was established in the year 1949. It has Head Office in Kolkata and has 13 branch offices in various cities in India. The Audit Firm is part of S.R. Batliboi & Associates network of audit firms and is registered as such with the Institute of Chartered Accountants of India (ICAI). It is a limited liability partnership firm ("LLP") incorporated in India.*

*The Audit Firm has a Peer Review certificate, which is valid till July 31, 2024. All the network firms including the Audit Firm are engaged primarily in providing audit and assurance services to clients.*



It is proposed that an amount of ₹ 31,05,000/- (Thirty One Lakhs and Five Thousand only) plus tax as applicable and reimbursement of out-of-pocket expenses be paid to SRB for audit of accounts of the Company for the financial year ended March 31, 2024 and for conducting quarterly Limited Review during the financial year 2023-24, and further increment(s) for the remaining tenure of the appointment, as may be recommended by the Audit Committee and approved by the Board of Directors. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

None of the Directors, Key Managerial Personnel and their relatives thereof are, in any way, concerned or interested in the said resolution. The Board accordingly recommends the resolution set out at item no. 4 of this Notice for your approval.

**Item No. 5: Appointment of Mr. Upendra Kumar Sinha as a Non-executive Independent Director**

The Board of Directors of the Company, based on the recommendation of Nomination & Remuneration Committee, appointed Mr. Upendra Kumar Sinha, as an Additional Director (Independent Director) of the Company with effect from May 1, 2023. Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"), Mr. Upendra Kumar Sinha holds office up to the date of Annual General Meeting (AGM) of the Company and is eligible to be appointed as a Director. The Board also appointed him as the Chairperson of the Board w.e.f. May 1, 2023.

The Nomination & Remuneration Committee and the Board of Directors of the Company have recommended the appointment of Mr. Upendra Kumar Sinha as a Non-executive Independent Director to hold office for a term of 5 (five) years with effect from May 1, 2023, not liable to retire by rotation.

Mr. Upendra Kumar Sinha (currently 71 Years) will be attaining the age of 75 years during this tenure of May 1, 2023 to April 30, 2028 and in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment/continuance of appointment to the office of Independent Director

beyond the age of 75 years requires the approval of Members by a special resolution.

**Brief Profile:**

Mr. Sinha served as the Chairman of Securities and Exchange Board of India (SEBI) for a period over six years between 2011 and 2017. During his stewardship, SEBI is credited with having brought in significant regulatory amendments in areas such as Takeover Code, Foreign Portfolio Investors, Alternate Investment Funds, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs) etc. SEBI reforms in mutual funds made this industry a household name and India's ranking in shareholder protection rose substantially because of SEBI's action on strengthening corporate governance.

Prior to this, he was the Chairman and Managing Director at UTI Asset Management Company Pvt. Ltd. for six years. Preceding this, he was the Joint Secretary in the Ministry of Finance and looked after Banking and Capital Markets Divisions.

Besides the above, he has held some very important positions as enumerated below:

- Chairman of Association of Mutual Funds in India.
- Chairman Asia Pacific Regional Committee of the International Organisation of Securities Commissions (IOSCO).
- Chairman of the Government appointed committee on Foreign Institutional Investments in 2010.
- Chairman of the RBI committee on Micro, Small and Medium Industries (MSMEs) in 2019.
- Chairman of the Insolvency and Bankruptcy Board of India (IBBI) committee on group insolvency in 2020.

Currently, he is acting as an independent director on the board of few companies and also advises a private equity fund. His book- "Going Public" on his term in SEBI was published by Penguin Random House in 2019. He has also edited a book- "Treatise on Securities Laws" published by Thomson Reuters in 2020.

**Awards**

For his contribution as Chairman SEBI, he was conferred with many awards viz. CNBC-TV18 India Business Leader Awards (IBLA) – Outstanding Contribution to Indian Business Award 2014 and Economic Times – Business Reformer of the Year Award 2014 to name a few.

Keeping in view his vast knowledge and expertise, it will be in the interest of the Company to appoint Mr. Upendra Kumar Sinha as the Non-executive Independent Director to hold the position up to 5 years commencing from May 1, 2023 and that he shall not be liable to retire by rotation.

The Company has received a declaration from Mr. Upendra Kumar Sinha to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act, read with the Rules framed thereunder and Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations. In the opinion of the Board of Directors, Mr. Sinha is independent of management and fulfils the conditions specified under the Act and the Listing Regulations for appointment as an Independent Director.

As required under Section 160 of the Act, the Company has already received notice from a member proposing the candidature of Mr. Upendra Kumar Sinha for appointment.

Mr. Upendra Kumar Sinha is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as such. The details of the Director sought to be appointed as Independent Director are set out in the Annexure to the Notice.

In compliance with the provisions of Section 149, 152 read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the appointment of Mr. Upendra Kumar Sinha as an Independent Director is now being placed before the Members for their approval through special resolution.

Copy of the draft letter of appointment of Mr. Upendra Kumar Sinha setting out the terms and conditions of appointment is available for inspection through electronic mode and any member interested in obtaining the same may write to the Company Secretary.

The Board recommends the Resolution at Item No. 5 of the Notice for approval by the Members of the Company.

Save and except Mr. Upendra Kumar Sinha and his relatives, none of the other Directors, Key Managerial Personnel ("KMP") and their relatives are concerned or interested, financially or otherwise, in this resolution.

Mr. Upendra Kumar Sinha is not related to any Director or KMP of the Company.

**Item No. 6: Appointment of Mr. Hiroki Yamauchi as the Non-executive Non-independent Director**

Mr. Hiroki Yamauchi was appointed as the Additional Director of the Company with effect from April 25, 2023 in accordance with the provisions of Section 161

of the Act. Pursuant to Section 161 of the Act, Mr. Hiroki Yamauchi 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. Hiroki Yamauchi for his office of Director of the Company.

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

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

Keeping in view his vast knowledge and expertise, it will be in the interest of the Company to appoint Mr. Hiroki Yamauchi as a Director of the Company. After careful consideration, the Nomination & Remuneration Committee and the Board of the Company, have recommended the appointment of Mr. Hiroki Yamauchi as the Director of the Company.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Mr. Hiroki Yamauchi and his relatives may be deemed to be concerned or interested in the Resolution at Item No. 6 relating to his appointment as a Director. Mr. Hiroki Yamauchi, 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 are interested in this Resolution.

Mr. Hiroki Yamauchi is not related to any Director or KMP of the Company.

**By Order of the Board of Directors  
For Nippon Life India Asset Management Limited**

**Nilufer Shekhawat**  
Company Secretary  
Membership No.: A – 23264

**Registered Office**

4<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganapatrao Kadam Marg, Lower Parel (West),  
Mumbai- 400 013

CIN: L65910MH1995PLC220793

Website: <https://mf.nipponindiaim.com>

Tel.: +91 22 68087000, Fax: +91 22 68087097

E-mail: [investorrelation@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com)

**Date: April 25, 2023**

## Annexure

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2, the following information is furnished about the Director(s) proposed to be appointed at the Annual General Meeting:

Name of the Director	Mr. Tomohiro Yao	Mr. Hiroki Yamauchi	Mr. Upendra Kumar Sinha
Brief details and Nature of Expertise in specific functional areas	<p>Mr. Tomohiro Yao, is Regional CEO for Asia Pacific and Head of India at Nippon Life Insurance Company. He is responsible for operations in the Asia Pacific.</p> <p>Mr. Tomohiro Yao is a seasoned professional with over 25 years of experience in the life insurance industry. He has extensive knowledge of Planning &amp; Research and Global Business Planning at Nippon Life, Japan. In 2011 he assumed charges as Executive Assistant to the Chairman of Life Insurance Association, Japan for 2 years. Following which he was engaged in Nippon Life's Global Business Planning, leading Nippon Life's international M&amp;A strategy. He was also responsible for driving Nippon Life's overseas Insurance businesses including India, Mainland China as well as the United States of America.</p> <p>He holds a degree of B.A. (Law) from Kyoto University and an MBA from Wharton School, University of Pennsylvania.</p>	<p>Mr. Hiroki Yamauchi, serves as General Manager, Global Asset Management Business Department at Nippon Life Insurance Company (NLI). In his over 20-year professional career with NLI, he has performed various roles, including corporate planning, marketing planning, and group annuity business. Also, he has worked for Nissay Asset Management in corporate / investment planning for 4 years. Besides the above, he has also spent his professional career with Nissay Deutsche Asset Management (Europe), where he held the position of Fund Manager for 3 years. In the most recent role, he has engaged in NLI's Indian life insurance and asset management business as Head of Indian Business for 2 years (2020-2022).</p> <p>Mr. Hiroki Yamauchi holds a B.A. (Economics) from the University of Tokyo.</p>	<p>Mr. Upendra Kumar Sinha, a 1976 batch IAS officer of Bihar cadre, during his 3 decades plus of experience has held several responsible government positions in India, including as Joint Secretary (Banking) and Joint Secretary (Capital Markets) in the Ministry of Finance; Chairman of the Working Group on Foreign Investment in India &amp; Chairman of SEBI, to name a few. He has also been the Chairman &amp; Managing Director of UTI Asset Management Company Limited and Chairman of the Association of Mutual Funds in India.</p> <p>He has actively contributed to the financial sector reforms in the country and is credited with starting the micro pension movement in India. Under his leadership, SEBI introduced significant developmental changes in the areas of FPIs, AIFs, REITs, InvITs and Corporate Governance.</p> <p>Mr. Sinha was selected for the Indian Administrative Service in 1976. He holds a M.Sc. and LLB degree.</p>
Nationality	Japanese	Japanese	Indian
Date of Birth/Age	June 1, 1971/51	August 3, 1974/48	March 2, 1952/71
First Appointment on the Board	April 21, 2022	April 25, 2023	May 1, 2023
Date up to which the Director shall hold office	NA	NA	April 30, 2028

Name of the Director	Mr. Tomohiro Yao	Mr. Hiroki Yamauchi	Mr. Upendra Kumar Sinha
Directorships in other companies	<ul style="list-style-type: none"> <li>Reliance Life Insurance Company Limited</li> <li>Nippon Life Insurance Company Limited</li> <li>Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.</li> <li>Grand Guardian Nippon Life Insurance Company Limited</li> <li>Bangkok Life Assurance Public Company Limited</li> <li>PT Asuransi Jiwa Sequis Life</li> </ul>	<ul style="list-style-type: none"> <li>Nippon Life Global Investors Americas, Inc</li> <li>Nippon Life Global Investors Europe, Plc.</li> </ul>	<ul style="list-style-type: none"> <li>Vedanta Limited</li> <li>Havells India Limited</li> <li>Housing Development Finance Corporation Limited (ceased w.e.f. April 29, 2023)</li> <li>SIS Limited</li> <li>New Delhi Television Limited</li> <li>NDTV Networks Limited</li> <li>NDTV Labs Limited</li> <li>NDTV Convergence Limited</li> <li>Aavishkaar Venture Management Services Private Limited</li> <li>Cube Highways Fund Advisors Private Limited</li> </ul>
Details of Memberships/ Chairmanships of Committees of other public Companies (includes Audit Committee and Stakeholders Relationship Committee)	Member of Board Audit & Compliance Committee of Reliance Nippon Life Insurance Company Limited	-	<ul style="list-style-type: none"> <li>Chairperson – Audit Committee of New Delhi Television Limited</li> <li>Chairperson – Audit Committee of NDTV Convergence Limited</li> <li>Chairperson – Audit committee of Havells India Limited</li> <li>Chairperson – Audit Committee of Vedanta Limited</li> <li>Member – Stakeholder Relationship Committee of Vedanta Limited</li> <li>Member- Audit Committee of NDTV Networks Limited</li> <li>Member – Audit Committee of NDTV Labs Limited</li> </ul>
Resignation as Director from Listed Companies in the past three years	-	-	<ul style="list-style-type: none"> <li>Housing Development Finance Corporation Limited (29.04.2023)</li> <li>Max Healthcare Institute Limited (20.05.2021)</li> </ul>
Terms & Conditions of Re-appointment/ Appointment	Liable to retire by rotation	Liable to retire by rotation	Not Liable to retire by rotation
Shareholding in the Company as at March 31, 2023 / April 25, 2023 / May 1, 2023, respectively (including as a beneficial owner)	Nil	Nil	Nil
Details of Remuneration sought to be paid	NA *	NA *	Sitting fees plus commission
Sitting fees paid during FY 2022- 23*	NA	NA	NA

Note: Pursuant to Regulation 26 of the Listing Regulations, only two Committee viz. Audit Committee and Stakeholders Relationship Committee have been considered.

\*As indicated by Nippon Life Insurance Company (NLI), 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, has been waived.

For other details such as the number of meetings of the board attended during the year, relationship with other directors and key managerial personnel and the skill and capability assessment vis a vis the role, 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 28<sup>th</sup> Annual Report on the business and operations of your Company, together with the audited financial statements, for the year ended March 31, 2023.

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

Your Company is a subsidiary Company of Nippon Life Insurance Company ("NLI"). NLI is a, fortune 500 Company and one of the largest life insurers in the world managing assets of over USD 700 billion. It 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 pedigree brings strong synergistic benefits that very well complements your Company's domestic expertise in the Asset Management business and provides a thrust to its significant growth potential. Your 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, 2023, 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, 2023, are as follows:

(₹ Crores)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Gross Income	1516.61	1535.63	1431.18	1428.42
Profit before exceptional item and tax	927.74	988.67	917.77	945.43
Exceptional Items	-	-	-	-
<b>Profit Before tax</b>	<b>927.74</b>	<b>988.67</b>	<b>917.77</b>	<b>945.43</b>
Current Tax	212.14	206.66	212.53	200.38
Deferred Tax	(7.33)	38.64	(9.70)	33.84
Profit for the year	722.93	743.37	714.94	711.21
Share of Profit from Associates	0.40	0.79	-	-
Profit attributable to non-controlling interest	-	-	-	-
Other Comprehensive Income	(1.86)	(0.30)	(1.85)	(0.27)
Balance carried to Balance Sheet	721.47	743.86	713.09	710.94
<b>Basic EPS of ₹ 10 each</b>	<b>11.61</b>	<b>12.00</b>	<b>11.48</b>	<b>11.47</b>
<b>Diluted EPS of ₹ 10 each</b>	<b>11.53</b>	<b>11.80</b>	<b>11.40</b>	<b>11.28</b>

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

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

### OPERATION HIGHLIGHTS

As you are aware that your Company acts as the asset manager to Nippon India Mutual Fund ("NIMF"), which is one of the largest Mutual Fund in India, in terms of the Quarterly Average Assets under Management (QAAUM) as on March 31, 2023.

The QAAUM of NIMF as on March 31, 2023, was ₹ 2,93,159 Crores comprising of ₹ 1,30,087 Crores of Equity, ₹ 54,068 Crores of Debt, ₹ 38,979 Crores of Liquid Funds and ₹ 70,024 Crores of ETF assets. It may be noted that the QAAUM of NIMF as on March 31, 2022 was ₹ 2,83,261 Crores comprising of ₹ 1,19,062 Crores of Equity, ₹ 73,173 Crores of Debt, ₹ 35,230 Crores of Liquid Funds and ₹ 55,796 Crores of ETF assets.

Overall QAAUM of NIMF has increased by 3.39% during the financial year 2022-23, while the Indian Mutual Fund Industry witnessed an overall growth of 5.55% in terms of QAAUM (Source: AMFI).

### New Schemes Launched:

During the year under review, Nippon India Mutual Fund launched the following new schemes:

Scheme Name	Type	Structure
Nippon India Nifty Alpha Low Volatility 30 Index Fund	OPEN	An open-ended scheme replicating/tracking Nifty Alpha Low Volatility 30 Index
Nippon India Fixed Horizon Fund – XLIV – Series 1	CLOSE	A Close Ended Scheme. Relatively High interest rate risk and moderate Credit Risk
Nippon India Nifty AAA PSU Bond Plus SDL – Sep 2026 Maturity 50:50 Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty AAA PSU Bond Plus SDL Sep 2026 50:50 Index. A Relatively High interest rate risk and Relatively Low Credit Risk.
Nippon India Nifty SDL Plus G-Sec – Jun 2028 Maturity 70:30 Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Plus G-Sec Jun 2028 70:30 Index. A Relatively High interest rate risk and Relatively Low Credit Risk.
Nippon India Fixed Horizon Fund XLIV – Series 4	CLOSE	A Close Ended Scheme. Relatively High interest rate risk and moderate Credit Risk
Nippon India Fixed Horizon Fund – XLIV – Series 2	CLOSE	A Close Ended Scheme. Relatively Low interest rate risk and moderate Credit Risk
Nippon India Nifty G-Sec Sep 2027 Maturity Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty G-Sec Sep 2027 Index. A Relatively High Interest rate risk and Relatively Low Credit Risk.
Nippon India Nifty G-Sec Jun 2036 Maturity Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty G-Sec Jun 2036 Index. A Relatively High Interest rate risk and Relatively Low Credit Risk.
Nippon India Nifty SDL Plus G-Sec – Jun 2029 Maturity 70:30 Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Plus G-Sec Jun 2029 70:30 Index. A Relatively High interest rate risk and Relatively Low Credit Risk
Nippon India Nifty G-Sec Oct 2028 Maturity Index Fund	OPEN	An open-ended Target Maturity Index Fund investing in constituents of Nifty G-Sec Oct 2028 Index. A Relatively High interest rate risk and Relatively Low Credit Risk
Nippon India Fixed Horizon Fund XLV – Series 4	CLOSE	A Close Ended Scheme. Relatively High interest rate risk and Relatively Low Credit Risk
Nippon India Fixed Horizon Fund XLV – Series 5	CLOSE	A Close Ended Scheme. Relatively High interest rate risk and Relatively High Credit Risk

As on March 31, 2023, NIMF has a well-rounded portfolio of 98 schemes under various categories such as Equity, Debt, Hybrid, Exchange Traded Funds, Index Funds, Fixed Maturity Plans, and Interval Funds.

### 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, 2023.

### DIVIDEND

During the year, the Company had declared and paid an interim dividend of ₹ 4.00 per equity share (40%) amounting to ₹ 249.23 Crores. The Board has also recommended a final dividend of ₹ 7.50 per Equity Share (75%) of ₹ 10/- each for the financial year ended March 31, 2023, for the approval of the

Shareholders at the ensuing Annual General meeting. With this the total dividend for the financial year 2022-23 would be approximately ₹ 716 Crores, including the interim dividend of ₹ 4.00 per equity share distributed in November 2022. The Final dividend, if declared, will be paid after the Annual General Meeting.

The dividend pay-out 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 and 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.

There is no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

## 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, 2023.

## EMPLOYEES STOCK OPTION SCHEME

With the perspective of promoting the culture of employee ownership and to attract, retain, motivate and incentivise senior as well as critical talent, the Company has formulated Nippon Life India Asset Management Limited - Employee Stock Option Plan 2017 ("NAM INDIA ESOP 2017") [formerly known as "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 Nippon Life India Asset Management Limited - Employee Stock Option Plan 2019 ("NAM INDIA ESOP 2019") [formerly known as "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 and administers these Plans and from time to time grants stock options to the employees.

Both ESOP 2017 as well as 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 provision 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 available on the Company's website at <https://mf.nipponindiaim.com/investor-service/customer-service/nam-india-shareholders-investors>

## CAPITAL STRUCTURE

During the Financial year 2022-23, the Company issued and allotted 11,57,515 Equity Shares to eligible employees on exercise of options granted under the Employee Stock Option Plans of the Company. Hence, the issued, subscribed and paid-up capital of the Company was 62,31,75,443 Equity Shares of ₹ 10 each at the end of the Financial Year.

The Equity History of the Company has been provided in the Corporate Governance Report.

## COMPLIANCE CULTURE & RISK MANAGEMENT

Your Company maintains a strong focus on Compliance and Risk Management as these are essential elements for its long-term success. The compliance and risk functions are managed by a dedicated and experienced team of professionals. The management has a zero tolerance towards risk and compliance failures or breaches.

There exists a comprehensive Compliance Manual, which is reviewed by your Board of Directors from time to time and it facilitates the Company's Compliance team to monitor various compliance requirements effectively & comprehensively. The Compliance team conducts periodical educative & training programmes on various regulatory compliances matters for various sections of employees.

Your Company also has a comprehensive Risk Management Policy that envisages a structured and consistent enterprise-wide risk management framework, based on the three lines of defense model, to ensure that risk management processes are consistently applied across the organisation and provide reasonable assurance regarding achievement of organisation's objectives.

The risk management policy clearly sets out the objectives & elements of risk management within the organisation, including the constitution of an independent Risk Management department headed by Chief Risk Officer (reporting directly to the CEO and to the Board of Directors), Risk Management Committee at executive and Board levels. The policy

also define the roles and responsibility of all the CXOs towards risk management as part of first line of defense model.

Your Company promotes risk awareness culture throughout the organisation and risk management is an integral part of decision making and day-to-day operations of all activities at all levels across the organisation. There are well documented & Board approved policies & processes to address and mitigate various risks to which the Company is exposed. The Company also has a robust business continuity plan which is tested on a periodic basis to ensure uninterrupted operations. The risk department conducts various training programmes on various facets of risk management including cyber risk awareness, conduct risk, operational risk, Anti Money Laundering, etc.

The Company has a structured risk reporting mechanism to ensure risks are monitored and reviewed by CRO, Senior Management, RMCBs and Board on a periodic basis.

#### **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.

For effective risk management and control, the Company has established structures and responsibilities in line with the "Three Lines of Defense" model, where 1<sup>st</sup> line being business operations, 2<sup>nd</sup> line is the oversight functions like Risk Management and Compliance and 3<sup>rd</sup> line is Internal Audit. To maintain its objectivity and independence, the Internal Audit department reports to the Audit Committee. The Internal Audit department 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 Internal Audit 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 to enhance trust of all its stakeholders. Strong & 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 a 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 Whistle Blower policy can be accessed on the Company's website. It is affirmed that no person has been denied access to the Chairperson of the Audit Committee.

#### **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, 2023, your Company had two (2) subsidiaries. One of such subsidiaries is overseas i.e., one subsidiary in Singapore and one subsidiary in India. Both 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 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 be wound up, in accordance with the applicable laws.

During the year our subsidiary company, Nippon Life India Asset Management (Mauritius) Limited, has been voluntarily wound up.

A statement w.r.t. the performance and the financial position of the subsidiaries of the Company forms a part of the Consolidated Financial Statements of the Company.

The performance of the 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://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

Further, The International Financial Services Centres Authority (IFSCA) has granted NAM India (IFSC Branch) the certificate of registration to carry out the activities as a Fund Management Entity (Non-Retail) under the IFSCA (Fund Management) Regulations, 2022 on March 1, 2023.

### KEY MANAGERIAL PERSONNEL

During the year under review, the following 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. Kazuyuki Saigo who was a Director as on March 31, 2022, resigned from the directorship of the Company w.e.f. April 21, 2022. Mr. Tomohiro Yao and Mr. Minoru Kimura were first appointed as Additional Directors of the Company w.e.f. April 21, 2022. Mr. Tomohiro Yao and Mr. Minoru Kimura were then appointed as Non-Executive Nominee Director w.e.f. July 12, 2022.

As on the date of this Boards Report, Mr. Hiroki Yamauchi was appointed as an additional Director (Non-Executive Nominee Director) in place of Mr. Akira Shibata. Mr. Upendra Kumar Sinha was appointed as an additional Director (Non-Executive Independent Director) and Chairman of the Board to be effective May 1, 2023. Both these appointments are subject to approval of the Shareholders at the ensuing Annual General Meeting.

All the Independent Directors of your Company i.e., General Ved Prakash Malik (Retd.), Ms. Ameeta Chatterjee, Mr. Ashvin Parekh and Mr. B. Sriram 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 people of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The

Indian Institute of Corporate Affairs, Manesar ('IICA'). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. All the Independent Directors of the Company are exempt from the requirement to undertake online proficiency self assessment test.

### 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 input 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, eight (8) Board meetings 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, Stewardship 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 the 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 the majority of Independent Directors. As on date of this report, it comprises Mr. Ashvin Parekh [Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. B. Sriram [Independent Director], Mr. Hiroki Yamauchi [Non-Independent Director] and Mr. Minoru Kimura [Non-Independent Director]. Mr. Ashvin Parekh acts as the Chairperson of this Committee.

During the year, eight (8) meetings of the Audit Committee were held, which includes 1 joint Audit Committee between the Audit Committee of the Asset Management Company ('AMC') with the Audit Committee of the Trustees and one (1) meeting to interact with the Statutory and Internal Auditors of the Mutual Fund without the engagement of management of the AMC as stipulated in SEBI Circular No. SEBI/HO/IMD/IMD-IDOF2/P/CIR/2022/17 dated February 09, 2022.

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 the 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. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director], Mr. Tomohiro Yao [Non-Independent Director] and Mr. Minoru Kimura [Non-Independent Director]. General Ved Prakash Malik (Retd.) acts as the Chairperson of this Committee.

During the year, three (3) 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 eight (8) Members. As on date of this report, it comprises Mr. Tomohiro Yao [Non-Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director], Mr. Sundeep Sikka [CEO & Executive

Director], Mr. Hiroki Yamauchi [Non-Independent Director] and Mr. Minoru Kimura [Non-Independent Director]. Mr. Tomohiro Yao acts as the Chairperson of this Committee.

During the year 2022-23, 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 five Members. As on date of this report, it comprises Ms. Ameeta Chatterjee [Independent Director], Mr. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director], Mr. Tomohiro Yao [Non-Independent 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. Tomohiro Yao [Non-Independent Director], Mr. Hiroki Yamauchi [Non-Independent Director], Mr. Sundeep Sikka [CEO & Executive Director], Mr. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director] and Mr. Rishi Garg [Chief Risk Officer] as its Members. Mr. Tomohiro Yao acts as the Chairperson of this Committee.

During the year, five (5) meetings of the Risk Management Committee of the Board were 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 this 28<sup>th</sup> Annual General Meeting.

The Company has already received a consent letter from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants communicating their willingness to be re-appointed as the Statutory Auditors of the Company and that their re-appointment, if made, would be within

the limits as prescribed under Section 139 of the Companies Act, 2013.

Your Directors hereby recommends the re-appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company.

#### **Internal Auditors:**

JHS & Associates LLP, Chartered Accountants (JHS) were appointed as the Internal Auditors of your Company for the financial year 2022-23. Having regard to their longevity in office and as a matter of good governance, your Directors have approved the rotation of JHS and appointed PricewaterhouseCoopers Services LLP (PWC) as the Internal Auditors of your Company for the financial year 2023-24.

Your Directors wish to place on record the contributions made by JHS during their tenure as Internal Auditors of your Company.

#### **AUDITORS OF THE SCHEMES OF NIPPON INDIA 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 2022-23.

#### **Internal Auditors:**

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Deloitte) were appointed as Internal Auditors of the Schemes of Nippon India Mutual Fund and the Portfolio Management Services division of the Company, for the financial year 2022-23. Having regard to their longevity in office and as a matter of good governance, your Directors have approved the rotation of Deloitte and appointed PricewaterhouseCoopers Services LLP (PWC) as the Internal Auditors of the Schemes of Nippon India Mutual Fund and the Portfolio Management Services division of the Company for the financial year 2023-24.

Your Directors wish to place on record the contributions made by Deloitte during their tenure as Internal

Auditors of the Schemes of Nippon India Mutual Fund and the Portfolio Management Services division of the Company.

#### **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 2022-23. In this regard, the Report submitted by the Secretarial Auditor is annexed as **Annexure C**.

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

#### **ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed on the website of the Company and can be accessed at <https://mf.nipponindiaim.com/AboutUs/FinancialReports/Pages/Annual-Return.aspx>.

#### **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 the latest technology and energy - efficient equipment's. Your Company only uses LED lights and 5-star air-conditioning for majority of offices. As energy cost forms a very small part of the total costs, the impact on cost is not material.

##### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

**Business Easy Revamp** - Business Easy 2.0 app, our Digital asset for our distributors, is an all-

encompassing solution that acts as a complete Customer Relationship Management tool. The app works as a Digital branch through which distributors can manage their Mutual Fund business virtually. With the objective of evolving the app from a business facilitator to a growth enabler, this year saw the addition of new enhancements and features to the app. A number of features such as Intern Distributor addition, quick investment module were added along with meaningful reports for distributors to maximise the usage of the App.

**Investor App and Website Enhancement** – Our flagship assets, namely the InvestEasy App and the InvestEasy website are constantly upgraded to include enhancements and innovations. These include workflow enhancements such as Cart Buying where users can purchase more than one product at a time. A number of regulatory compliance requirements have been added in the year as well.

**Process Automation across Organisation** – As part of the automation initiative a number of processes have been automated across operations, finance, risk and technology. This has freed up resources to be redeployed elsewhere.

**Implementation of cloud initiatives** – Continuing on NAM India's cloud journey a number of initiatives on cloud where the infrastructure for initiatives such as Data Lake, Analytics, new core applications have been implemented on the AWS cloud.

## RESEARCH AND DEVELOPMENT

### DIGITAL ADOPTION AND INNOVATION:

Nippon India Mutual Fund, continue to envision and execute key Digital transformation endeavors year on year that are aimed to strengthen our already robust Digital ecosystem.

- Focus always remains on empowering our investors during moments of truth and on a 'here & now' manner to take quicker, smarter, and well-informed decisions on how and where they should invest their money when they transact on our Digital assets. Such empowerment is fueled by our capabilities to crunch & run real-time analysis on the enormous amount of on-asset & offline data points we have regarding our consumers, their past purchases, and future propensities.
- Intelligent, data led digital assets, can learn, and predict user behavior powered by both the real time frameworks and archived analytical frameworks which are operating on an advanced algo network. This helps in e-serving highly personalised and customised experiences to give our millennial, zillennial and legacy investors or partners accurate recommendations,

suggestions, on-the-fly nudges, predictive service and much more as they advance in their journeys.

Implementation of Data Models for cross sell and upsell have been implemented as part of the innovation adoption initiatives. As part of this movement third party model creators have been engaged with enhancing the data models of the organisation. Use cases are created with the support of business to identify patterns and opportunities in the models and campaigns are triggered on the analytics ecosystem to connect with customers and track the efficacy of the models.

We at NAM India also are working on further enhancing our digital assets by bringing in innovation in the payment gateway space especially towards frictionless payments. The current payment gateway ecosystem gives us as Digital innovators a lot of play with respect to designing workflows especially in the UPI space.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company earned foreign exchange equivalent to ₹18.09 Crores (Previous Year: ₹ 22.85 Crores). The Company spent foreign exchange equivalent to ₹ 11.25 Crores (Previous Year: ₹ 6.98 Crores).

### 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, 2023, 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, 2023 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 the 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://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

Your Directors draw attention of the Members to Note No. 28 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.

#### **DETAILS OF APPLICATION MADE BY THE COMPANY OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

The Company on behalf of the schemes of Nippon India Mutual Fund invests in various debt market instruments (non-convertible debentures) issued by various issuers. In order to realise the debenture outstanding's, the Company has filed certain applications under the Insolvency and Bankruptcy Code, 2016. The Mutual Fund Division of the Company has filed (a) an IBC proceeding against Avantha Holdings Limited in January 2020 before Hon'ble NCLT New Delhi which is withdrawn as Avantha Holdings Limited has paid its dues. The Company is also a respondent party to an IBC proceeding filed in the matter of Reserve Bank of India v. Dewan Housing Finance Corporation Limited pending before the Hon'ble NCLT, Mumbai.

The Portfolio Management Services Division of the Company has filed: (a) IBC proceedings against Fortuna Buildcon India Private Limited was filed in November 2017 before the Hon'ble NCLT, Bangalore, wherein currently the resolution plan has been submitted to the Hon'ble NCLT for approval (b) three IBC proceedings against three Biodiversity Conservation India Private Limited group companies (BCIL Zed Ria Properties Private Limited, BCIL Red Earth Developers India Pvt. Ltd. and Biodiversity Conservation India Private Limited) were filed in December 2017 before the Hon'ble NCLT, Bangalore. The NCLT has approved resolution plans in BCIL Zed Ria Properties Private Limited and in BCIL Red Earth Developers India Pvt. Ltd., which are currently under implementation while Biodiversity Conservation India Private Limited is currently under liquidation. The Company is also a respondent to 2 (two) appeals in BCIL Red Earth Developers India Private Limited and in 3 (three) appeals in BCIL Zed Ria Properties Private Limited, before Hon'ble NCLAT, Chennai, which have been filed challenging the approved resolution plans; (c) IBC proceedings have been filed against the promoters of Biodiversity Conservation India Private Limited in November 2020 before Hon'ble NCLT, Bangalore which are currently at a pre-admission stage; (d) IBC proceeding filed against Green Valley Shelters Private Limited in December 2019, before Hon'ble NCLT, Chennai, was admitted in August 2021, however the proceedings are currently temporarily stayed under an order of the Supreme Court. The Company is a respondent in a civil appeal filed by the promoters of Green Valley Shelters Private Limited before the Hon'ble Supreme Court, challenging the admission of IBC proceedings against Green Valley Shelters Private Limited, which is currently pending under directions of exploring a settlement; (e) an IBC proceeding filed against the promoters of Green Valley Shelters Private Limited in October 2020 before the

Hon'ble NCLT, Chennai and is at a pre-admission stage; (f) an IBC proceeding was filed against Arkie Atelier Design India Private Limited, being the corporate guarantor for the debentures issued by Green Valley Shelters Private Limited in November 2021 and is currently at a pre-admission stage; (g) an IBC proceeding filed against Bharucha & Motivala Infrastructure Private Limited, being corporate guarantor for the debentures issued by Lake District Realty Private Limited, in November 2019 before Hon'ble NCLT, Mumbai was admitted in May 2021, but has been stayed pursuant to an order of the Hon'ble NCLAT in July 2021. The Company is a respondent in the appeal filed by the promoters of Lake District Realty Private Limited before the Hon'ble NCLAT, Delhi, challenging the admission of IBC proceedings against Bharucha & Motivala Infrastructure Private Limited, which is currently reserved for orders; (h) IBC proceedings have been filed against the promoters of Lake District Realty Private Limited in November 2021, which is currently at a pre-admission stage; (i) an IBC proceedings has been filed against Ashapura Options Private Limited, being the corporate guarantor for the debentures issued by Ashapura Housing Private Limited in February 2022 which is at a pre-admission stage. (j) IBC proceedings have also been filed against four (4) promoter guarantors of Ashapura Housing Private Limited, which are at a pre-admission stage.

#### **COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (i) of section 148 of the Companies Act, 2013.

#### **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: 0
- No. of complaints disposed off: 0

#### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Pursuant to Regulation 34(2)(f) of Listing Regulations, top 1000 listed entities by market capitalisation have to publish a Business Responsibility and Sustainability Report from FY 2022-23. Business Responsibility and Sustainability Report for the year under review as stipulated under Listing Regulations is presented in the separate section forming part of this Annual Report.

#### **AWARDS AND RECOGNITIONS**

Some of the awards & recognitions, which came to NAM India include,

- Included in the elite "Kincentric Best Employers Club- 2023" an exclusive and prestigious group of organisations chosen across all industries who have been Best Employers consistently in the last 3-5 years
- Awarded Best Employer 2022 Award – 5<sup>th</sup> time in last 7 years
- Won the Outstanding Employee Engagement Award from Ekincare for our Health & Wellbeing initiative (Amongst only 9 Companies recognised in the country)

#### **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, Registrar, 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

**Ashvin Dhirajlal Parekh**  
Director  
(DIN: 06559989)

**Sundeep Sikka**  
Executive Director & CEO  
(DIN: 02553654)

Place : Mumbai  
Dated : April 25, 2023

## Annexure – A

### Annual Report on CSR activities for FY 2022–2023

#### 1. Brief outline on CSR Policy of the Company:

Our Company’s vision is to improve and sustain lives by making a meaningful and measurable impact on the lives of the communities wherever it operates by maintaining the highest ethical standards. We believe in creating synergies with our partners and communities and are committed to augmenting the overall economic and social development of local communities. Our Corporate Social Responsibility’s (CSR) strength lies in improving the quality of life of the under-served sections of the society by focusing on Healthcare, Education, Skill Development, Environment Sustainability, Rural Development,

Sports and support towards Armed forces and or any other activities under Schedule VII of the Companies Act, 2013 for the service of the nation and the greater good of the communities. We believe in transformation by inter-weaving social responsibility by influencing not only the employees but mobilising various stakeholders to embrace responsible social practices in their respective spheres of life. Our CSR policy sets the framework guiding the Company and its subsidiaries’ CSR activities. It re-affirms our commitment and faith to preserve and augment natural progression of growth both for communities and resources.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Tomohiro Yao– Chairperson*	Non- Independent Director	2	2
2.	Ameeta Chatterjee	Independent Director	2	2
3.	General Ved Prakash Malik (Retd.)	Independent Director	2	2
4.	Akira Shibata	Non- Independent Director	2	2
5.	Sundeep Sikka	Executive Director & CEO	2	2
6.	Ashvin Parekh	Independent Director	2	2
7.	B. Sriram	Independent Director	2	2
8.	Minoru Kimura*	Non- Independent Director	2	1

\* Mr. Tomohiro Yao and Mr. Minoru Kimura were appointed the Board on April 21, 2022.

#### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee is available at:

<https://mf.nipponindiaim.com/InvestorServices/Pages/Committees.aspx>

CSR policy is available at: <https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

CSR Projects is available at: <https://mf.nipponindiaim.com/csr>

Impact Assessment Reports: <https://mf.nipponindiaim.com/csr>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

**Increasing Access to Healthcare Services in Underserved Populations: An Impact Assessment Study for programme ‘Mobile health Center: Primary Healthcare at doorstep’.**

– Implemented by Deepak Foundation

**About the project:**

NAM India supported the 'Mobile Health Center: Primary Healthcare at Doorstep' project implemented by Deepak Foundation which aimed at providing doorstep healthcare services to vulnerable sections of society in Block Paithan (Aurangabad, Maharashtra) and Block Kawant (Chhota Udaipur, Gujarat). The programme was able to effectively provide healthcare services including consultation and diagnosis along with free of cost medicines to over 1,40,000 beneficiaries over its project duration.

**Objective:**

To provide doorstep healthcare services to vulnerable sections of society, address issues related to poor accessibility and knowledge for healthcare, malnutrition, anaemia & family planning and to create awareness on disease prevention and behavioral change

**Key Findings:**

The impact assessment findings are categorised as follows:

**Access to Healthcare**

- 85% respondents reported availing services at the MHU with 90% beneficiaries availing diagnostic services at MHU and 94% being followed up regarding healthcare afterwards.

**Access to Medication**

- 98% respondents recalled receiving medication for free with 100% satisfaction among them regarding the ailment relief received. The respondents stated doorstep service in remoted regions, free and effective medication as major reasons for high satisfaction.

**Awareness Generation**

- 68% respondents recalled being part of the awareness generation sessions on antenatal care (ANC), peri-natal care (PNC), Covid-19 and maternal healthcare with 84% respondents reporting them as helpful.

**An Impact Assessment Study of Mobile Health Centre Programme in Mumbai**

- Implemented by Americares India Foundation

**About the project:**

NAM India supported the 'Mobile Health Centre' programme implemented by Americares India Foundation creating access to healthcare services to minorities of the city of Mumbai. The programme provided healthcare services like accessibility to medical services, consultation

along with free and effective medicines to over 18,000+ beneficiaries in its project duration.

**Objective:**

To serve the poor and needy or underserved populations in and around the low-income communities situated in Andheri East through Mobile Health Centre (MHC)

**Key Findings:**

The impact assessment findings are categorised as follows:

**Access to Healthcare**

- 97% respondents were satisfied with the consultation experience and 90% respondents availing diagnostic services at MHU.

**Access to Medication**

- 100% respondents received the medication free of cost with 100% satisfaction among them regarding the ailment relief received. The respondents stated doorstep service, free and effective medication as major reasons for high satisfaction.

**Awareness Generation**

- 88% respondents recalled being part of the awareness generation sessions, and 99% respondents reported satisfaction with the education services.

**Promoting Employability among Youth: An Impact Assessment Study of 'Career Edge Academy', A Skilling and Employment Programme**

- Implemented by EduBridge Learning Private Limited and Udyogini

**About the project:**

NAM India supported the 'Career Edge Academy' project implemented by EduBridge Learning Private Limited and Udyogini. The project was implemented in four stages which are mobilisation, training (on BFSI, IT and retail), placement, and post-placement assistance at three project locations -Pune, Indore and Ernakulam. The total project beneficiaries were 1727.

**Objective:**

To address the poverty and unemployment issue and provide employment opportunity to the unemployed youth of India. To improving the family income and enhancing their standard of living.



### Key Findings:

The impact assessment findings are categorised as follows:

#### Programme Mobilisation and Enrollment

- 99% respondents were satisfied with the enrollment process, 91% respondents shared that instructor clarified their doubts and 85% of the respondents had joined the Programme with the intention of getting job.

#### Training Experience

- 93% respondents were satisfied with the instructor, 94% of the respondents had gone through internal assessments and 71% of the respondents shared that they received the course completion certificate.

#### Placement and post-placement assistance

- 41% participants reported receiving a placement offer, 78% of the respondents started working in BFSI sector and 100% of the placed participants shared that they are satisfied with the existing job.

#### Increase in household income

- 100% of the placed participants shared that their household income has increased, and their current salary is sufficient for sustenance.

### Impact Assessment Study for Olympic Gold Quest

#### About the project:

To support Indian athletes in winning Olympic and Paralympic Gold medals, NAM India supported the 'Olympic Gold Quest' programme to provide them the required training, competition and sports science support. The programme supported 174 athletes and para-athletes all over India during the study period.

#### Objective:

To support Indian athletes in winning Olympic and Paralympic Gold medals and enable them to be competitive at the highest level of sport.

#### Key Findings:

##### Training

- 100% Respondents were highly satisfied with the training support & Increased confidence due to same.
- 71% Shared improved sustenance aspect for self & family due to stipend ( ₹ 15,000/ month)
- 86% participants shared enhanced focus and performance in game as some of the benefits.

#### Coaching:

- 100% respondents were highly satisfied with the quality of the equipment support provided & it had improved their performance by 75-100
- 93% respondents reported being extremely satisfied with the technical guidance received from coaching
- 86% Felt 75-100%% enhancement in their overall techniques and strengths, competition readiness and motivation

#### Sports Science:

- 93% observed who received nutrition support received guidance on dietary and exercise requirements
- 93% of Respondents experience, 75-100% change in core stability and an increase in speed, agility, strength and power.
- 100% Respondents experience 75%-100% change in movement mobility and psychological support due to support
- 71% respondents reported reduced risk of burnout, increased confidence and enhanced effectiveness in dealing with stress and improved concentration to the tune of 75-100% due to sports psychology support
- 85% respondents reported increased strength and endurance and 92% reported improved mental health rehabilitation of 75-100% due to injury management and rehabilitation support
- 86% respondents reported 75-100% change in ranking as well as motivation, ambition and confidence
- 79% respondents reported enhanced social and emotional wellbeing and recognition in society due to the project

#### Overall Impact:

- 54% respondents won at least 1 national or international medal in the study period
  - 54% athletes that OGQ support has strengthened their growth as an athlete by 75%-100%
  - 50% participants shared that they would have experienced less than 50% of benefits without OGQ support
5. (a) Average net profit of the company as per sub-section (5) of section 135 = ₹ 692.32 Crores
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 = ₹ 13.85 Crores

- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years = Nil  
 (d) The amount required to be set-off for the financial year, if any - Nil  
 (e) Total CSR obligation for the financial year [(b)+(c) - (d)] = ₹ 13.85 Crores

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) = ₹ 5.76 Crores  
 (Note- This excludes the amount committed to projects but transferred to an unspent account to the tune of ₹ 7.92 Crores, and also excludes admin and impact assessment expenses)

- (b) Amount spent in Administrative Overhead = ₹ 0.27 Crores  
 (c) Amount spent on Impact Assessment, if applicable = 0.05 Crores  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. = ₹ 6.08 Crores

(Note- This excludes the amount committed to projects but transferred to an unspent account to the tune of ₹ 7.92 Crores)

- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6.08*	7.92	April 12, 2023	NA	NA	NA

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ Crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	13.85
(ii)	Total amount spent for the Financial Year	14.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.15
(iv)	1. Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.15

\*Of which ₹ 6.08 Crores. is the amount spent and ₹ 7.92 Crores. is the amount transferred to the unspent CSR account

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficit, if any
					Amount (in ₹)	Date of Transfer		
1	FY-19-20				NIL			
2	FY-20-21				NIL			
3	FY - 21-22	7.08 Crores	0.12 Crores	6.96 Crores	NA	NA	0.12 Crores	-

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**

Yes       No

If yes, enter the number of Capital assets created/ acquired

NIL\*

\*Note- Excluding any assets which are purchased/created and owned by implementing partners of NAM India's CSR projects.

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

Most CSR projects supported by NAM India in FY 22-23 were multi-year engagements which were identified for support during the reporting period, on account of which the entire allocated amount could not be spent within the year. The unspent amount for these CSR projects has hence been transferred into the unspent CSR account and is to be utilised within the next three financial years.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED

**Tomohiro Yao**  
Chairman-CSR Committee  
(DIN: 08429687)

**Ashvin Dhirajlal Parekh**  
Director  
(DIN: 06559989)

**Sundeep Sikka**  
Executive Director & CEO  
(DIN: 02553654)

# Corporate Social Responsibility Policy

## 1. Introduction

1. Nippon Life India Asset Management Limited ("the Company" or "NAM India") is the asset manager of Nippon India Mutual Fund (NMF).
2. The Company recognises the importance of good corporate governance and corporate social responsibility and envisages to nourish and sustain the ecosystems on which it operates by aiming for growth through sustainable development.
3. The Company is a socially responsible financial services company that strives to improve the quality of life of the under-served sections of society, by focusing on Skill Development, Education, Healthcare and Environment, Sports & Support for armed forces for the service of the nation and the greater good of the communities in which we operate.
4. The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with the Government of India's notifications issued from time to time.

## 2. CSR Policy

### 2.1 Guiding Charter

1. The primary purpose of the Company's CSR philosophy is to maintain the highest ethical standards, while on its mission to improve and sustain lives around the world. The Company strives to make a meaningful and measurable impact in the lives of the communities wherever it operates.
2. The Company believes in creating synergies with our partners and communities for growth and success. We are committed to augment the overall economic and social development of local communities by discharging our social responsibilities in a sustainable manner.
3. The Company believe employee volunteering is an important element in our initiatives. We believe communities can benefit from skills and experiences of our staff. Our employees while supporting communities gain knowledge and new skills will also

help us build strong relationships with the communities in which we operate while gaining a more engaged, skilled and motivated workforce.

4. The Company upholds its commitment to serve and partner with government and multi/bi-lateral agencies in nation building. It aims to leverage the expertise of multi-lateral agencies in designing programmes that would complement the efforts of government development programmes. It shall respect the various traditions and cultures of our country and is committed to preserve and document history and art for the benefit of present and future generations.
5. This policy will serve as a guiding document containing approach and direction given by the Board, considering the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

### 2.2 Objective

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII of the Companies Act, 2013. The framework enables business heads to put in place policies and practices in line with this policy.

### 2.3 Scope

1. The CSR Policy is an overarching policy applicable to the Company and its subsidiaries. (hereinafter referred to as "Group")
2. The policy will apply to all employees across the bandwidth of Company and its subsidiaries. Their commitment and involvement in putting the policy into action would support us in achieving our principles and mandate and adhering to global standards.

### 2.4 Governance Structure

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board through the CSR Committee

The Board of the Company will be responsible for:

- Setting up the CSR Committee as per the Act



- Making any change(s) in the constitution of the CSR Committee as deemed suitable
- Approving the CSR policy as formulated and recommended by the CSR Committee.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,
- Ensuring proper implementation of the CSR Policy along with the funds committed by the Company for CSR Projects/ Programmes are utilised effectively and have an oversight on monitoring and reviewing of CSR Activities undertaken by the Company and provide inputs as and when require
- In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects / Programmes on the Company website; and
- The CSR Department of the Company will be responsible for administering and executing the policy. As the Company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations the CSR Committee
- The Board shall satisfy itself that the disbursed funds have been utilised for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for the financial management shall certify to the effect.
- All other Group companies will/have constituted CSR Committee of Directors as per applicability under Rule 3 of the Companies (Corporate Social Responsibility Policy) Amendments Rules, 2014.

## 2.5 The CSR approach

At NAM India Group, the approach is to interweave social responsibility into the company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilise stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

The policy affirms our commitment to preserve natural resources and augment the growth of the communities we operate in, with a concentrated effort by ensuring that its employees contribute and volunteer for various community development initiatives.

The Group has defined certain areas under which it will implement its CSR Projects or Programmes in a multistakeholder approach covering all social, environmental, and economic aspects.

### 1. Environmental Sustainability

The guiding line for the environment is the 5 'R's: Reduce, Reuse, Recycle, Renew and Respect. The imperative is to use natural resources efficiently to leave a minimal carbon footprint and impact on diversity.

The Group will initiate multiple projects implemented directly or through implementing partners to promote conservation & ecological balance, protection of flora and fauna, animal welfare including rejuvenation efforts of river Ganga and Swachh Bharat Abhiyan.

The Group will encourage investment in projects or Programmes which would focus on energy efficient technology, developing friendly products and services, water conservation, access to water, promotion of green energy, public transport and encourage use of alternate energy. It will also work in the areas of Environmental, Social and Governance and Sustainability

### 2. Rural Development

The Group with an objective of contributing to the improvement of the economic and social well-being of people in rural areas, will initiate projects or Programmes that empower the rural population. These will range from providing infrastructural support, innovative products or services for healthcare, education, water and soil conservation, livelihood development and or any other such projects or Programmes required for the development of rural communities to augment overall economic and social development of local communities

### 3. Healthcare and Sanitation

Healthcare and Sanitation is of universal concern across the spectrum of the community. The Group is committed to contribute towards improving the health, hygiene and sanitation needs of the community through promotion of primary healthcare including preventive and palliative healthcare needs.

The Group shall promote wellness among its communities through innovative products and services, infrastructural development and create awareness on health, hygiene, wellness and sanitation etc to bring in a behavioural change. This also includes contributions made to specific funds set up by Central Government and provisions made as eligible under Schedule VII updated from time to time.

#### 4. Education and Skill Development

The Group believes that Education and Skill Development is the basic tool to bring development to an area and its population. By promoting access to education and skill-based training and learning, it aims to create a pool of human resources both across and beyond our area of operations with appropriate education and market relevant skills, thus contributing to nation building.

The Group will focus on implementing multitude of interventions towards holistic development of educational eco-system, promoting financial literacy, digital literacy, use of technology to make education accessible for all, financial and infrastructural support, providing skilling, re-skilling and multi-skilling and entrepreneurial support to different sections of the society including differently abled for meaningful employment.

#### 5. Sports

The Group believes investment in sports as nation building, community development, empowerment, skill development and investment in health. It shall support promotion of rural sports, nationally recognised sports, Paralympic sports and Olympic sports. The objective is to help athletes to win medals in international tournaments, especially Olympic games by mainly providing them international level coaching, health fitness support and equipment, amongst others.

#### 6. Support for Armed forces

India has one of the largest militaries and para military forces in the world. Their role is not limited to protecting the borders. The forces are very much active and supportive in every other adversity be it disaster, floods, earthquakes, cyclones or rescue operations. They make supreme sacrifice for the nation, but it is also a disaster in the lives of soldier's family and dependents. The martyr family is under tremendous stress in the event of a soldier laying-down life for the country. They cease to have a support system and

regular income for the family. It also impacts adversely on children and their education

The Group's focus is to extend support to armed forces veterans, war widows and their dependents and such families by contributing to various government and other welfare funds along with implementing partners by providing healthcare, financial, educational and skill development support to the martyr families.

Armed Forces comprises of the Indian Army, Navy and Air Force, Central Armed Police Forces and Central Para Military Forces

#### 7. Poverty Alleviation and Reduction of Inequalities

The Group shall implement projects or Programmes covering education, skill development, healthcare, inclusion and access to products and services to support underserved sections of the society such as rural population, urban poor and migrant population.

The Group's approach will be to implement CSR projects and Programmes which come under CSR Focus areas as defined in this CSR Policy statement, but it will not be restricted to these defined CSR focus areas only. On a case to case basis, the Group may also consider undertaking CSR Programmes and/or projects on CSR focus areas which are eligible under Section 135 read with schedule VII of the Companies Act along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time to time and as may be approved by the CSR Committee.

#### 2.6 CSR Budget

The Group will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

In the event that any CSR funds remain unspent, the Board in its report shall specify the reasons for not spending the said amount. However, if such unspent CSR funds do not relate to any Ongoing Project, such unspent funds shall be transferred to an account specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year

In the event that any CSR funds remain unspent pursuant to Ongoing Project, the Group shall transfer such unspent CSR Funds to its Unspent Corporate Social Responsibility Account, within

30 (thirty) days from the end of the financial year. Such unspent CSR funds shall then be spent in accordance with the terms of this CSR Policy.

The Surplus arising out of CSR projects or Programmes or activities shall not form part of business profits of the Group.

In the event the Group spends an excess of the requirement provided under Section 135 of the Companies Act, such excess amount may be set-off against the budget of any financial year as eligible under the Companies Act and its amendments.

The Group may spend its CSR budget for creation of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same.

## 2.7 Guiding Principles for implementing CSR Projects/Programmes

The following procedures will be adhered to while undertaking / funding CSR activities/projects / Programmes:

CSR activities will be undertaken in areas identified by the CSR Committee. An Annual Action plan shall be presented to the CSR Committee by CSR Working Group, if applicable and based on its recommendations, to the Board of Directors of the Group for approval

The Annual Action Plan shall incorporate the following:

- List of CSR projects or Programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of execution of such projects or Programmes;
- Modalities of utilisation of funds and implementation schedules for the projects or Programmes;
- Monitoring and reporting mechanism for the projects or Programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the Group;
- During any financial year, the Annual Action Plan of the Group may be modified with approval of the board, with reasonable justification to that effect, the Board shall ensure that the CSR activities are undertaken by the Group through:
  - A Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43

of 1961), established by the Company, either singly or along with any other Company, and having an established track record of at least three years in undertaking similar activities. Or

- A Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government.
- Any entity established under an Act of Parliament or a State legislature; or
  - Presentation of Project / Programme Details.
  - Scheduling of disbursements of funds relating to the Projects or Programmes and monitoring system in accordance with pre-agreed milestones with partners.
  - The CSR Committee whilst making any contribution will specify the activities for which it is made, the amount for the same and the time period for the activity.

The following minimum criteria will be ensured while selecting entities for Project or Programme execution

- The Entity is a registered Society/ Public Charitable Trust/ not for profit organisation established under Section 8 of the Companies Act, 2013 and is also registered with Central Government as required under section 4(2)(a) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as amended from time to time
- The Entity has a permanent office/ address in India
- The Entity has a valid Income Tax Exemption Certificate
- The Entity has submitted a detailed project proposal and budget which has been evaluated by CSR working group, if applicable.
- CSR projects or programmes or activities must be undertaken in India alone except for training of Indian sports personnel representing any State or Union Territory at National level of India at an International level.
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Group
- Project or Programmes or activities that benefit only the employees of the Group and their families shall not be considered as CSR

- Projects or Programmes or activities supported by the Group on sponsorship bases for deriving marketing benefits for its products or services
- Projects or Programmes or activities carried out for fulfillment of any statutory obligations under any law in force in India
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR

## 2.8 Monitoring

The CSR Committee shall ensure a well-defined and transparent monitoring mechanism to ensure that each CSR Project has clearly defined objectives developed out of existing societal needs or determined through baselines or secondary studies or research, where considered necessary along with targets, timelines, and measurable parameters.

The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.

The Chief Financial Officer or person responsible for financial management shall certify that funds disbursed have been utilised for the purposes and submission of the same to the CSR Committee and the Board.

## 2.9 Volunteering

The Group will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP). The Group will

recognise the efforts put in by employees in CSR activities. The Human Resources team will play a specific role in building capacities, skills and talents under the concept of the Group's broader vision on CSR.

## 2.10 Impact assessment of Programmes

For projects having outlays of one Crores rupees or more;

- Impact assessment shall be undertaken through an independent agency, if one year is elapsed post completion of project.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- Expenses incurred for undertaking impact assessment may be booked towards Corporate Social Responsibility expenditure for that financial year; such that it shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## 2.11 Dissemination of Information

The CSR Committee will report to the Board from time to time the status of the CSR projects/ activities undertaken by it, along with the report on the impact created by such projects/ activities.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects/ Programmes approved by the Board on the website of the Company.



## Annexure – B

### Nomination and Remuneration Policy

#### 1. Introduction

Nippon Life India 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:

#### 2. Objective

- a. To appoint right talent with required and relevant qualifications, experience, track record and behavioural 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.

#### 3. 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.

#### 4. 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 and shall also comprise all Members of management who are one level below the Chief Executive Officer or Manager and shall include the Functional Heads, , Company Secretary, and the Chief Financial Officer.

#### 5. 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. 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.

#### 6. Appointment

##### 6.1. 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.

##### 6.2. Appointment of the Senior Management Personnel (SMP)

- a) NRC will recommend to the Board the appointment of SMP.
- b) Board of Directors approves the appointment of the SMP.

## 7. Remuneration

### 7.1. 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.

### 7.2. Remuneration of SMP – Fixed Cost & PLI:

- a) CEO to propose and the NRC will resolve the increments and PLI amounts to be paid to the SMP.
- b) Board of Directors approves the Compensation of SMP.

### ESOPs of Senior Management Personnel:

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

### 7.3. 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

## 8. Nomination & Remuneration of the Directors

- a. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, background and experience on the Board, time commitments and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The Committee may utilise the services of an external Agency for this purpose. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- b. 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, number of directorships & Memberships already held by that person and time commitments. 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.

- c. 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.
- d. 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. 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.
- e. 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.

#### **9. 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 Organisation. 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.

#### **10. Retention Features as part of Compensation Package**

Based on the organisational 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.

#### **11. 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, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Nippon Life India 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 authorised 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, 2023, 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, 2023 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. The provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the financial year;
- (v) Prevention of Money Laundering Act (PMLA), 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005 as amended from time to time;
- (vi) 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 and Sweat Equity) Regulations, 2021;
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) 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;
  - (f) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the financial year);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the financial year);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the financial year).
- (vii) 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:
  - (a) SEBI (Mutual Funds) Regulations, 1996; and
  - (b) Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
- (viii) The Company previously maintained a password protected MS Excel file backed by declaration in specified format submitted by respective teams sharing UPSI, as mentioned in the



Company's Code of Practices & Procedures for Fair disclosure of UPSI. Thereafter, the Company acquired a software for maintaining the Structured Digital Database (SDD) towards the mid of September 2022 and the same has been functional w.e.f. September 29, 2022 and accordingly the Company ensured compliance with the requirement of maintenance of SDD in accordance with Regulation 3(5) and 3(6) of the SEBI (PIT) Regulations, 2015.

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 from 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. The following changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act:

- (i) Mr. Kazuyuki Saigo (Non-Executive Non-Independent Director) resigned from the Board of Directors of the Company w.e.f. April 21, 2022; and
- (ii) Mr. Minoru Kimura (DIN: 07497568) and Mr. Tomohiro Yao (DIN: 08429687) were appointed

as Additional, Non-Executive, Non-Independent Directors w.e.f. April 21, 2022 and the same was confirmed in the Annual General Meeting held on July 12, 2022.

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 participate on & 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 the following significant or material corporate events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) Nippon Life India Asset Management (Mauritius) Limited, a subsidiary company of the Company has been voluntarily wound up and was dissolved on August 17, 2022; and
- (ii) The Shareholders have, through postal ballot on March 10, 2023, approved the payment of commission to the Independent Directors of the Company at a fixed sum of upto ₹ 20 Lakhs each subject to an overall ceiling of 1% per annum of the net profit of the Company (to be computed in the manner referred to under Section 198 of the Act).

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya  
Proprietor  
FCS No.: 5682  
CP No.: 4157  
UDIN: F005682E000186148**

**Date: April 25, 2023  
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.

**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.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya  
Proprietor**

**FCS No.: 5682**

**CP No.: 4157**

**UDIN: F005682E000186148**

**Date: April 25, 2023**

**Place: Mumbai**

# Management Discussion and Analysis

## 1. Indian Economic Overview

Continuing the robust growth witnessed in FY22, India experienced another successful year in FY23. The complete reopening of the economy helped the services sector drive GDP recovery. However, the real GDP growth moderated from over 9% in FY22 to nearly 7% in FY23, owing to the sharp decline in global GDP growth. High and sticky global inflation and the resultant tightening of monetary policy around the world resulted in a sharp decline in global demand. In such a challenging global environment, the Indian economy also faced some headwinds, including weaker exports, reduced foreign exchange reserves and lower foreign capital inflows. Strong domestic demand and global supply shock also resulted in higher inflation in India, which averaged above the upper end of the RBI's comfort range of 6%. The RBI, however, managed the situation well, and as the economy became self-reliant, in FY23, the monetary accommodation was withdrawn gradually. After a cumulative 250 bps repo rate hike, the RBI raised the rate to 6.5% towards more neutral level.

In FY23, India's fiscal situation saw an improvement as the higher tax buoyancy – both in direct and indirect tax collection – supported fiscal consolidation for the central government and state governments. For instance, the net direct tax collections grew by 17.6% yoy in FY23, higher than budgeted estimates. Similarly, FY23 saw a strong 23% yoy growth in GST collections, reaching ₹18.1 trillion. Average monthly GST collections also rose to ₹1.5 trillion in FY23, versus ₹1.2 trillion in FY22 on account of stronger compliance along with strong domestic demand growth. In March, GST collections topped ₹1.6 trillion and grew 13% yoy, ending the fiscal year on a strong note.

In terms of growth leadership, Capex emerged to be the fastest-growing segment. In terms of GDP components, real investment growth is likely to demonstrate double-digit growth for the second consecutive year in FY23, due to the recovery in household and Government Capex. The Government's resolve to lead the Capex momentum was visible in the FY24 budget announcement as well. To ramp the virtuous cycle of investments and job creation, the Budget took the step to hike capital expenditure outlay by 37.4 % in BE 2023-24 to a record ₹10 trillion from the ₹7.28 trillion in RE 2022-23. Moreover, in 10M FY23, the central government capex grew by 29% yoy to ₹5.7 trillion. The Government Capex spend focus is predominantly on road, railways, water and sanitation.

The recovery of private sector Capex is still in its nascent stages. Bank Credit to GDP ratio saw an increase in FY23, while Bank Credit grew 15% yoy, led by growth in the services sector and personal loans.

### Outlook

In conclusion, there are a few challenges facing the Indian economy, such as the balance of payments risk, sticky inflation, and tighter global financial conditions. On the other hand, there are noteworthy positives as well, such as the decline in commodities prices including crude oil prices, solid momentum in GST collections, and the Government Capex push. As per IMF, India continues to be a bright spot in an uncertain global economy. There could be some moderation in growth in FY24, owing to weak exports and the impact of past interest rate tightening on India's domestic demand. But overall, the Indian economy has a strong long-term potential.

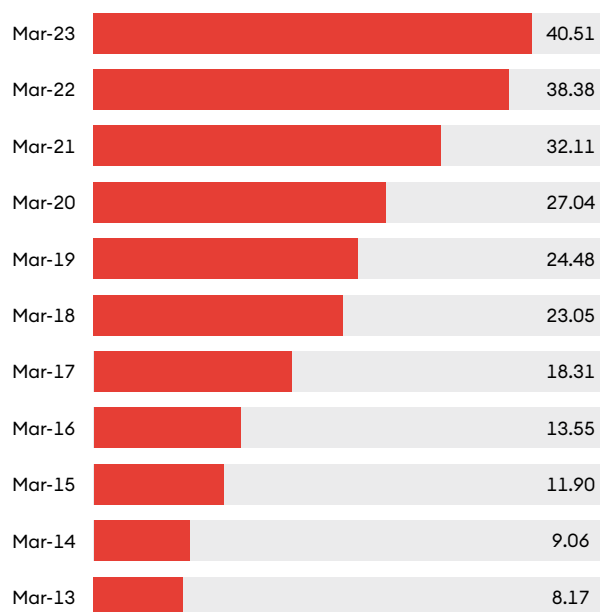
## 2. Mutual Fund Sector

### Industry Overview

The Mutual Fund Industry has been witnessing robust growth. Over the last 10 years, the Assets Under Management (AUM) of the industry has grown at a CAGR of 17% and is currently at ₹40.51 Lakhs Crore. This rate of growth is a result of various factors including India's high nominal GDP growth, increased financialisation with investors choosing financial assets over physical assets, improved awareness levels through campaigns such as 'Mutual Funds Sahi Hai', the credibility of products with high transparency, liquidity, diversification, and professional management, and the digitalisation of investments.

FY23, however, has been relatively muted for the industry. AUM growth was 5.6%, weighed down by significant outflows in debt funds. The industry witnessed an outflow of ₹9,38,375 Crores from debt funds (ex-liquid funds). Equity funds, including passive funds, continued to attract investor interest. There was a total inflow of ₹6,40,103 Crores in equity funds (including in hybrid/arbitrage/index funds), largely through systematic investments. Monthly SIP flows touched ₹14,276 Crores in March 2023, while SIP AUM at ₹6.83 Lakhs Crores grew by 18.6% in the year. The ETF category (including Fixed Income ETFs) saw an inflow of ₹1,56,162 Crores. The Target Maturity Debt Funds category, which are passive debt funds offering reasonable visibility of returns for investors, was launched in the year, it witnessed a growth of ₹77,610 Crores during the year.

## Industry QAAUM (₹ Lakhs Crore)



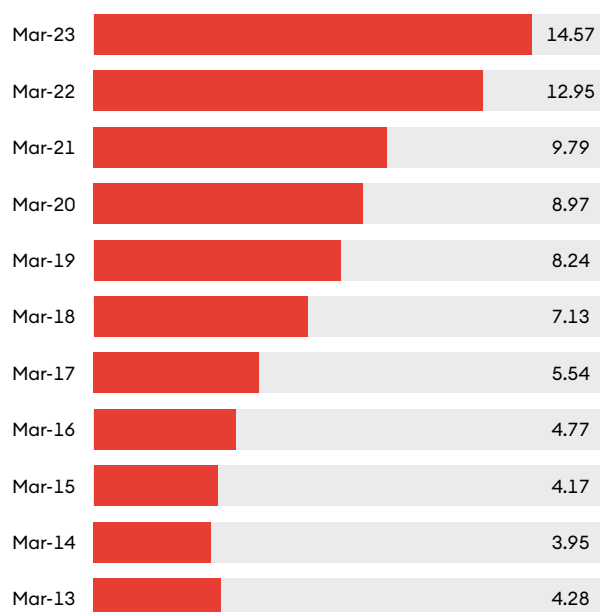
Source: AMFI

The year witnessed a continuous and sharp increase in interest rates, globally and domestically, leading to yields going up across the curve and risk aversion among fixed income investors. Equity markets were volatile for the most part of the year, and closed the year with flat returns. S&P BSE Sensex return for the year was at 0.7%.

### Participation from Individual Investors

Individual investor participation continues to be robust. The industry added 1.62 Crores folios in the year. The total folios stood at ₹14.57 Crores, with unique investors at ₹3.73 Crores. The interest in passives continued to be strong with an addition of ~20 lakhs folios.

### No. of Folios (Crore)

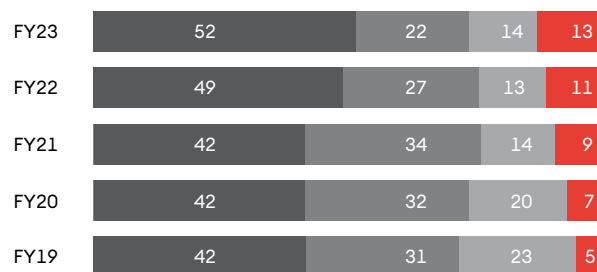


Source: AMFI

### Asset Mix

Equity AUM, as a proportion of total AUM, rose from 49% to 52% in the year. The share of debt-oriented schemes went from 27 to 22%, given the risk-aversion in a rising interest rate scenario.

### AUM Break Down (%)



■ Equity Assets ■ Debt ■ Liquid Assets ■ ETF

Source: AMFI (QAAUM)

### Equity

A high-risk fund that invests primarily in equity securities with the goal of capital appreciation over the medium to long term. The returns are linked to the performance of the capital markets. There are different types of equity funds – diversified funds, sector-specific funds and index-based funds. In addition to equity funds, balanced/hybrid funds invest both in equity and debt instruments and strive to provide growth as well as regular income. Equity AUM contributes 52% to the total industry assets, and saw an 11.0% increase in the year.

### Debt Funds

Debt Funds/Fixed Income Funds invest predominantly in debt and money market instruments, i.e. corporate bonds, debentures, Government Securities, Certificates of Deposits, Commercial Papers, etc. Debt AUM makes up 22% of total industry assets and decreased by 13.2% in the year.

### Liquid Funds

Also known as Money Market Funds, these funds invest in highly liquid money market instruments and provide easy liquidity. Liquid funds are short-tenure investments and typically used by corporate houses, institutional investors and high net worth individuals to deploy surplus liquidity. Liquid AUM contributes 14% to total industry assets and saw an increase of 8.2%.

### ETF

Exchange Traded Funds track an index, a commodity, or a basket of assets as closely as possible but trade like shares on the stock exchanges. ETF AUM contributes 13% to total industry assets and grew by 23.4%.

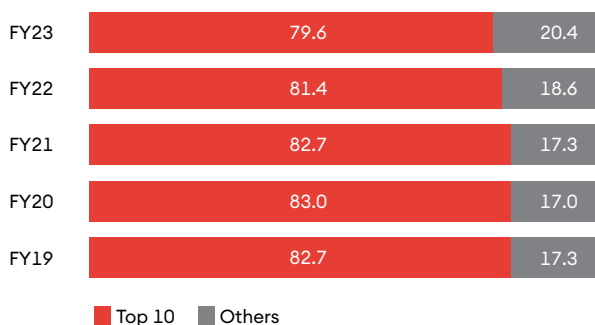


### Top 10 AMCs AUM Trends

The Indian MF industry has over 40 AMCs and that includes private sector companies, joint ventures with foreign entities and NBFC/bank-sponsored AMCs.

The industry remains largely consolidated in the top 10 AMCs, and currently, they manage ₹31.3 Lakhs Crores, which accounts for ~80% of the industry AUM.

### AUM Market Share (%)

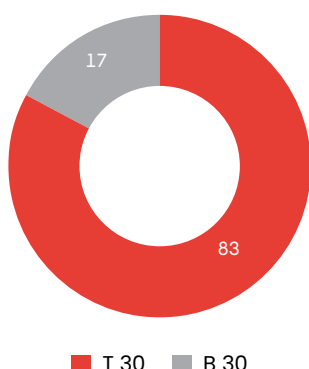


Source: AMFI

### Geographic Mix

Historically, AUM has been concentrated in the Top 30 (T-30) cities due to presence of institutional investors as they have a higher concentration of assets in non-equity schemes. The T-30 cities hold the majority of MF assets with a share of 83%, while the B-30 cities, or beyond the T-30, held 17% of the assets as of March 2023. AUM from B-30 has a higher composition of equity assets compared to T-30 cities.

### Geography wise AUM (%)

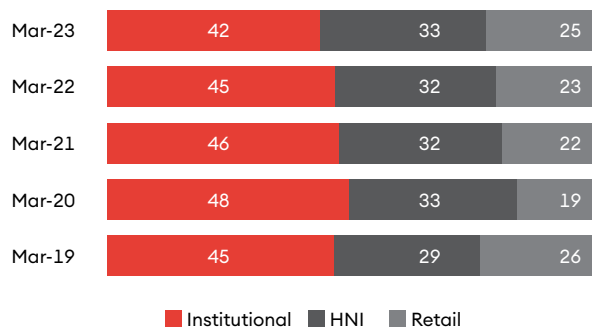


Source: AMFI

### Investor-wise break-up of AUM

The industry's investors base can be broadly categorised as Retail, High Net-Worth Individuals (HNI) and Institutional. Over the last year, Retail and HNI segments grew by 13.0% and 10.9%, respectively, while Institutional AUM declined marginally at -0.7%. Institutional accounts for 42% of the industry AUM, whereas HNI AUM is at 33% and Retail AUM is at 25%.

### Investor Break-up (%)

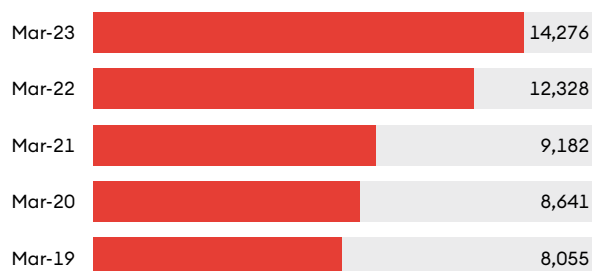


Source: AMFI (MAAUM)

### SIP Inflow Growth Continues

Systematic Investment Plan or SIP, as it is commonly known, is an investment plan offered under Mutual Funds where a fixed amount can be invested in a scheme periodically, at fixed interval, like, once in a month.

### SIP Book (₹ Crore)



Source: AMFI

SIP inflows began the year on a strong note and kept the momentum going through the year. Inflows increased on a month-on-month basis, indicating mature behaviour and the long-term investment horizon of individual investors. The total gross inflows from SIPs were ₹1.56 lakhs Crores for the year. The breadth of the investor base continued to expand, with the total number of SIP accounts at 6.36 Crores as on March 31, 2023, with an addition of 1.08 Crores accounts during the year. The gradual increase in participation from the retail segment, and the rising prominence of SIPs bring in a sense of stability to industry inflows.

### Outlook

Given the current low levels of penetration, the Indian mutual fund industry has a long runway ahead. India's mutual fund penetration (AUM to GDP) is in mid-teens, which is much lower than the world average of over 70%. However, there are some key drivers that are likely to unlock the fundamental and sustained growth potential of the industry, and these include India's favourable demographic dividend, the formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor

awareness, investor-friendly regulations, wide range of transparent and investor-friendly products, ease of investing, tax incentives, expanding distribution coverage, digitalisation, and perception of mutual funds as long-term wealth creators.

As far as capital markets are concerned, the primary concerns that had been ailing both the equity and fixed income markets – high inflation and aggressive rate hikes by the Central Banks – are largely behind. In anticipation of rate hikes, the yield levels had gone up across various tenures, offering investors high carry at this point of time. Combined with high carry, and the prospect of yields coming down in the medium term when expectations of stabilisation in rates, and possible rate cuts start building up, the prospects for fixed income investing are relatively bright. Similarly, after almost two years of a lacklustre equity market performance, the markets are anticipating improvements in the macro environment – a scenario that would be positive for equity market investments as well.

The mutual fund industry, with their several advantages, such as the ability to offer professionally managed, diversified portfolios, with high levels of transparency, liquidity and relatively low cost stands to benefit from the structural growth opportunities over the long term, and from what may be a benign capital market environment in the near to medium term.

### 3. Alternative Investment Funds

Alternative Investment Funds (AIFs) are pooled investment vehicles that collect funds from sophisticated investors (both domestic and international) to make investments in non-traditional investment assets (in accordance with a defined investment policy) for the benefit of its investors. The minimum investment amount by any investor in an AIF is ₹1 Crore.

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

**Category I:** Funds that 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 that invest in unlisted securities and includes funds like PE Funds, Debt funds, etc. and represents the largest segment AIF category.

**Category III:** Include funds that 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.

As of June 2022, commitments raised are approximately at ₹6.95 lakhs Crores, of which funds raised are approximately. 49% i.e. ₹3.39 lakhs Crores. Within funds raised, Category II (71%) represents the largest segment, followed by Category III (20%). Since 2012, SEBI has permitted more than 1,000 AIFs to be set up. Participants include AMCs, Private Equity, Venture Capital firms, Hedge Funds, Corporates, Boutique Investment Funds, Individuals, etc.

### 4. Portfolio Management Services

Portfolio Management Services (PMS) is an investment management service offered by asset management companies, brokerage houses and wealth managers to wealthy investors, such as HNIs and institutions. It is one of the most versatile investment vehicles is best suited for concentrated, benchmark-agnostic, bottom-up stock picking.

PMS is broadly divided into discretionary and non-discretionary/advisory. The PMS industry AUM as of February 2023 was at approximately ₹26.75 lakhs Crores.

### 5. Company Overview

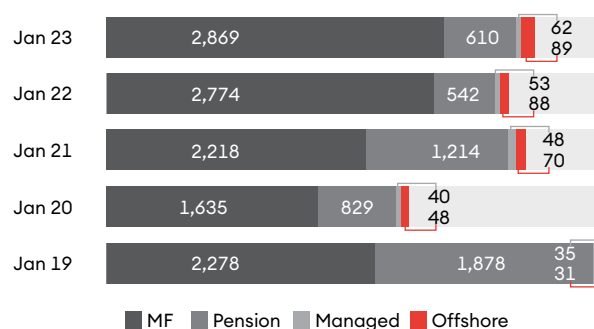
#### True Blue Asset Management Player

Nippon Life India Asset Management Limited (NAM India, or the Company) is one of the largest asset management companies in India, with a track record of over 27 years, and a total AUM of ₹3.63 lakhs Crores as on March 31, 2023. 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 promoted by Nippon Life Insurance Company, one of the leading private life insurers in Japan, with assets of over \$ 722 billion as on March 31, 2023. The following table illustrates the closing AUM of the Company's respective offerings:

#### NAM India EOP AUM (₹ billion)

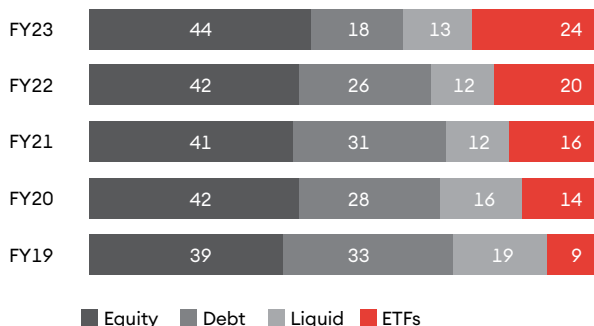


Source: Company

### 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. The Company started its mutual fund operations in 1995 as the asset manager for Reliance Mutual Fund. It constantly endeavours to launch innovative products and customer service initiatives to increase value to investors. As on March 31, 2023, the Company managed QAAUM of ₹ 2,93,159 Crores. With 1.96 Crores folios, the Company has the largest base of investors in the industry. As of March 31, 2023, NIMF manages 98 schemes (including 18 in the equity category and 41 in the passive segment).

### NIMF QAAUM Mix (%)



Source: Company

### Business Strengths

#### Strong Base of Retail investors and Assets

NIMF has been known for its strength in the retail segment. Over the last two decades, the Company has meticulously built its assets in this category and created long-term wealth for its retail investors. It will continue to enhance these offerings to further expand its investor base. NIMF's retail AAUM contribution to total AAUM is amongst the highest in the industry at 29%. Also, the Company has the largest base of retail investors in the industry, with retail folios crossing 1.88 Crores as on March 31, 2023. The Company plans to ramp up its efforts in this segment with a mix of on-ground presence in smaller locations and evolving digital assets to improve experience and to on-board new investors.

#### Higher Share of AUM from Beyond Top 30 Locations

NIMF continues to be amongst the leaders in the 'Beyond Top 30 cities' segment (B-30 locations). These locations have a higher share of equity assets compared to non-equity assets. This segment contributed an AUM of ₹55,680 Crores, with a share of 19% of total assets, which is higher than the industry average. In smaller locations, there is a need for face-to-face communication to get new investors into the MF industry. NIMF

has one of the largest on-ground presences—270 locations pan India—and we endeavour to provide an all-round interface for our online and offline investors.

### AUM from B-30 locations



### SIP and STP—Long Term and Stable Inflows

SIP and STP are among the strongest pillars of the industry, and in addition to providing long-term sustainable inflows, they also instill a 'savings habit' among investors and ensure steady disciplined investing rather than ad-hoc investment. NIMF received ₹1,115 Crores in inflows from systematic transactions in March 2023, which is a recurring monthly inflow, resulting in annualised inflows of ~₹13,400 Crores. The book has 48.4 lakh SIP and STP folios that have grown by 22% in FY23. The overall inflows crossed ₹10,964 Crores in FY23.

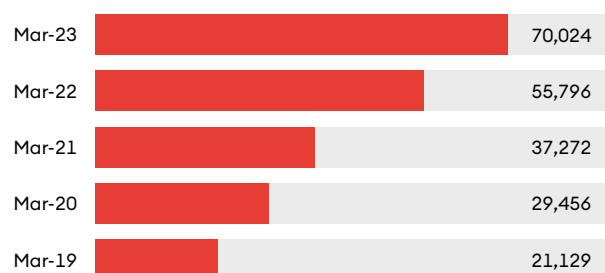
### NAM Systematic Book



### Leadership Position in the Passive Category

Having the largest market share in the ETF segment with assets of ₹70,024 Crores, the company offers the most diverse range of passive products in the industry with 25 ETF schemes and 13 Index funds. NIMF successfully launched several new funds in this category, indicating its strong commitment to the 'Investor First' philosophy. With 102 lakh folios, NIMF holds 61% of the industry's folio market share, and added about 17 lakh folios in FY23 as compared to the 62 lakh folios in FY22. Approximately, 70% of the exchange volumes are contributed by NIMF's ETF schemes. There has been a consistent participation of HNI segment in passive products, indicating greater adoption by an evolved class of investors.

### ETF QAAUM (₹ Crore)



**De-risked Distribution Model**

Mutual Fund Distributors (MFDs), foreign banks, Indian private and public sector banks, national distributors, and digital platforms make up the Company's multichannel distribution network. On March 31, 2023, the Company had more than 91,000 empanelled distributors in India, among the highest in the industry.

**Making Deeper In-roads into India**

Currently, NAM India has a pan-India network of more than 270 locations, which is amongst the highest in the industry. The Company continues to focus on B-30 cities, as assets from smaller locations have higher persistency and are more profitable.

**Managed Accounts****AIF**

Our subsidiary, Nippon Life India AIF Management Limited (NIAIF) is one of the prominent investment managers in the Indian Alternative Investment Industry. There are 19 schemes of AIFs launched by NIAIF, across Category II and Category III. NIAIF offers various strategies under Listed Equity, High Yield Real Estate Debt, Credit, and Tech/VC FoF.

Key highlights of the year include:

- FY23 has been a milestone year for NIAIF, as the commitment raised by the Company crossed ₹5,000 Crores, with the year closing at ₹5,600 Crores
- Continued to deliver consistent long-term investment performance across asset classes
- Highest-ever equity gross sales of over ₹1,000 Crores during the year through Nippon India Equity Opportunities AIF Scheme 7 & 8
- NIAIF successfully launched and made initial closing for 'Nippon India Yield Plus AIF Scheme 4' – a follow-on fund to existing real estate mandates for Japanese investors
- Continued investment activities of Nippon India Digital Innovation Fund (FoF): Invested across 11 underlying VC funds till date; deployed ~70% of commitment raised

We are optimistic about FY24 backed by a healthy pipeline of new launches such as:

- Nippon India Credit Opportunities, a domestic performing credit fund
- Follow on Nippon India Digital Innovation Fund for both domestic and offshore investors
- Nippon India Social Impact and Green Housing Fund for global institutional investors

- Equity Opportunities Fund for domestic and offshore investors
- Nippon India Special Opportunities Fund, a Pre-IPO focused fund

**PMS**

The Company provides portfolio management services to high-net-worth individuals and institutional investors. It is one of the few AMC's in India who have won and managed various prestigious government mandates in the past. The Company continues to manage the two prestigious government mandates, i.e. Post Office Life Insurance and Rural Post Office Life Insurance. Currently, there are four equity strategies offered to investors, and all investment strategies under PMS continue to outperform their benchmarks and peer groups over the long term. As on March 31, 2023, the Company's total AUM was approximately ₹61,600 Crores, as part of the managed accounts business.

**Offshore Funds and Advisory mandates**

The Company manages offshore funds and distribution through its subsidiary Nippon Life India Asset Management (Singapore) Pte. Ltd. (NAM Singapore) in Singapore, and also has a representative office in Dubai, UAE.

The overseas subsidiary helps to cater to institutional and high net worth investors across Asia, Middle East, UK, US, Latin America, and Europe. As on March 31, 2023, NAM Singapore managed a total AUM of \$ 1,078 million or ₹ 8,855 Crores as part of its international offshore managed portfolio.

NAM Singapore serves the requirement of overseas retail, institutional and high-net worth investors who are keen to invest into India, by offering both the Equity and the Fixed Income offerings investing into India.

The Company also acts as an Investment Advisor for India-focused equity and fixed income funds in Japan. Further, as on March 31, 2023, the Company had a total AUM of \$ 245 Million or ₹ 2,012 Crores as international advisory mandates.

NAM Singapore acts as an investment manager for the recently launched fixed-income fund 'Xtrackers India Government Bond Fund,' which was launched in collaboration with Xtrackers (DWS)- one of the largest European AMC.

**6. Opportunities and Threats****Opportunities**

- Under-penetration of mutual funds in India
- Ongoing financialisation of savings in India

- Increasing per capita GDP
- Increase in investors for SIPs
- Larger allocation by informed investors towards passive products
- Rise in 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 such as AIF and international markets

#### Threats

- Impact of rising Inflation on household savings and corporate earnings
- Longer term financial impact due to COVID-19 virus (global pandemic)
- Rise in the culture of direct investing may have a short-term impact on equity flows
- Intense competition amongst MFs to garner higher AUMs can lead to increase in commissions, and consequently impact revenue
- Impact of regulatory intervention on fees, charges, reduction of exit loads

## 7. Financial Performance

The financials statements of the Company for the year ended March 31, 2023, 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.

### Consolidated Financial Performance

#### Revenue

The Company’s consolidated total revenue stood at ₹ 1,517 Crores compared to ₹ 1,536 Crores in the previous year. Other income stood at ₹ 167 Crores compared to ₹ 229 Crores in the previous year.

#### Expenditure

Total consolidated total expenditure for the year increased by 8%, to ₹ 589 Crores, as against ₹ 547 Crores in the previous year. Fee and Commission expenses for the year amounted to ₹ 50 Crores as against ₹ 51 Crores in the previous year – a decrease of 2%. Employee benefit

expenses for the year were ₹ 300 Crores as against ₹ 290 Crores in the previous year, up by 3%.

Depreciation for the year recorded a 9% increase to ₹ 30 Crores, as against ₹ 27 Crores in the previous year. Other expenses for the year were ₹ 205 Crores as against ₹ 174 Crores in the previous year – an increase of 18%. Profit for the year stood at ₹ 723 Crores as against ₹ 744 Crores in the previous year – a decrease of 3%. Total Comprehensive Income for the year saw a 3% decrease and stood at ₹ 721 Crores as against ₹ 744 Crores in the previous year.

#### Utilisation of IPO Proceeds

As part of the IPO conducted in October 2017, NAM India had raised ₹ 617 Crores from fresh issue of equity shares. These funds were to be utilised towards various objectives, including branch network expansion, IT infrastructure, advertising, brand building, seed investment in AIF schemes and MF schemes, and inorganic growth as well as strategic initiatives.

The Company utilised ₹367 Crores out of these proceeds by March 31, 2023, as per the specified objectives. The amounts raised, utilised till date and pending utilisation, is detailed in Note no. 39 in the Notes to the Accounts of the Consolidated Financial statements.

Due to the dynamic and evolving nature of the industry, ever-evolving digital ecosystem and the pandemic, volatile global capital markets, NAM India has been prudent in deploying its IPO funds. Also, the opportunities for inorganic growth and strategic initiatives have been limited. Due to the exponential surge in digital transactions after the IPO, there has been a diminishing need for rapid expansion in physical presence and opening of new branch offices. Hence, the Company continues to be cautious with regards to branch expansion in Tier 3 and Tier 4 cities.

The AIF subsidiary launched fewer schemes than what was envisioned at the time of IPO due to the volatile capital market in the last few years, slow down in economic growth, and the pandemic. These factors resulted in the underutilisation of the proceeds earmarked for seed investment in new AIF schemes.

Given the lack of inorganic openings at a reasonable cost, which could support NAM India’s current business, the Company has been constantly evaluating multiple opportunities for potential synergies. However, no actual acquisitions have come to fruition. The Company remains open to evaluate opportunities for strategic partnerships.



Against this backdrop, NAM India will continue to explore the deployment of its IPO proceeds towards value accretive and strategic initiatives in the future. However, unless the opportunities have value-accretive potential for shareholders, add to the profitability, or complement the existing businesses, it will not take risks with the available resources. NAM India will review the strategy on the deployment of these funds in the light of these factors, without diluting the stated intent that any utilisation must have value accretion for shareholders at the forefront.

## 8. Compliance

In the context of NAM India, compliance plays a very significant role. On the one hand, it acts as an interface between the Company and various regulators; on the other, it serves as the Company's compliance and legal conscience.

With a steadfast focus on strong compliance and robust corporate governance principles and processes, the Company remains a completely compliant corporate citizen by choice. NAM India's compliance team keeps itself as well as the organisation duly updated on new regulatory requirements and developments. For many years now, the Compliance team has concentrated on imparting training and spreading awareness on various aspects that are relevant to the organisation. As a part of its periodic training initiatives, the Compliance team engages with employees to educate, sensitise, and educate them about their obligations under the Company's codes/policies.

The Company's management is not only committed but has always been fully geared up to comply with the applicable laws in letter and spirit, and strictly follow the ethical principles that govern business. Being fully aware of the stated regulatory requirements, the Company strives to remain ahead of the curve when it comes to compliance and governance. The interests of its unitholders, shareholders, and other relevant stakeholders are always at the forefront while taking decisions regarding business planning and execution.

The Board of Directors of the Company as well as that of the Trustee company also have a strong sense and flair towards compliance and governance standards. The Board periodically reviews and approves the various policies and processes of compliance, which forms an integral part of the organisational DNA. Matters of compliance and governance are given undivided and focused attention at the meetings of the Board. In addition to this, the Company continues to improve its underlying

policies, documentation, and internal processes through a seasoned and experienced in-house Compliance Team that has an independent line of reporting to the Board.

We strongly believe that a world-class ethics and compliance programme not only protects an organisation from internal and external threats, but also enhances its brand and strengthens its relationships with all stakeholders.

## 9. Risks and Concerns

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

### Competition risk

The financial sector industry is becoming increasingly competitive, and the Company's growth will depend on its ability to keep up with competition effectively. The Company's main competitors are Domestic Mutual Funds, Portfolio Management Services, Alternate Investment Funds, investment products offered by insurance companies, savings schemes operated by Government as well as bank Fixed Deposits. 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. With its strong brand image, wide distribution network, diversified product offering, and quality management, the Company has a strong competitive advantage.

### Market risk

The Company has quoted and unquoted investments in equity, debt and mutual funds, all of which are exposed to fluctuations in the prices of underlying assets. The portfolios are reviewed for market risks on a periodic basis. The Company also applies stress-testing to the portfolio monitor to manage the market risks.

### Credit Risk

The Company has quoted and unquoted investments in bonds and debt-oriented mutual funds. Therefore, there is a risk of default or failure on the part of borrowers in meeting their financial obligations towards repayment of principal and interest. Hence, credit risk is a loss because of non-recovery of funds both on principal and interest counts. This risk can be addressed through diversification, by spreading investments into multiple bonds and mutual funds across multiple issuers.

### **Liquidity and Interest Rate Risk**

The Company is exposed to liquidity risk principally due to the investments for periods that may differ from those of its funding sources. However, this risk is mitigated as all the investments are made through accumulated surpluses 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 impact the Company's business and its future financial performance.

### **Operational Risk**

The Company may encounter operational and control difficulties when venturing into new markets. In new markets, the rapid development and establishment of financial services businesses may pose unexpected risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The Company's operations have been automated to a great extent, which minimises the risk arising out of human errors and omissions. A robust system of internal controls is adhered to by NAM India (ISO 9001:2008 certification). This ensures all its assets are safeguarded and protected against loss from unauthorised use or disposition, and all its transactions are authorised, recorded, and reported accurately.

The Company conducts Risk & Control Self-Assessment (RCSA) periodically, whereby all potential risks are identified, and mitigating controls are put into place.

The Audit Committee of Board reviews the adequacy of the internal controls regularly. The Company is 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 achieve

operational efficiencies and effectiveness through Six Sigma initiatives.

### **Information and Cyber Security Risk**

NAM India has robust Information Security Risk monitoring systems and tools to protect sensitive customer data and guard against potential leaks. The Board of Directors have constituted a Technology Committee that comprises experts proficient in technology to oversee and review the information security and 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. Information security has been brought under the Enterprise Risk Management Framework to enhance data protection, thereby making the overall Risk, Control and Governance framework more resilient.

### **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. The laws and regulations impose numerous requirements on the Company, and any future changes in the regulatory system or in the enforcement of these regulations could have adverse effects on the Company's performance.

### **Outsourcing Risk**

The Company has outsourced certain activities that are non-core in nature. This has been done to provide better services to clients and provide the benefit of lower transaction costs to them. Outsourcing does not diminish or eliminate the Company's obligations to customers and regulators, as a thorough evaluation and due diligence on the partners is done before outsourcing critical services. Thereafter, performance of the outsourced partner is monitored through the Service Level Agreements.

### **Pandemic risk**

While COVID-19 is largely under control, the company still maintains a Business Continuity Policy that enables remote working for employees, should the need arise. The necessary internal controls to facilitate the same are in place.

## **10. Training and Investor Education**

The Company has active in raising awareness on mutual funds through its Investor Awareness/Education Programmes.

These initiatives aim to create awareness about mutual funds across the country to attract new investors.

NIMF has adopted 19 districts in India as part of SEBI's adopt districts programme. A total of 42 of Investor Awareness Programmes were conducted across these 19 districts covering 1,800+ investors.

During FY23, the Company conducted 249 Investor Awareness and Engagement programmes reaching approximately 14,900+ investors across India. In a mission to reach more locations, 50 programmes were conducted in the Northeast Region at various CBSE Schools for teachers. Seven states ( Assam, Tripura, Manipur, Arunachal Pradesh, Meghalaya, Nagaland & Sikkim) were covered and a total 3000+ attendees were reached.

## 11. Digital Business

The journey of digital is an ongoing and constantly evolving process rather than a fixed endpoint, which is why we refer to it as 'Perpetual Beta'. We at NIMF realised the power of digital early on, and hence, we have been relentlessly treading this path, year on year, covering one significant milestone after another in the pursuit of digital dominance. After studying the distinct patterns that were becoming evident worldwide five years ago, we had made the decision to make significant investments, both in terms of capital and human resources. This helped us outline a distinct strategy around the core philosophy of the 3Fs (Friendly, Futuristic and Frictionless) to make digital the keystone of NIMF's long-term growth and sustainability.

NIMF Digital has experienced significant growth by centring efforts around a comprehensive digital roadmap that prioritises business objectives, relentless partner engagement, and innovative solutions for enhancing operations. NIMF Digital has established new benchmarks on the road to profitability and has become a powerful pillar of growth for the Company.

Investor Focus– Keeping the Real Stakeholders First in addition to covering numerous business categories and serving a wide range of consumers from different socioeconomic stratas, e-commerce has helped make consumers more receptive to adopting digital ways of life for more serious issues, such as finance, healthcare, and others. The arrival of new-age, digital-native millennials and zillennials, who are eager to explore, fast to learn, and confident to invest, was always going to be a watershed moment for Financial Services as a whole, and for us as a Mutual Funds organisation. This year, after years of groundwork and planning, we added speed to our engine that will fuel our growth over the long-term.

Over the years, we have established a robust 360° integrated framework that helps us obtain, onboard, engage, and reengage with digital investors while keeping our millennial and zillennial investors at the centre of our efforts. Behind this is a science that has evolved over time thanks to the product suites from digital behemoths like Google, Meta, and Adobe. Our integrated framework is supported by three main pillars:

- A solid data science foundation that enables us to categorise clients intelligently based on their interests, shopping habits, and demographics
- A system for precise segmentation that distributes pertinent funds that compete with that segments' interests through their preferred channels, journey customisations, and interventions
- A comprehensive campaign structure that spans the entire scope of the enormous digital world and integrates both internal and external channels enabling us to attract investors to our digital assets and to achieve our targeted business goals

The entire process is supported by Machine Learning and advances over time as the results of each campaign are assessed using integrated data and fed back into the segmentation step. To increase cross-selling and upselling efforts, we continue to develop efficient propensity models for affinity items and channels.

Digital Distribution – The Preferred Choice on any Investor's Platform With technology and user experience, the next generation of non-traditional distribution models, such as Fintech platforms and financial e-marketplaces, are causing a major upheaval. At NIMF, we foresaw the emergence of such platforms, and thus were prepared with a creative, two-pronged strategy to collaborate with them and emerge a strong player in this market.

- Our strong API tech stack makes it possible to adopt digital procedures at every point of the investor lifecycle, from onboarding to transactions and subsequent servicing to repeat business. These APIs are highly adaptable when it comes to connecting with a variety of platforms and technological stacks and are entirely self-sufficient to meet the needs of our partners and their end users.
- Our unrivalled advantage to connect with our partners at an even deeper level and assist them in setting up and growing their businesses comes from our competence in the core business of asset management and our prowess in digital business. By sharing our

expertise with our partners and their clients on platforms of their choice, our Fund Managers and Investment Specialists have assisted our investors in making the right decisions.

Alongside improving our equity with our partners, this strategy and focused execution has also helped us gain investor confidence, resulting in an increase in business volume on these platforms which is beneficial to us and them. We have a distinct advantage in the field of digital partnerships, and we have established NIMF as a “preferred partner” for these players.

**Innovative and Intelligent Digital Asset Suite – Agile, Adaptive and Encompassing** In a country where mobile phones have taken over personal computers as a mode to access the internet, mobile-first is the de facto concept when it comes to constructing our digital assets.

As investors transact on our digital assets, our priority is to enable them to make quicker, wiser, and more informed decisions about how and where to spend their money in crucial times. We are working on strengthening our ability to crunch and do real-time analysis on the vast number of on-asset and offline data points we have about our customers, their past purchases, and their potential propensities, to bring them the most suitable solutions.

Our data-driven, intelligent digital assets have the ability to learn from user behaviour and predict it using both real-time frameworks and archived analytical frameworks powered by cutting-edge neural networks. This helps in the e-serving of highly personalised experiences to our millennial, zillennial, and legacy investors or partners, by delivering accurate recommendations, suggestions, on-the-spot nudges, predictive service, and much more as they move forward in their journey.

## 12. 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 safeguarding of 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 utilised optimally, financial transactions are reported with accuracy and there is strict adherence to the laws and regulations.

The Company has put in place systems to ensure that assets are safeguarded against

loss from unauthorised use or disposition and that transactions are authorised, recorded and reported. There is also an exhaustive budgetary control system in place to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations. It ensures effective controls besides economy, and helps the Company 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’s internal audit function is dedicated to assessing the suitability of policies, plans, regulations, and statutory requirements. Furthermore, audits follow a risk-based approach. 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.

## 13. Human Resources

The year gone by has been an interesting one with multiple positive outcomes of our efforts.

We achieved some great milestones and was the “Employer of Choice”, which is a validation of our efforts and focus towards developing an all-round and holistic employee experience, promoting leadership development and encouraging employee’s learning and development.

We are delighted and proud to have won in all categories, the Global Employees’ Choice Award 2022 by WE Matter. We were chosen as one of the top organisations, **from amongst the 160+ companies across all the sectors** who participated and with whom we proudly shared this elite platform. The W.E. Global Employees’ Choice Award stands out from other awards as it is based on a multigenerational model that gives you the engagement and experience feedback of Gen Zs, millennials, Gen Xs and baby boomers.

### The Company has won across the following awards

Company Awards	Leadership Awards
Global Employees’ Choice Award	Best CEO Award 2022 <b>Sundeep Sikka</b>
Diversity & Inclusion Award	
Company with Best State of Well-Being	Best CHRO Award 2022 <b>Rajesh Derhgawen</b>
Best Company for Gen Z	
Best Company for Millennial	Employees’ Choice 2022 for Best Leader
Best Work from Home Company	<b>Saugata Chatterjee II Aashwin Dugal II Milind S Nesarikar</b>



We are delighted and proud that we won the Kincentric Best Employer Award for 2022, making it our 5<sup>th</sup> award in the last 7 years. We are amongst only 10 Best Employers for 2022 in the country, recognised across all the sectors. An even valuable recognition is our inclusion in the elite 'Kincentric Best Employers Club', which is an exclusive and prestigious group comprising organisations across industries who have been awarded 'Best Employers' consistently in the last 3-5, years and have been consistent in delivering superior employee experiences across all key and critical value propositions.

NAM India also won the Outstanding Employee Engagement Award from Ekincare under the Corporate Health & Wellbeing Awards 2023. This recognition is a testament to the hard work and dedication of all our employees who have contributed to creating a healthy and supportive workplace. Moving forward, we will continue to invest in our health and well-being programmes and will strive to create an environment that fosters collaboration, creativity, and productivity while prioritising our employees' physical, mental, and emotional well-being.

The previous year was a significant one for our ESG initiative. Thanks to the hard work of the ESG Core Committee, we were able to initiate and develop several policies pertaining to employee experience, health and safety, compliance, and corporate accountability. This has set us on track towards achieving our ESG goals.

Our focus on gender diversity continues to be at the center of our talent management and sourcing strategy. This is evident in our gender diversity numbers growing from 16% to 20% in the last four years and we plan to take this to 25% by the end of FY25.

With our 'Hiring for the Future' agenda in mind, we continue to develop our strength in the core and critical functions and our hiring strategy. Our hiring philosophy is simple: We are an equal opportunity employer and we hire for what people can do and not what they have done. We assess talent based on their potential and not past results. The impact of this approach is seen in the successful succession and management pipeline we have created.

Training and Development is a key area of focus, with the goal of achieving business excellence, process perfection and a better understanding of business acumen. This year we sought to train and equip our talent in product knowledge with initiatives such as 'Pitch IT' and peer-to-peer learning programmes; also providing training in behavioural, communication and

leadership skills, strategic planning and team management for success.

At an organisation level, our employees underwent more than 13,000 hours of training and development interventions with an average of 14-man hours of training in the year. This is in addition to the on-the-job and peer-to-peer learning and training interventions that all employees of NAM India experience.

#### **Some Key Employee Engagement Interventions at NAM India:**

**# Quizzard2022:** We launched Quizzard2022 with the aim of enabling employees to come together and demonstrate teamwork and competitive drive. This event, which saw great enthusiasm and long-lasting team bonding, concluded with three teams winning.

**#Leadership Reach Out:** In August 2022, we launched this initiative with the clear mission of establishing efficient two-way communication. Leaders were assigned to respective locations to ensure that everyone in the organisation, from employees to customers and partners, had a platform to connect.

**#Women's Day:** Every year, we celebrate Women's Day with our female employees across India to celebrate womanhood and the exceptional contribution they make to the Company and their role they play in helping NAM India become an 'Employer of Choice'.

**#Mother's Day and Father's Day:** NAM India, to showcase deep gratitude, sent personalised gift hampers to the parents of our employees. Each gift was delivered with love and respect.

**#Children's Day:** This day was celebrated with the employee's family and child/children.

#### **#Festival Celebrations**

**#NAM India Talent Hunt: Hunarbaaj:** This corporate initiative was launched to encourage employee engagement across India where employees and their families could showcase their extraordinary abilities in singing, dancing and poetry. The activity was highly appreciated by our employees.

#### **#Photography Contest**

#### **#Trekking**

#### **#Grow Trees**

#### **#Donate & Spread Happiness**

#### **#NGO Visit and donation by employees**

**#Beach Clean Up Drive:** As a part of our CSR project, NAM India conducted drive to **#Clean Beach - Juhu**, which saw good participation from our corporate and Mumbai Region offices.



### #Extra Miler Award and Rising Star Award:

Under our Reward & Recognition vertical for the employees, we launched the Extra Miler Award and Rising Star Award. The idea behind these awards is to celebrate young aspirants and their spirit, for the exceptional performance they demonstrated in their first six months at the Company. It also appreciates those who demonstrate the NAM values of joining, and employees who crossed over a year in the organisation and contribute to the environment as well.

**#Young Achievers Award:** At the 2021-22 Young Achiever Awards, we celebrated the achievements of the children of our staff members who scored 80% and above in their 10<sup>th</sup> and 12<sup>th</sup> examinations.

We have continued and increased our engagement levels through HR-driven and employee-led interventions to create an enhanced employee connect and experience for FY23. Here is look at the various activities undertake:

#### NAM India Talent Hunt – Hunarbaaj

- Cherishing employees loved ones on Childrens’ Day
- Felicitation ceremony for the Rising star and Extra Miler Award winners of the Corporate Office
- Ongoing HO high-tea gatherings
- Winning Celebrations for Kincentric Award with NAM Family over snacks
- #NAM India Sports League – Cricket and Football
- Launched and Concluded Mega Stepathon for 2022 under 5 categories
- Continued focus on employee care, health and well-being.
- Women’s Day celebration across Branches and Corporate Office
- Festival Celebrations- Diwali, Navratri, Christmas, Independence Day, Republic Day

Along with this, we have a list of awards NAM India and respective departments have won:

Award Name	Won By	Forum/Award Name & Year
Exchange4media Mobile Awards	Digital Team	The Maddies 2022
Gold in Innovation for the Real-time Sensex Movement Campaign	Nippon Mutual Fund	The Maddies 2022
Silver in Mobile Apps for the All-New NIMF Investor App	Nippon Mutual Fund	The Maddies 2022

Award Name	Won By	Forum/Award Name & Year
Bronze in Most Effective Tech Platform for the All-New NIMF Investor App	Nippon Mutual Fund	The Maddies 2022
Top 200 CFOs in India	Prateek Jain	StartUp Lane 2023
Top 60 CTOs in India	Abhijit Shah	StartUp Lane 2023
Best Fund House	Nippon Mutual Fund	Asia Asset Management Awards’2022
CEO Of the Year	Sundeep Sikka	Asia Asset Management Awards’2022
ETF Manager of the Year	Nippon Mutual Fund	Asia Asset Management Awards’2022
Most Innovative Product	Nippon Mutual Fund	Asia Asset Management Awards’2022

## 14. Corporate Social Responsibility

The Company continues to shape its strategy and action towards creating a long-term impact in the community. Through CSR initiatives, the Company has been facilitating diverse interventions to encourage the socio-economic upliftment of marginalised and vulnerable communities across India.

We adopt a multi-stakeholder approach covering social, environmental, and economic aspects as per Schedule VII (Companies Act 2013) thematic areas, such as promoting education and livelihood enhancement projects, rural development, promoting gender equality, ensuring environmental sustainability, support to armed forces veterans and training to promote sports. The Company contributed of ₹14 Crores in FY23, inter-alia, through non-profit centres engaged in the areas of healthcare, education, sports, rural development, climate and environment.

### Access to the Healthcare Facility and Treatment

In collaboration with Vision Foundation of India, the Company has supported eye surgeries for senior citizens and individuals from socio-economically weaker sections of society. In collaboration with the Adjutant General’s Branch of the Indian Army, support has been given to the detection of birth defects and developmental delays among children of the armed forces. Through Tata Memorial Centre-Advanced Centre for Treatment, research and education in cancer support was done to optimise the treatment given to children and other cancer patients.

### Need-based Livelihood Opportunities and Rural Development

The Company, in collaboration with NGOs such as The Energy and Resources Institute, Tata Institute of

Social Sciences, Swades Foundation, and EdelGive Foundation, extended support to the tribal and rural communities in Jharkhand, Maharashtra and Odisha. Through a multidisciplinary strategy, the projects facilitated women empowerment, climate-resilient agriculture, improvement of education facilities in rural parts of the country, skill-building and micro-entrepreneurship. Initiatives were also taken to address prominent issues such as access to safe drinking water, healthcare facilities and government schemes and basic sanitation facilities.

### **Supporting Education**

In collaboration with Ekam Foundation, the Company committed support for education

of children, young and women members who had to drop out of formal education due to economic migration.

### **Support towards Sports and Indian Athletes**

In collaboration with the Foundation for Promotion of Sports and Games, we offered our support to Indian athletes headed to the 2024 Paris Olympics and Paralympics, through sports science, training, and coaching support.

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

# Business Responsibility & Sustainability Reporting

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L65910MH1995PLC220793
2	Name of the Company	Nippon Life India Asset Management Limited
3	Year of incorporation	February 24, 1995
4	Registered office address	4 <sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013
5	Corporate address	4 <sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013
6	E-mail	<a href="mailto:investorrelation@nipponindiaim.com">investorrelation@nipponindiaim.com</a>
7	Telephone	+91 22 68087000
8	Website	<a href="https://mf.nipponindiaim.com/">https://mf.nipponindiaim.com/</a>
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited.
11	Paid-up Capital	₹ 623.18 Crore 62,31,75,443 shares of ₹ 10 each
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Arash Arethna Lead – Investor Relations Telephone No: 9029457678 E-mail: <a href="mailto:arash.arethna@nipponindiaim.com">arash.arethna@nipponindiaim.com</a>
13	Reporting boundary	Standalone basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Finance and Insurance Services	Fund Management Services	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	The Company provides investment management services across various asset classes to Nippon India Mutual Fund investors along with providing portfolio management and advisory services to customers	65991	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants*	Number of offices	Total
National	NA	193	193
International	NA	2	2

\*NAM India operates in the financial services sector and doesn't undertake any manufacturing activity

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	27
International (No. of Countries)	2

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

This question is not applicable since NAM India does not export any products or services.

**c. A brief on types of customers**

NAM India offers a comprehensive bouquet of products across its mutual fund, Portfolio Management Service (PMS), Alternative Investment Funds (AIF) and Offshore businesses cater to various investor segments namely retail, high net worth individuals and corporate customers. The Company also provides Non-Discretionary PMS to Postal Life Insurance and Rural Postal Life Insurance customers.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,007	816	81.03%	191	18.97%
2.	Other than Permanent (E)	0	0	-	0	-
<b>3.</b>	<b>Total employees (D + E)</b>	<b>1,007</b>	<b>816</b>	<b>81.03%</b>	<b>191</b>	<b>18.97%</b>

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	NA	NA	NA	NA	NA
<b>3</b>	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	1	25.00%

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	22.88%	20.73%	22.49%	20.53%	22.96%	20.94%	13.24%	9.82%	12.69%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nippon Life Insurance Company	Holding	73.66%	No – As an independent company, it may undertake its own initiatives
2	Nippon Life India AIF Management Limited	Subsidiary	100%	Yes
3	Nippon Life India Asset Management (Singapore) Pte. Limited	Subsidiary	100%	Yes
4	Reliance Capital Pension Fund Limited	Associate	49%	No – As an independent company, it may undertake its own initiatives

## VI. CSR Details

22. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) **Turnover** (in ₹): 1,259.21 Crore

(iii) **Net worth** (in ₹): 3,029.01 Crore

## VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23		Remarks	FY 2021-22		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Local Communities	No	0	0		0	0	
Investors (other than shareholders)	Yes <a href="https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process">https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process</a>	1,039	5		1,016	7	
Shareholders	Yes <a href="http://InvestorInformation(nipponindiaim.com)">Investor Information (nipponindiaim.com)</a>	2	0		4	0	
Employees and workers	Yes <a href="https://mf.nipponindiaim.com/InvestorServices/ESGDocuments/Employee-Code-of-Conduct.pdf">https://mf.nipponindiaim.com/InvestorServices/ESGDocuments/Employee-Code-of-Conduct.pdf</a>	0	0		0	0	
Customers	Yes <a href="https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process">https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process</a>	1,039	5		1,016	7	
Value Chain Partners	Yes <a href="https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process">https://mf.nipponindiaim.com/investor-service/customer-service/grievance-redressal-process</a>	0	0		0	0	
Other (please specify)	NA						



## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No. identified	Material issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	R	Strong corporate governance is essential in assessing and managing risks related to the organisation. Neglect of any stakeholder relationship, compliance or monitoring can lead to financial as well as reputational damage thereby affecting business continuity.	<ul style="list-style-type: none"> <li>Instituted Board level committees and a robust governance structure to ensure NAM India's performance is aligned to the stakeholders' expectations</li> <li>Implemented control systems to ensure appropriate oversight</li> </ul>	Negative
2	Responsible Investing	O	Making investors' money matter and generate responsible outcomes will enable the business to gain confidence in the market. This in turn will attract more investors and gain market share.		Positive
3	Business Ethics	R	Focusing on Business Ethics is vital as it can have serious repercussions. Well defined monitoring and regular reviewing systems should be in place to prevent financial and reputational challenges.	<ul style="list-style-type: none"> <li>Implemented an effective whistle blower and grievance redressal mechanism</li> <li>Set up internal controls to ensure compliance to the Code of Conduct</li> <li>Conducted awareness programmes on the ethical practices and CoC for internal stakeholders</li> </ul>	Negative
4	Diversity and Inclusion	O	Having a diverse and inclusive environment will bring in new perspectives, creativity, and ideas into the organisation, thus, increasing employee engagement and performance and aiding in easier access to new markets		Positive
5	Climate Action	O	Having a climate action in place will ensure that the company analyses and takes strategic steps to mitigate any impact on the business. It will also help the Company to devise new products and services for its customers thus generating more revenue. Contributing to the need of the hour responsibly will showcase the organisation's effort and awareness to its stakeholders.		Positive

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	-	Y	Y	Y	Y	-	Y	Y
c. Web Link of the Policies, if available	<a href="http://nipponindiaim.com">Investor Policies (nipponindiaim.com)</a> <a href="http://nipponindiaim.com">ESG Documents (nipponindiaim.com)</a> *								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	Y	Y	Y	N	Y	Y
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	N	Y	N	Y	Y	N	Y	Y
4 Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not Applicable								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	45% reduction in the overall Net CO2 emission by 2030 70% reduction in the overall Net CO2 emission by 2050 Achieve Net zero by 2070 The targets mentioned above are to be achieved considering the base year to be FY 2019-20								
6 Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	20,27,119 units of electricity consumed 887 litres of petrol consumed by vehicles ₹ 2,71,288/- (Diesel) which is approximately 2,700 litres consumed through DG sets								

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

**Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sundeep Sikka - Executive Director and CEO
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the ESG and CSR Committees provide the necessary guidance and oversight for decision making

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Board of Directors									Annually								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	-	Y	Y	Y	Y	-	Y	Y	Y	-	Y	Y	Y	-	Y	Y	

**If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	Y	-	-	-	-	Y	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	NA	-	-	-	-	NA	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	NA	-	-	-	-	NA	-	-
It is planned to be done in the next financial year (Yes/No)	-	NA	-	-	-	-	Y	-	-
Any other reason (please specify)	-	NA	-	-	-	-	NA	-	-

**List of Policies**

<b>BRSR Principles</b>	
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Employee Code of Conduct, Code of conduct for Board and Senior Management, Ombudsperson and Whistleblower Policy, Policy on Conflict of Interest, Anti-Money Laundering Policy, Group Tax Policy, Human Rights Policy, Supplier Code of Conduct, Claw back Policy, Dividend Distribution Policy, Preservation of Documents and Archival Policy, Code of conduct for fair disclosure of UPSI, Related Party Transaction Policy, Responsible Investment Policy Equity, Responsible Investment Policy Fixed Income, ESG Policy Framework and Policy for Determination of Material Subsidiary
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Not Applicable
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Employee Code of Conduct, ESG Policy Framework, Policy on Sexual Harassment of Women at Workplace, ESG Policy Framework and Supplier Code of Conduct
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	Stakeholder Engagement Policy, Responsible Investment Policy Equity, Responsible Investment Policy Fixed Income, ESG Policy Framework and Stewardship Policy, Code of conduct for fair disclosure of UPSI, Related Party Transaction Policy, Policy for determination and disclosure of materiality of events and information, Board Diversity Policy, Code of Conduct for Board and Senior Management, Dividend Distribution Policy, CSR Policy
Principle 5: Businesses should respect and promote human rights	Human Rights Policy, Supplier Code of Conduct and Employee Code of Conduct
Principle 6: Businesses should respect and make efforts to protect and restore the environment	Employee Code of Conduct, Environmental Policy, ESG Policy Framework and Supplier Code of Conduct
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Not Applicable
Principle 8: Businesses should promote inclusive growth and equitable development	Employee Code of Conduct, ESG Policy Framework and CSR Policy
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Information Cyber Security and Cyber Resilience Policy, ESG Policy Framework and Supplier Code of Conduct

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	8	Industry overview and Business model of the Company and the regulatory framework in which the Company operates, Operations and Systems overview, Financial Performance and Budget and Control Processes, Familiarisation on statutory compliances as a Board Member and Familiarisation on Risk Management Framework.	98.44%
Key Managerial Personnel	1	Highly curated simulation-based workshop for next in line leaders to prepare them for enhanced leadership qualities	10%
Employees other than BoD and KMPs	7	Skill based training to enhance the ability to engage better with clients, soft skill trainings for employees to develop essential competencies and deliver better business results	70%

**2. Details of fines / penalties / punishment / award / compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	0	Nil	Nil
Settlement	Nil	Nil	0	Nil	Nil
Compounding fee	Nil	Nil	0	Nil	Nil
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	0	Nil	Nil
Punishment	Nil	Nil	0	Nil	Nil

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Policy has been developed in line with the SEBI AML guidelines incorporating salient aspects of the measures and obligations of Mutual Funds under the Prevention of Money Laundering Act, 2002 (PMLA). It aims to combat money laundering and specifies NAM India’s approach to customer identification procedures, customer profiling based on the risk perception and monitoring of transactions on an ongoing basis, to facilitate suspicious transaction detection and fraud prevention measures which NAM India takes, to protect itself and its bona-fide customers from losses. This policy is applicable to all branches/offices of NAM India and its Service Providers. The objective of the policy is to also take necessary steps to ensure that the concerned staff of NAM India are made aware of the anti-money laundering policies and procedures and are adequately trained in KYC/AML Procedures so as to help them to understand the money laundering risks involved in Mutual Fund business.

Additionally, anti-bribery forms a part of the employee code of conduct wherein instructions are provided to refrain from bribery.

[Anti-Money-Laundering-Policy.pdf \(nipponindiaim.com\)](#)

[Nippon Employee Policy Handbook - II.cdr \(nipponindiaim.com\)](#)

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No action taken by Securities and Exchange Board of India (SEBI) and Registrar of Companies (ROC).

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NAM India has instituted a Supplier Code of Conduct. The Company conducts regular trainings for its distributors on its products and services.		

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Board members of the Company on an Annual basis affirm compliance with the Code of Conduct for Board and Senior Management. The code has certain parameters, one of which includes ethical handling of conflict of interest situations. The Company has also formulated a policy on related party transactions for providing guidelines in relation to identification of related parties and dealing with related parties. All related party transactions are placed before the Audit Committee for approval and are considered approved only on approval by Independent Directors of the Audit Committee. We also have Conflict of Interest policy, which is intended to be a statement of principles through which NAM India seeks to identify and avoid, or to deal with or manage, actual or potential conflicts of interest in line with the SEBI guidelines and good governance standards.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D Capex	The Company is primarily into financial services, hence the relevance of the above is largely restricted to capital expenditure towards information technology. The Company constantly acts on opportunities that may arise to reduce its impact on the environment and society. It continues to invest in technology and build a robust digital environment across the organisation.		

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has instituted a supplier code of conduct whereby each of its suppliers are expected to integrate ESG into their systems and processes. This supplier code of conduct is built on NAM's values of honesty, integrity, respect fairness, purposefulness, trust, responsibility, citizenship and caring and every supplier is expected to endeavour to adhere to the same. This Code focuses



on four pillars of Human Rights, Diversity and Inclusion, Environmental Stewardship and Ethics and Anti-Corruption.

- b. If yes, what percentage of inputs were sourced sustainably?

As a service provider, NAM India's direct consumption of consumables and input material is limited. It ensures to procure majority of its materials from local vendors.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

To dispose its e-waste, the Company has an Asset disposal policy that lays down the process for disposal of information system assets. The Company also has tie-ups with third party vendors who assist in disposing of the IT assets. NAM India ensures all technology equipment identified as scrap is being disposed-off as per the guidelines of this policy. Air Conditioner and Inverter Batteries are sold to dealers. The copper and metal parts are recycled and used as spares or in smelting units to generate metal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	816	816	100%	816	100%	-	-	816	100%	-	-
Female	191	191	100%	191	100%	191	100%	-	-	191	100%
<b>Total</b>	<b>1,007</b>	<b>1,007</b>	<b>100%</b>	<b>1,007</b>	<b>100%</b>	<b>191</b>	<b>18.97%</b>	<b>816</b>	<b>81.03%</b>	<b>191</b>	<b>18.97%</b>

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

NAM has ensured all its offices and premises are accessible to differently abled employees, workers, and visitors.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?**

Yes, NAM instituted a Human Rights Policy that entails equal opportunities as one of its components.

[Human-Rights-Policy.pdf \(nipponindiaim.com\)](#)

**5. Return to work and Retention rates of permanent employees and workers that took parental leave:**

	Permanent employees	
	Return to work rate	Retention rate
<b>Gender</b>		
Male	100%	95.65%
Female	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, any grievances related to violations can be reported on <a href="mailto:rajesh.derhgawen@nipponindiaim.com">rajesh.derhgawen@nipponindiaim.com</a> . NAM India has also setup an ombudsperson network and a whistleblower mechanism. In addition, NAM India has a grievance redressal mechanism to address concerns of NAM India's stakeholders.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Not Applicable

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures*		On Skills upgradation		Total (D)	On Health and Safety Measures*		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	816	248	30.39%	816	100%	801	245	30.58%	382	47.16%
Female	191	92	48.16%	191	100%	166	75	45.18%	58	34.94%
<b>Total</b>	<b>1,007</b>	<b>340</b>	<b>33.76%</b>	<b>1,007</b>	<b>100%</b>	<b>976</b>	<b>320</b>	<b>32.79%</b>	<b>440</b>	<b>45.08%</b>

\*These trainings are only conducted across their corporate offices and headquarters.

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	No. (C)	Total (D)	% (C/A)
<b>Employees</b>						
Male	819	819	100%	801	801	100%
Female	191	191	100%	166	166	100%
<b>Total</b>	<b>1,007</b>	<b>1,007</b>	<b>100%</b>	<b>967</b>	<b>967</b>	<b>100%</b>

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, NAM India has implemented an occupational health and safety management system which forms a part of the employee handbook. The policy covers all employees, products, processes and infrastructure within NAM India Nippon Life Asset Management Co. Ltd. and its subsidiaries and affiliates.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, NAM India has established processes used to identify work-related hazards and assess risks on a routine and non-routine basis.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, NAM India has implemented processes for its employees to report the work-related hazard and to remove themselves from such risks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, NAM India offers its employees with access to non-occupational medical and healthcare services.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

NAM India's Employee Handbook (also known as the Employee Code of Conduct) contains clauses, definitions and measures for Corruption and bribery, Discrimination, Confidentiality of information, Conflicts of interest, Anti-trust/Anti-competitive practices, Insider trading (these are separate policies), Health, Safety and Environment, Whistle Blowing and Prevention, Prohibition and Redressal of Sexual Harassment at Workplace (POSH). The Company has a formal compliance management system and a Board approved Compliance manual to ensure its practices are in accordance with the laws and regulations of the land. Additionally, health and well-being of NAM India's employees are also covered in the ESG policy.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

**14. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	NA
Working Conditions	NA

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

**(A) Employees: Y**

All the employees of NAM India are covered by a life insurance policy and are provided family support-in case of demise.

**(B) Workers: Not Applicable**

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not Applicable

- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable

- Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, NAM India plans to conduct transition assistance programmes in the near future.

- Details on assessment of value chain partners:

NAM India does not conduct any assessments for its value chain partners.

- Provide details of any corrective actions taken or underway to address significant risks /concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

**PRINCIPLE 4: Businesses should respect the interests of, and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company engages with its stakeholders regularly to understand their needs and expectations as well as gain valuable feedback. The inputs received from the stakeholders are always kept at the forefront while taking decisions with respect to risk management, strategy formulation, business planning or execution. The Company uses multiple formal and informal channels to conduct its engagements and to meet the unique needs of each stakeholder group. NAM India has identified the following as key stakeholders for the business.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Shareholders	No	Quarterly earnings calls, Audio recording of earnings call, Investor presentation, Annual General Meeting, Intimation to stock exchanges, annual or quarterly financials and investor meetings or conferences, press release, annual reports, email, SMS, newspaper, advertisement, notices, website, and transcripts.	Quarterly basis and on a need basis	To keep shareholders updated on the latest developments at the Company, Company and sector performance and address concerns if any.
Employees	No	One-on-one or group meetings, emails, town halls, team meetings, engagement surveys, grievance redressal platform	Ongoing and Need basis	Annual performance review, benefits offered, trainings and career growth, health, and wellness
Customers	Yes, based on demographics	Emails, advertisements, website, newspaper and digital platforms, helpline forums, customer satisfaction surveys, branch visits	Ongoing and Need basis	Information on products and services offered, various platforms available for customers to reach out in case of any grievance, services being offered for ease of doing business, provide excellent customer service throughout the life cycle
Vendors, Distributors, Bankers, Custodians, and others in value chain	No	Emails and in-person meetings	Quarterly and on ad-hoc basis	Custodian - For safekeeping on all securities or Trade Settlement or Corporate Action Management. Bankers - Maintenance of scheme accounts to facilitate an ease of transaction ecosystem for investors. Vendors (Depositories) - Facilitate transaction and unit settlement on investors and other allied activities
Communities/ NGOs	Yes	Emails, meetings, website, and other digital platforms	Need based	Impact of the CSR initiatives and grievances
Regulatory Bodies	No	Emails, upload on SEBI's portal and physical filings	Need based	Regulatory requirements, and ESG Initiatives and performance
AMFI	No	Emails, upload on AMFI portal and physical filing	Need based	Regulatory requirements and any ad hoc requirements raised by AMFI
Registrar and Transfer Agent	No	Emails, physical and digital meeting	Daily, Monthly	Engagement to have seamless operations, Data Integrity, and Compliance
Media	No	Emails, SMS, press release, newspapers, pamphlets, advertisement, annual reports, website, transcripts, conference, and other meetings	Need based	Stay abreast on the development of the Company and its offerings



## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company encourages constant and proactive engagement with its stakeholders. In the Annual General Meeting of the Company, the shareholders are given an opportunity to interact and ask questions to the Board and Management. Further, the Company organises the earnings conference calls on financial results with analyst and investors. The Company also has a separate designated e-mail id for stakeholders' group where they can provide any suggestions or ask for any query. The Board also inter-alia constituted two Committees viz. an ESG Committee of executives and Corporate Social Responsibility (CSR) Committee of the Board that assist the Board in fulfilling its oversight responsibilities with regard to, including but not limited to environmental, health and safety, CSR, Sustainability, philanthropy, corporate governance etc. The ESG and CSR Committee meets at regular intervals, to ensure seamless implementation of responsible business practices. The discussions held in the committee meetings are communicated to the Board through minutes placed in the meeting.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, at NAM India Group, the approach is to interweave social responsibility into the Company's mainstream business functions through translating ESG commitments into policies, which not only drive all employees but influence and mobilise stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The details of the Company's CSR initiatives, projects or programmes and activities are provided in Annexure of the Annual report. The CSR Policy of the Company is uploaded on its website and can be viewed at [CSRPolicy.pdf \(nipponindiaim.com\)](#).

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees / workers covered (B)	% (B/A)	Total (C)	No. employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1,007	1,007	100%	967	967	100%
Other permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>1,007</b>	<b>1,007</b>	<b>100%</b>	<b>967</b>	<b>967</b>	<b>100%</b>

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	1,007	0	0	1,007	100%	967	0	0	967	100%
Male	816	0	0	816	100%	801	0	0	801	100%
<b>Female</b>	<b>191</b>	<b>0</b>	<b>0</b>	<b>191</b>	<b>100%</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>166</b>	<b>100%</b>

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	4,20,78,173	1	Cannot be derived
Key Managerial Personnel	3	1,26,00,000	1	42,00,000
Employees other than BoD and KMP	813	10,00,000	190	10,00,000

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, and defined as per the human Rights policy as well as the laid-out grievance redressal mechanism.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

Any grievances related to violations of human rights can be reported on a dedicated email id. NAM India has setup an ombudsperson network and a whistleblower mechanism. In addition, NAM India has a grievance redressal mechanism to address concerns of NAM India's stakeholders.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	NA	NA		NA	NA	
Forced Labour/Involuntary Labour	NA	NA		NA	NA	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has an internal grievance redressal mechanism available for its employees to report any Human Rights violations. In addition, to ensure the well-being of all its employees, the Company conducts trainings on Prevention of Sexual Harassment (POSH) as a part of its induction for employees and has a POSH policy, that forms a part of the Employee Handbook.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, NAM India includes human rights requirements as a part of its Supplier Code of Conduct.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No human rights complaints were raised.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

NAM India does not conduct human rights due diligence as we have formal policy in place and all employees have access to the redressal mechanism in the event of any such issues faced or identified and raised.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, all NAM India's offices are accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners .**

NAM India does not conduct human rights assessments for its value chain partners.

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	7,297.63 MJ	9,347.76 MJ
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C )	NA	NA
<b>Total energy consumption (A+B+C)</b>	<b>7,297.63 MJ</b>	<b>9,347.76 MJ</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	<b>0.51 MJ/₹ million</b>	0.65 MJ/₹ million
Energy intensity (optional) – the relevant metric may be selected by the entity	<b>2.01 MWh/FTE</b>	2.69 MWh/FTE

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	545.2	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>545.2</b>	NA
<b>Total volume of water consumption (in kilolitres)</b>	<b>545.2</b>	NA
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.04 kl/₹ million</b>	NA
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	<b>0.54 KL/FTE</b>	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

NAM India has not implemented any mechanism for Zero Liquid Discharge.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Since NAM India offers financial services air emissions is not material as it does not manufacture goods.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	<b>52.20</b>	3.13
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	<b>1,439.25</b>	2,051
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	tCO <sub>2</sub> e/₹ of turnover	<b>0.10 tCO<sub>2</sub>e/₹ million</b>	0.14 tCO <sub>2</sub> e/₹ million
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	tCO <sub>2</sub> e/FTE	<b>1.48</b>	2.12

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**7. Does the entity have any projects related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the Company has installed energy efficient equipment across its offices such as LED lights and energy star appliances for air conditioning to reduce its energy consumption. To reduce desktop energy consumption, NAM India has instituted a policy for refreshing end user devices with newer energy-optimised devices. Motion-based sensors have also been installed at its corporate office to help with energy savings. This helps in the reduction of its Scope 2 emissions.

**8. Provide details related to waste management by the entity, in the following format:**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	<b>NA</b>	NA
E-waste (B)	<b>3.79</b>	0.96
Bio-medical waste (C)	<b>NA</b>	NA
Construction and demolition waste (D)	<b>NA</b>	NA
Battery waste (E)	<b>1.87</b>	0.27
Radioactive waste (F)	<b>NA</b>	NA
Other Hazardous waste. Please specify, if any. (G)	<b>NA</b>	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) \	<b>NA</b>	NA
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5.66</b>	<b>1.23</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	FY 2022-23	FY 2021-22
(i) Recycled	<b>NA</b>	NA
(ii) Re-used	<b>5.66</b>	1.23
(iii) Other recovery operations	<b>NA</b>	NA
<b>Total</b>	<b>5.66</b>	<b>1.23</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	FY 2022-23	FY 2021-22
(i) Incineration	<b>NA</b>	NA
(ii) Landfilling	<b>NA</b>	NA
(iii) Other disposal operations	<b>NA</b>	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

All offices of NAM India have a maintenance team which segregates the office waste into dry waste and wet waste and then hands it to the local municipal corporation for end disposal.

NAM India has put in place systems for wastewater treatment and responsible disposal of e-waste. To dispose its e-waste, the Company has an Asset disposal policy that lays down the process for disposal of information system assets. The Company has tie-ups with third party vendors who assist in disposing off the IT assets. NAM India ensures all technology equipment identified as scrap is being disposed-off as per the guidelines of the policy.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

Not Applicable

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.**

NAM India is complaint with the applicable environmental law/ regulations/ guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

### Leadership Indicators

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>NA</b>	<b>NA</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	7,297.63 MJ	9,347.76 MJ
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	NA	NA
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>7,297.63 MJ</b>	<b>9,347.76 MJ</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**2. Provide the following details related to water discharged:**

Not Applicable as NAM India's offices are housed within office spaces that form a part of a larger commercial structure therefore the water discharged from clear sources and borings is discharged through the central drainage and sewage lines.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable



**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable as NAM India's offices are housed within office spaces that form a part of a larger commercial structure. The water consumed is municipal water which is common to all offices housed within these commercial buildings.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	<b>355.89</b>	NA
<b>Total Scope 3 emissions per rupee of turnover</b>		<b>0.12 tCO2e/₹ million</b>	NA
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent/ FTE	<b>0.35</b>	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of energy efficient equipment	Installation of LED lights and star rated air conditioning	NAM does not track this information
2.	Installation of water efficient fixtures	Installation of sensor-based taps	

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has a robust business continuity plan which is tested on a periodic basis to ensure business is not interrupted. NAM India understands that human capital development 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.

The Risk Management Committee of the Board (RMC) formulate a detailed risk management policy which includes - a framework for identification of internal and external risks faced by NAM India (including financial, operational, sectoral, sustainability (particularly ESG related risks), information and cyber security, etc.), measures for risk mitigation including systems and processes for internal controls of identified risks and business continuity plan.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

NAM India has not identified any significant adverse impact it causes to the environment due to its value chain partners.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NAM India do not assess its value chain partners for environmental impact although it has instituted a Suppliers Code of Conduct.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/associations-5**

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of Mutual Fund Industry (AMFI)	National
2	Confederation of Indian Industry (CII)	National
3	Bombay Chamber of Commerce and Industry (BCCI)	State

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

No instances related to anti-competitive conduct were reported.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others- please specify)	Web Link, if available
1	NAM India is a member of the Association of Mutual Funds of India (AMFI). AMFI is dedicated to developing an ethical Industry that enhances and maintains the standards across all areas. It also endeavours to protect and promote the interests of mutual funds and their unit holders.	The Company's Leadership team actively participates in the various committees of AMFI. These activities are focused towards promoting financial inclusion and investor literacy and awareness.	Yes	Ongoing and need basis	<a href="http://MutualFundsIndia.com">Mutual Funds India</a>   <a href="http://InvestmentPlans.TaxSaving.MutualFundsNav.com">Investment Plans   Tax Saving   Mutual Funds Nav</a> ( <a href="http://amfiindia.com">amfiindia.com</a> )
2	NAM India is a member of Association of Portfolio Managers in India (APMI). This is a trade body aimed at drawing the expertise already available with the members and supplement it with industry level research initiatives to guide decisions.	The Company's Leadership team actively participates across various forums.	Yes	Ongoing and Need basis	<a href="http://APMI.org">APMI</a> ( <a href="http://apmiindia.org">apmiindia.org</a> )

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

Given the nature of the business, this is not applicable. Also, the Company carries its CSR activities through various implementing agencies.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts		Not Applicable

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective Action Taken
	Not Applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no	State	Aspirational District	Amount spent (in ₹)
1	Odisha	Koraput	1,08,00,000

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)
- b. From which marginalised /vulnerable groups do you procure?
- c. What percentage of total procurement (by value) does it constitute?
- As NAM India belongs to the service sector, the quantity of procurement is not material to the Company although it endeavours to purchase from local vendors to support the local communities.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not Applicable

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Integrated rural development for creation of cluster of dream villages	744	92%
2	Olympic Gold Quest and Sports Science Support to Athletes Supported by Foundation for Promotion of Sports and Games	502	NA
3	Pragati-Integrated Rural Health and Development Project (IRHDP)	1,899	100%
4	Integrated development of Schools and Community for Environment Sustainability and Social Development	10,500	67%
5	Rashtriya Netra Yagna	3263	100%
6	SAFAL-Sustainable Livelihood Initiative in South Odisha	17,648	100%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In the ordinary course of business, customers 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 NAM India's businesses are linked to the capital markets and thus, prone to short-term fluctuations. The Company regularly engages with its stakeholders to appropriately address their concerns; however, in some cases, legal resolutions may also be pursued.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NA	NA	NA	0	NA	NA
Advertising	NA	NA	NA	0	NA	NA
Cyber-security	0	0		0	0	
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	NA	NA	NA	NA	NA	NA
Unfair Trade Practices	NA	NA	NA	NA	NA	NA
Other	1,039	5	Pending cases would include cases that came at month end of March	1,016	7	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

Yes, data or information privacy forms a part of NAM India's cyber security policy.

[Information-Cyber-Security-and-Cyber-Resilience-Policy.pdf \(nipponindiaim.com\)](#)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No corrective actions were taken or are underway by SEBI for FY 2022-23 with respect to advertising.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

NAM India publishes information related to its products and services on its website. The link for the same is mentioned below.

[Nippon India Mutual Fund | Mutual Funds Services Online in India - NIMF \(nipponindiaim.com\)](#)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NAM India conducts a number of relevant investor education and financial empowerment programmes for its partners, investors, customers, and employees to educate them on its products and services. Further, the NAM ensures that all the eligible and identified employees are appropriately certified through the National Institute of Securities Markets, which is the Association of Mutual Funds in India (AMFI) organised and mandated by SEBI. This ensures that its products are used in a responsible manner.

**3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

The Company has a robust Disaster Recovery (DR) and Business Continuity Plan (BCP) which covers its critical operations. Additionally, it has communication mechanisms in the event of any local or global disaster. NAM India continued to provide uninterrupted service to its customers during the ongoing pandemic. During this period, the BCP was fully tested, all regulatory deadlines were met, and all critical functions were running without interruption. It also performed BCP tests on an annual basis and DR test twice a year. BCP forms a part of the governance framework, and it will be invoked in case of any local or global disaster. Under the BCP, employees can operate from an alternate location while also ensuring that all critical services can operate independently. The Company has its DR Data Centre set up, in Chennai. To strengthen its BCP and DR plans regular reviews are conducted. This ensures that the Company can continue to support its customers during any exigency.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes. the Company complies with disclosure requirements relating to its products and services. The Company shares regular product updates with the investors in the form of following material which are available on the website:

1. Factsheet
2. Product Notes
3. Scheme Performance

Yes, NAM India carries out a customer satisfaction survey for its products and services for the entity as a whole.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0%

**Annexure**

<b>BRSR Principles</b>	
Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner



# Corporate Governance Report

## CORPORATE GOVERNANCE PHILOSOPHY

Nippon Life India Asset Management Limited (the “Company”) follows 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 practice of separating the Board’s supervisory role from the executive management for the entire Board except for Mr. Sundeep Sikka, who has been appointed and designated as the Executive Director & CEO in the line with the applicable regulatory provisions & after obtaining the due approval from the Shareholders of the Company.

### 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 appropriate and reasonably tight to ensure that all kinds of compliance requirements are effectively managed. Culture of Compliance is considered a way of life and the organisation 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”). As on the date of the report, the Board consists of 8 directors out of which, 4 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, Compliance Committee and Stewardship 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) Familiarisation of Board Members**

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 familiarised with respect to Company and its business. In this regard, the necessary know-how & updates are generally provided as part of the formal meetings of the Board & its committees and at times over emails/ conference calls as well. The details of programme for familiarisation of independent directors is available on the website of the Company at the following link:

<https://mf.nipponindiaim.com/InvestorServices/Pages/familiarisation-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 the 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 23<sup>rd</sup> Annual General Meeting (AGM) until the conclusion of the 28<sup>th</sup> AGM. The Company has already received a consent letter from M/s. S. R. Batliboi & Co. LLP, Chartered Accountants communicating their willingness to be re-appointed as the Statutory Auditors of the Company and that their re-appointment, if made, would be within the limits as prescribed under Section 139 of the Companies Act, 2013. Your Directors hereby recommends the re-appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company.

**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 of 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 eight 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. Ashvin Parekh (DIN: 06559989)
	Mr. Balasubramanyam Sriram (DIN: 02993708)
Non-executive & Nominee Directors	Mr. Tomohiro Yao (DIN: 08429687)
	Mr. Akira Shibata (DIN: 08107588)*
	Mr. Minoru Kimura (DIN: 07497568)
Executive & Nominee Director	Mr. Sundeep Sikka (DIN: 02553654)

\* Ceased as Non-Executive Nominee Director w.e.f. April 25, 2023

**Notes:**

- a. The Board appointed Mr. Hiroki Yamauchi (DIN: 08813007) as Non-Executive Nominee Director w.e.f. April 25, 2023, at its meeting

held on the same day, subject to the approval of the Shareholders at the ensuing General Meeting.

- b. Further, at the Board meeting held on April 25, 2023, Mr. Upendra Kumar Sinha (DIN: 00010336) was appointed as an Independent Director and Chairperson w.e.f. May 1, 2023, subject to the approval of the Shareholders at the ensuing General Meeting.
- c. 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.
- d. None of the Directors have received any loans and advances from the Company during the year.
- e. 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 Executive Director & CEO 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.

## 5. Attendance of Directors

Attendance of the Directors at the Board meetings held during the financial year 2022-23 and the last AGM held on July 12, 2022 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, 2023 are as under:

Name of Director	Number of Board meetings attended	Attendance at the last AGM held on July 12, 2022	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*	8	Present	1	-	-	1	-
Mr. Sundeep Sikka	8	Present	5	-	-	1	-
Ms. Ameeta Chatterjee	7	Present	12	MTAR Technologies Limited	Independent Director	8	4
				Jubilant Ingrevia Limited	Independent Director		
General Ved Prakash Malik (Retd.)	8	Present	2	-	-	2	-
Mr. Tomohiro Yao@	8	Present	6	-	-	2	-
Mr. Ashvin Parekh	8	Present	5	ICICI Securities Limited	Independent Director	5	4
				ICICI Lombard General Insurance Company Limited	Independent Director		
Mr. B. Sriram	8	Present	8	ICICI Bank Limited	Independent Director	5	2
				TVS Motor Company Limited	Independent Director		
Mr. Minoru Kimura@	8	Present	3	-	-	1	-

\*Ceased to be a Director with effect from April 25, 2023

@Appointed as a Director(s) of the Company with effect from April 21, 2022

- g. Overseeing the process of disclosure and communications.
- h. Monitoring and reviewing Board Evaluation framework.

## 3. Board meetings

The Board held as many as 8 (eight) meetings during the financial year 2022-23 i.e., on April 26, 2022, June 09, 2022, June 27, 2022, July 28, 2022, October 19, 2022, December 08, 2022, January 30, 2023 and March 16, 2023. The maximum time gap between any two meetings during the year under review was 83 days and the minimum gap was 18 days. 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.



**Notes:**

- a. 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.
- b. 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.
- c. 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(l) (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 FY 2022-23, this meeting of the Independent Directors was held on March 16, 2023.

**7. Details of directors**

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

**Mr. Akira Shibata (Non-executive & Nominee Director)**

Mr. Shibata, aged 50 years, currently serves as the General Manager / Global Asset Management Business Department at Nippon Life Insurance Company (NLI). In his over 25 year professional career with NLI, 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 NLI'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.

Mr. Akira Shibata resigned as a Director of the Company w.e.f. April 25, 2023. He did not hold any share in the Company.

**Mr. Minoru Kimura (Non-executive & Nominee Director)**

Mr. Kimura, aged 55 years, currently serves as a Director & Managing Executive Officer, Head of Global Business at Nippon Life Insurance Company (Nippon). In his over 30-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 in investment planning for 5 years from 2010 to 2015. Other than above, Mr. Kimura has also spent his professional career with Nissay Deutsche Asset Management (Europe) and NLI Investments (Europe), where he carried the position of Chief Executive Officer for 4 years (2003 to 2007). He has engaged in Head of Asia Pacific at Nippon for 2 years (2018-2020) and Regional CEO for the Americas and Europe for 2 years (2020-2022).

As on March 31, 2023, Mr. Kimura does not hold any share in the Company.

**Mr. Tomohiro Yao (Non-executive & Nominee Director)**

Mr. Yao, aged 51 years, currently serves as Regional CEO for Asia Pacific and Head of India at Nippon Life Insurance Company. He is responsible for operations in the Asia Pacific. Mr. Tomohiro Yao is a seasoned professional with over 25 years of experience in the life insurance industry. He has extensive knowledge of Planning & Research and Global Business Planning at Nippon Life, Japan. In 2011 he assumed charges as Executive Assistant to the Chairman of Life Insurance Association, Japan for 2 years. Following which he was engaged in Nippon Life's Global Business Planning, leading Nippon Life's international M&A strategy. He was also responsible for driving Nippon Life's overseas Insurance businesses including India, Mainland China as well as the United States of America. He holds a degree of B.A. (Law) from Kyoto University and an MBA from Wharton School, University of Pennsylvania.

As on March 31, 2023, Mr. Yao does not hold any share in the Company.

**Mr. Hiroki Yamauchi (Non-executive and Nominee Director)**

Mr. Yamauchi, aged 48 years, serves as General Manager, Global Asset Management Business Department at Nippon Life Insurance Company



(NLI). In his over 20-year professional career with NLI, he has performed various roles, including corporate planning, marketing planning, and group annuity business. Also, he has worked for Nissay Asset Management in corporate / investment planning for 4 years. Besides the above, he has also spent his professional career with Nissay Deutsche Asset Management (Europe), where he held the position of Fund Manager for 3 years. In the most recent role, he has engaged in NLI's Indian life insurance and asset management business as Head of Indian Business for 2 years (2020-2022).

As on March 31, 2023, Mr. Yamauchi does not hold any share in the Company.

**General Ved Prakash Malik (Retd.) (Non-executive Independent Director)**

Gen. Malik, aged, 83 years, 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, 2023, General Malik (Retd.) does not hold any share in the Company.

**Ms. Ameeta Chatterjee (Non-executive Independent Director)**

Ms. Chatterjee, aged 50 years, 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 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, 2023, Ms. Chatterjee does not hold any share in the Company.

**Mr. Sundeep Sikka (Executive & Nominee Director of NLI)**

Mr. Sikka, aged 50 years, is the Executive Director & Chief Executive Officer of the Company. Mr. Sikka has held both Vice-Chairman and Chairman positions of the industrial body AMFI (Association of Mutual Funds in India). Sundeep joined the Company in 2003, holding various leadership positions before being elevated in 2009, when he became one of the youngest CEOs of India. He has rich experience in the financial services sector, Mr. Sikka went on to lead the Company towards tremendous growth of assets and to emerge as one of the most trusted mutual fund houses in India. Sundeep has grown the company to an all- round brand that five times won 'Kincentric Best Employer' in the last seven years and included in Kincentric Best Employers Club- 2023. He has not only been responsible for the growth of the Company but also forging a relationship with NLI, acquisition of Goldman Sachs Asset Management (India), and listing of the Company on stock exchanges.

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

During his career, he has received several awards and recognitions such as Asian Business Leader of the Year 2018 (The Economic Times), CEO of the Year (India) – Asia Asset Management Awards 2018, being recognised as one of India's Top 25 Hottest Young Executives by the magazine 'Business Today' and also being part of Asia FM Power 50 list, as one of the most influential individuals across Asia ex Japan fund industry.

Mr. Sundeep Sikka has also held various strategic position as follows:-

- 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

- Member of Capital Markets Committee
- Chair: Asset Management Sub-Group of FICCI's Capital Markets Committee
- Chair: Confederation of Indian Industry (CII) Mutual Fund Summit 2019-20
- Members of SES ESG Advisory Board
- CII Western Region Council - Chairman of the Task Force of Banking & Finance for the year 2021-22
- Speaker at various domestic and international forums and conferences.

As on March 31, 2023, Mr. Sikka held 4,07,694 equity shares in the Company.

#### **Mr. Ashvin Parekh (Non-executive Independent Director)**

Mr. Parekh, aged 69 years, is a qualified Chartered Accountant and has set up the advisory service company – Ashvin Parekh Advisory Services LLP (APAS) in the areas of providing services to the Boards and the management of the financial services sector companies, in June 2013. Mr. Parekh retired as a Senior Partner from Ernst & Young in June 2013 and was with EY for 8 years. Earlier Mr. Parekh was the Executive Director of Deloitte Touche Tohmatsu India Pvt. Ltd. from July 2002 till June 2005. Mr. Parekh has also held senior positions in Arthur Anderson, Price Waterhouse Coopers, KPMG India, KPMG UK, KPMG Dubai and Hindustan Lever Ltd. Mr. Parekh has worked in the United Kingdom, Dubai, Australia, Germany and the US on Partner secondment programmes for about 11 years outside of India. He is registered with the World Bank and the Asian Development Bank as an expert in the financial services sector. He has worked on gamut of areas like business strategies, corporate planning, institutional strengthening and business transformation across industries including banking, insurance, pension and capital markets. He has been a member of several committees set up by the Ministry of Finance, RBI, IRDA and SEBI. He is also a member of industry bodies and associations namely CII, FICCI and ASSOCHAM.

As on March 31, 2023, Mr. Parekh does not hold any share in the Company.

#### **Mr. B. Sriram (Non-executive Independent Director)**

Mr. Sriram, aged 64 years, has over 37 years of experience in all areas of Banking and Finance. He joined State Bank of India as a Probationary Officer in December 1981 and has held various key assignments within the Bank and the Group

in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking and International Operations.

Experience Overview:

- Managing Director & CEO, IDBI Bank Ltd. from June 30, 2018 to September 29, 2018.
- Managing Director, State Bank of India from July 2014 to June 2018.
- Managing Director, State Bank of Bikaner & Jaipur from March 2013 to July 2014

As on March 31, 2023, Mr. Sriram does not hold any share in the Company.

#### **Mr. U. K. Sinha (Non-executive Independent Director and Chairperson) (with effect from May 1, 2023)**

Mr. Sinha, aged 71 years, a 1976 batch IAS officer of Bihar cadre, during his 3 decades plus of experience has held several responsible government positions in India, including as Joint Secretary (Banking) and Joint Secretary (Capital Markets) in the Ministry of Finance; Chairman of the Working Group on Foreign Investment in India & Chairman of SEBI, to name a few. He has also been the Chairman & Managing Director of UTI Asset Management Company Limited and Chairman of the Association of Mutual Funds in India.

He has actively contributed to the financial sector reforms in the country and is credited with starting the micro pension movement in India. Under his leadership, SEBI introduced significant developmental changes in the areas of FPIs, AIFs, REITs, InvITs and Corporate Governance.

As on March 31, 2023, Mr. Sinha does not hold any share in the Company.

### **8. Insurance Coverage**

The Company has obtained a Directors' and Officers' liability insurance cover as well Errors and Omissions policy, for the benefit of its directors & officers and those of its subsidiary companies. The Company has also adequately insured its properties, physical assets including electronic devices such as servers, laptops, etc. against losses. The Company has also obtained cyber liability insurance to protect its "data" assets.

### **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, 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. Ashvin Parekh, who being a qualified Chartered Accountant and is an expert in financial services sector having worked in gamut of areas like business strategies, corporate planning, institutional strengthening and business transformation across industries including banking, insurance, pension and capital markets.; (d) Mr. Minoru Kimura, being a NLI representative director, brings on Board his vast & rich experience in global business management, corporate planning and investments, and so on; (e) Mr. Hiroki Yamauchi, another representative of NLI on the Board of the Company has lot of relevant experience and skill sets in the areas of corporate/Investment planning, marketing planning, and group annuity business and he acts as an ambassador of NLI in bringing in best corporate practices to the Company's business; (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; (g) Mr. B. Sriram is an expert in all areas of Banking and Finance and has handled key assignments in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking and International Operations; (h) Mr. Tomohiro Yao is a seasoned professional in the Life Insurance industry with rich experience in the areas of research, global business Planning & Operations; and lastly (i) Mr. U. K. Sinha is an expert in Finance, Banking and Capital markets and has contributed through his rich experience in various areas such as foreign Investment in India, Corporate Governance, Asset

management business, general management, FPIs, AIFs, REITs, InvITs etc.

## 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 was re-constituted post the year under review with the induction of Mr. Hiroki Yamauchi (w.e.f. April 25, 2023) and Mr. U.K. Sinha (w.e.f. May 1, 2023) and presently comprises of five independent non - executive directors of the Company viz. Mr. Ashvin Parekh (Chairperson), General Ved Prakash Malik (Retd.), Ms. Ameeta Chatterjee, Mr. B. Sriram, Mr. U. K. Sinha and two non-independent non-executive directors of the Company viz. Mr. Hiroki Yamauchi, and Mr. Minoru Kimura as its Members.

Mr. Akira Shibata, who was earlier the Director of the Company and was also acting as a member of the Audit Committee have ceased to remain so effective April 25, 2023 i.e. the date wherefrom he resigned from the directorship of the Company.

All the Members of the Committee are non-executive directors and more than two-thirds of the Members are independent directors of the Company. 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, and SEBI Circular No. SEBI/HO/IMD/IMD-IDOF2/P/CIR/2022/17 dated February 09, 2022 applicable to Asset Management Companies, 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) 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, 2013;
  - (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.
- (c) Financial Reporting for Mutual Fund Schemes-
- Oversight of the Mutual Fund Schemes' and AMC's financial reporting process.
  - Considering and recommending for approval of AMC Board, all accounting policy issues for the Schemes and the AMC, including any proposed changes to the accounting policies and practices for transactions with related parties, etc.
  - Review of audit opinion issued by the statutory auditors.
  - Considering and recommending to the AMC Board, adoption of financial statements including half yearly unaudited financial results prepared for the Scheme and the financial statements of the AMC.
- (d) Review, with the management, the quarterly and any other partial year- period financial statements before submission to the board of directors for approval;
- (e) Audit (Internal and Statutory) and Internal Controls
- Considering and recommending for approval, the appointment, re-appointment 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 and, if required, the replacement or removal of the Auditors and the fixation of fees for audit and any other services rendered by the Statutory Auditors with respect to the Company and its various businesses such as Mutual Fund, Portfolio Management Services etc.
  - Reviewing the scope of Auditors and recommending for approval of the Board of AMC.
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Reviewing the Internal Audit Reports of the Schemes of Mutual Fund (Including Internal Audit Report of critical activities outsourced by the AMC such as Custodian, Fund Accounting, the Registrar and Transfer Agent activity, etc.) and forward their observations on internal audit report, if any, to the Trustees.
  - Discussions with internal and statutory auditors on any significant findings and follow up there on.
  - Reviewing Regulatory Inspection Reports.
  - Reviewing implementation status of all outstanding action points arising out of Internal Audit Reports, Statutory Audit Reports, Systems Audit Reports, Inspection Reports etc.
  - Reviewing the adequacy of the internal control systems, including defining metrics for measuring internal controls, seeking comments of the internal auditors about Internal Control Systems, etc. and the steps taken towards improving the effectiveness of internal control system including through automation.
  - Interacting with the statutory and internal auditors of the Mutual Fund, at least once annually without engagement of management of the AMC. Besides the mandatory requirement specified, such interactions may be held whenever felt necessary by the independent directors of the Audit Committee.



- The Audit Committee of the AMC should interact with the Audit Committee of the Trustees at least once annually.
- (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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation 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) 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 SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
- (h) Scrutinise inter-corporate loans and investments;
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (j) Evaluate internal financial controls and risk management systems;
- (k) Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems and the audit processes for the Company and Mutual Fund operations of the Company and to ensure that the rectifications, if any, suggested by internal and external auditors, etc. are acted upon;
- (l) 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;
- (m) Reviewing the findings of any internal investigations by the AMC / internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature or issues highlighted or referred through whistle blower complaints, etc. and reporting the matter to the Board;
- (n) 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;
- (o) 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;
- (p) To review the functioning of the whistle blower mechanism;
- (q) 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;
- (r) Oversee the vigil mechanism established by the Company and the chairperson of the Audit Committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns;
- (s) Reviewing the utilisation of loans and/ or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 Crores 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;
- (t) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;
- (u) 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, 2013 or by the SEBI Listing Regulations or by any other regulatory authority;
- (v) To review compliance to laws and regulations and other related process, with specific reference to operation of its Mutual Fund business;
- (w) Regulatory Compliance and other Functions
  - Evaluating various internal control measures in terms of applicable SEBI (Mutual Funds) Regulations and various circulars issued thereunder;



- Reviewing periodic report on compliance with applicable laws and regulations, including the details of non-compliance along with the corrective actions, as applicable;
- Reviewing the Annual Compliance Report in relation to the "Policy on Prohibition of Insider Trading" of the AMC;
- Assess that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company;

(x) Mandatorily review of following -

- Management discussion and analysis of financial condition and results of operations;
  - o Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
  - o Internal audit reports relating to internal control weaknesses;
  - o The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
  - o statement of deviations in terms of the SEBI Listing Regulations:
    - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
    - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

**Attendance at the meetings of the Audit Committee held during FY 2022-23**

During the year, the Audit Committee held its meetings on April 26, 2022, June 27, 2022, July 28, 2022, October 19, 2022, January 30, 2023 and March 16, 2023 and Two Audit Committee Meetings on March 20, 2023 (including one joint meeting of the Audit Committee of AMC with Audit Committee of Trustee Company). The maximum and minimum time gap between

any two meetings, during the year under review was 103 days and 4 days, respectively. Following is the summary of attendance at the Audit Committee Meeting:

Members	Number of Meetings held during the tenure	Attended
General Ved Prakash Malik (Retd.)	8	8
Ms. Ameeta Chatterjee	8	7
Mr. Akira Shibata	8	8
Mr. Ashvin Parekh	8	8
Mr. B. Sriram	8	8
Mr. Minoru Kimura@	8	6

@appointed as a member w.e.f. April 21, 2022.

**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. The Committee was re-constituted post the year under review with the induction of Mr. U.K. Sinha, (w.e.f. May 1, 2023) and presently comprises of seven Directors, viz. General Ved Prakash Malik (Retd.) as the Chairman, Mr. Tomohiro Yao, Ms. Ameeta Chatterjee, Mr. Ashvin Parekh, Mr. B. Sriram, Mr. Minoru Kimura and Mr. U.K. Sinha 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 Employee Benefit) 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 term & 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.

- (ix) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;
- (x) 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 2022-23

The Nomination & Remuneration Committee held its meetings on April 26, 2022, July 28, 2022, and March 16, 2023. The maximum and minimum time gap between any two meetings, during the year under review was 232 days and 93 days, respectively. Following is the summary of attendance at the Nomination & Remuneration Committee Meeting(s):

Members	Number of Meetings held during the tenure	Attended
Ms. Ameeta Chatterjee	3	2
General Ved Prakash Malik (Retd.)	3	3
Mr. Ashvin Parekh	3	3
Mr. Minoru Kimura@	3	3
Mr. B. Sriram	3	3
Mr. Tomohiro Yao@	3	3

@appointed as a member w.e.f. April 21, 2022.

#### 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, 2023 is as follows:

Directors	Sitting fees (in ₹)
Ms. Ameeta Chatterjee	21,00,000
General Ved Prakash Malik (Retd.)	22,00,000

Directors	Sitting fees (in ₹)
Mr. Ashvin Parekh	29,00,000
Mr. B. Sriram \$	29,00,000
Mr. Minoru Kimura*	-
Mr. Akira Shibata*	-
Mr. Tomohiro Yao*	-

\*At the request of Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Minoru Kimura, Mr. Akira Shibata and Mr. Tomohiro Yao (being nominees of NLI) has been waived off from the Board and Committee meetings.

\$ includes Sitting fees of ₹ 2,00,000 due for the year and paid post 31<sup>st</sup> March 2023.

#### Notes:

- There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.
- The Company has so far not issued any stock options to its Non-Executive Directors.
- Pursuant to the limits approved by the Board, all Non - Executive Directors (except nominees of NLI), were paid sitting fees of ₹ 1,00,000/- for attending each meeting of the Board and the Audit Committee and other Board sub- committees.
- Basis the evaluation of the performance of the Board for FY 2022-23, the Board has approved payment of commission to the Independent Directors of an amount of ₹ 20,00,000/- each for FY 2022-23, which will be paid after the financial statements are approved by the Shareholders at the Annual General Meeting scheduled to be held on July 12, 2023.
- During the year, Mr. Sundeep Sikka, CEO & Executive Director was paid a remuneration of ₹ 799.56 Lakhs. Detailed Break up of his remuneration is given hereunder:

Amount (₹ in lakhs)

Sl. no.	Particulars of Remuneration	Mr. Sundeep Sikka (ED & CEO)
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	797
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2.56
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Option (Number of Options granted in FY 2022-23)	NIL
3	Sweat Equity	-
4	Commission	-
	<b>Total (A)</b>	<b>799.56</b>

### Employee Stock Option Scheme

With the perspective of promoting the culture of ownership and to attract, retain, motivate and incentivise senior as well as critical talent, the Company has formulated “Nippon Life India Asset Management Limited – Employee Stock Option Plan 2017 (“NAM INDIA ESOP 2017”)” [formerly known as “Reliance Nippon Life Asset Management Limited – Employee Stock Option Plan 2017”] and “Nippon Life India Asset Management Limited – Employee Stock Option Plan 2019 (“NAM INDIA ESOP 2019”)” [formerly known as “Reliance Nippon Life Asset Management Limited – Employee Stock Option 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 Committee was re-constituted post the year under review with the induction of Mr. U.K. Sinha (w.e.f. May 1, 2023) and consequently comprises of six Directors, viz. Ameeta Chatterjee–Chairperson, Mr. Ashvin Parekh, Mr. Sundeep Sikka, Mr. B. Sriram, Mr. Tomohiro Yao and Mr. U.K. Sinha as its Members.

#### 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.

### Attendance at the meeting of the Stakeholders Relationship Committee held during FY 2022–23.

During the year, the Stakeholders Relationship Committee held its meetings on July 28, 2022 and January 30, 2023. The time gap between two meetings, during the year under review was 186 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	2
Mr. Sundeep Sikka	2	2
Mr. Tomohiro Yao@	2	2
Mr. Ashvin Parekh	2	2
Mr. B. Sriram	2	2

@ appointed as a member w.e.f. April 21, 2022.

#### 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. The Committee was re-constituted post the year under review with the induction of Mr. Hiroki Yamauchi (w.e.f. April 25, 2023) and Mr. U.K. Sinha (w.e.f. May 1, 2023) and consequently comprises of nine Directors, viz. Mr. Tomohiro Yao as the chairperson, General Ved Prakash Malik (Retd.), Mr. Ashvin Parekh, Mr. Sundeep Sikka, Ms. Ameeta Chatterjee, Mr. B. Sriram Mr. Minoru Kimura, Mr. Hiroki Yamauchi and Mr. U.K. Sinha as the Members.

Mr. Akira Shibata, who was earlier the Director of the Company and was also acting as a member of the CSR Committee has ceased to remain so effective April 25, 2023 i.e. the date wherefrom he resigned from the directorship of the Company.

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 2022-23.

The CSR Committee held its meetings on October 11, 2022 and January 30, 2023. The time gap between two meetings during the year under review was 111 days and following is the summary of attendance in the meetings of CSR Committee:

Members	Number of Meetings held during the tenure	Attended
Mr. Tomohiro Yao@	2	2
Gen. Ved Prakash Malik (Retd.)	2	2
Mr. Akira Shibata	2	2
Mr. Sundeep Sikka	2	2
Mr. Minoru Kimura *	2	1
Mr. Ashvin Parekh	2	2
Mr. B. Sriram	2	2
Ms. Ameeta Chatterjee	2	2

@Appointed as the Chairperson w.e.f. April 21, 2022.

\* Appointed as a member w.e.f. April 21, 2022.

## VII. RISK MANAGEMENT COMMITTEE

In terms of Listing Regulations, the Company has constituted a Risk Management Committee of the Board (RMC). The Committee was re-constituted post the year under review with the induction of Mr. Hiroki Yamauchi (w.e.f. April 25, 2023) and Mr. U. K. Sinha (w.e.f. May 1, 2023) and consequently comprises of seven Members (out of which six being the Directors of the Company and one being the Chief Risk Officer of the Company), viz Mr. Tomohiro Yao as the Chairperson, Mr. Ashvin Parekh, Mr. Sundeep Sikka, Mr. B. Sriram, Mr. Hiroki Yamauchi, Mr. U.K. Sinha and Mr. Rishi Garg.

Mr. Akira Shibata, who was earlier the Director of the Company and was also acting as a member of the Committee have ceased to remain so effective April 25, 2023 i.e. the date wherefrom he resigned from the directorship of the Company.

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.
- Formulate a detailed risk management policy which includes - a framework for

identification of internal and external risks faced by NAM India (including financial, operational, sectoral, sustainability (particularly ESG related risks), information and cyber security, etc.), measures for risk mitigation including systems and processes for internal controls of identified risks and business continuity plan.

- Periodically review and recommend the risk management policy to the Board of AMC for their approval, at least once in a year, including by considering the changing industry dynamics and evolving complexity
- Monitor and oversee implementation of the risk management policy, including evaluation of adequacy of risk management framework and systems.
- Define risk appetite levels for NAM India and Schemes.
- Exercise oversight and review of the risk appetite level, risk profile and risk metrics at both NAM India and scheme level at quarterly intervals, ensuring risks are not higher than the defined risk appetite levels and assist the Board of NAM India and trustees in discharging their duties in this regard.
- Ensure that the risk awareness culture is pervasive across organisation.
- Ensure that the infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.
- Keep the board of directors informed about the nature and content of its (RMCB) discussions, recommendations and actions to be taken.
- Review the appointment and removal of the Chief Risk Officer.
- Coordinate with other committees, in instances where there is any overlap with activities of such committees.
- Oversee the activities of Risk Management Committee of Executives (RMCE) through minutes of meeting of RMCE.

### Attendance at the meeting of the Risk Management Committee held during FY 2022-23.

The Risk Management Committee held its meetings on June 21, 2022, September 05, 2022, October 11, 2022, December 08, 2022 and March 01, 2023. The maximum and minimum time gap between any two meetings, during the year under review was 84 days and 36 days, respectively.



Following is the summary of attendance in the meetings of RMC meetings:

Members	Number of Meetings held during the tenure	Attended
Mr. Tomohiro Yao*	5	5
Mr. Akira Shibata	5	5
Mr. Sundeep Sikka	5	5
Mr. Ashvin Parekh	5	5
Mr. B. Sriram	5	5
Mr. Rishi Garg	5	5

\* Appointed as the Chairperson w.e.f. April 21, 2022.

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:

Date and time	Venue of the meeting	Whether any special resolution Passed or not
July 12, 2022 11.00 A.M (IST)	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	No
June 22, 2021 12.00 NOON (IST)	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	Yes
July 17, 2020 11.00 A.M. (IST)	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	No

### IX. POSTAL BALLOT

The Company initiated a postal ballot exercise on January 30, 2023, for the purpose of seeking Members' approval for the following matter by way of an Ordinary Resolution:

- Payment of Commission to Independent Directors

The above resolution was passed with the requisite majority by the Members on March 10, 2023 and a Scrutiniser'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 Scrutiniser to scrutinise the postal ballot

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's website at <https://mf.nipponindiaim.com/>.

(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 and Sustainability 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. The Company emails the soft copies of this Annual Report to all those Members whose e-mail IDs are available with its Registrar and Transfer Agent or Depositories.

- 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@nipponindiaim.com](mailto:Investorrelation@nipponindiaim.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.
- (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://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

### XIII. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY

The Company doesn't have any material subsidiary.

### XIV. 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 structures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority pertaining to capital markets. However, the Company receives administrative warnings / deficiency letters in the regular course of its business pertaining to Mutual Funds / Portfolio Management Services pursuant to regulatory inspections conducted by SEBI from time to time. Necessary corrective actions in this regard are taken by the Company.

- b. Related Party Transactions

During the financial year 2022-23, 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://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

### 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, 2023, your Company had two (2) subsidiaries. One of such subsidiaries is overseas i.e. one subsidiary in Singapore and one subsidiary in India. One of the overseas subsidiaries in Mauritius was wound up in FY 2022-23. Both the subsidiaries of the Company are engaged in financial services 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.

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 which clearly defines the risk governance structure including roles and responsibility of stakeholders towards risk management. Risk management acts as an enabler of growth for the Company by helping businesses to identify the inherent risks, assess, evaluate and monitor these risks and undertake effective steps to manage and mitigate these risks.

The Company has controls, procedures and policies to monitor and mitigate various risks such as strategic and business risk, credit risk, operational risk, competition risk, regulatory risk, human resource risk, outsourcing risk, information security risks, cyber security risks, macro-economic risks, etc.

The Company also has a structured risk reporting mechanism to ensure risks are monitored and reviewed by Senior Management, RMCBs and Board on a periodic basis.

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 ₹ Crores)

Particulars	NAM INDIA	Subsidiaries	Total Fees Paid
Fees paid to S.R. Batliboi & Affiliates	0.82	0.35	1.17

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. <https://mf.nipponindiaim.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 2022-23."

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, 2023 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 Whistle Blower 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.

m. Particulars of Loans & Advances

There are no Loans and advances in the nature of loans to firms/companies by the Company and its subsidiaries in which directors are interested.

#### XV. 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 and circulars / notifications issued from time to time. 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.

#### XVIII. 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.

#### XIX. 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.

#### XX. 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

#### XVI. 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, 2022	0	0
Number of Shareholders to whom shares were transferred from suspense account during the period April 01, 2022 to March 31, 2023	0	0
Aggregate number of Shareholders and the outstanding shares in the suspense account lying on March 31, 2023	0	0

#### XVII. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

##### 1. Audit qualifications

There are no audit qualifications on the financial statements of the Company for the financial year 2022-23.

##### 2. Reporting of internal auditor

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

## I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
<b>As per regulation 46(2) of the LODR:</b>	
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 familiarisation programmes imparted to independent directors	Yes
Email address for grievance redressal and other relevant details	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	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
<b>As per other regulations of the LODR:</b>	
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Materiality Policy as per Regulation 30	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



Particulars	Regulation Number	Compliance status (Yes/No/NA)
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	21(3A)	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
Familiarisation 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**  
**4<sup>th</sup> Floor, Tower A, Peninsula Business Park,**  
**Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400013**

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of Nippon Life India Asset Management Limited bearing CIN L65910MH1995PLC220793 and having registered office at 4<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400013 (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](http://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, 2023 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. Sundeep Sikka	02553654	22/04/2016
3	Ms. Ameeta Chatterjee	03010772	24/03/2015
4	Mr. Ashvin Dhirajlal Parekh	06559989	01/08/2020
5	Mr. Akira Shibata	08107588	25/04/2018
6	Mr. Balasubramanyam Sriram	02993708	15/03/2021
7	Mr. Minoru Kimura	07497568	21/04/2022
8	Mr. Tomohiro Yao	08429687	21/04/2022

Ensuring the eligibility 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.

**For M Siroya and Company**  
**Company Secretaries**

**Mukesh Siroya**  
**Proprietor**  
**FCS No.: 5682**  
**CP No.: 4157**  
**UDIN: F005682E000135042**

**Date: April 18, 2023**  
**Place: Mumbai**

## Auditors' Certificate on Corporate Governance

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, as amended

To  
The Board of Directors  
Nippon Life India Asset Management Limited  
Peninsula Business Park,  
4<sup>th</sup> Floor, Tower A,  
Ganapatrao Kadam Marg,  
Lower Parel  
Mumbai 400 013  
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, 2023 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 atleast 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, 2022 to March 31, 2023:
    - (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; and
- (h) Risk Management Committee.

- v. Obtained necessary declarations from the directors of the Company;
  - 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; and
  - 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, 2023, 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: 23102102BGXIXE8498  
 Place of Signature: Mumbai  
 Date: April 25, 2023

## Investor Information

### IMPORTANT POINTS

As per Regulation 40 of the Listing Regulations, securities of the listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact KFIN Technologies Limited for assistance in this regard.

Members are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020, has fixed March 31, 2021 as the cut-off date for re-lodgement of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialised form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

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.

### Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI vide circular dated November 3, 2021 and March 16, 2023 has mandated the listed companies to have PAN, Email Address, Mobile Number, KYC, bank details and Nomination of all Shareholders holding shares in physical form. Folios wherein any one of the cited details / documents (i.e. PAN, KYC, Bank Details, Nomination and linking of PAN with AADHAR) are not available with us, on or after June 30, 2023 shall be frozen as per the aforesaid SEBI circular.

Freezing of Folios without PAN, KYC details and Nomination:

- a. Folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and you will not be eligible to lodge grievance or avail service request from the RTA. Further effective April 01, 2024 you will not be eligible for receiving dividend in physical mode.
- b. After December 31, 2025, the frozen folios shall be referred by RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

The investor service requests forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on the Company's website <https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Information.aspx>



In view of the above, we urge the Shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the Shareholders holding shares in physical form in relation to the aforesaid.

In respect of Shareholders who hold shares in the dematerialised form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

#### **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 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, <https://mf.nipponindiaim.com> under the section 'Shareholder Information'. 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 / Beneficiary owner 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 shall provide the bank details along with a cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA may request the concerned shareholder to execute an indemnity before processing the request, if the amount is more than ₹50,000/-. As per a circular dated April 20, 2018 issued by SEBI the unencashed dividend will be remitted by electronic transfer only

and no duplicate / revalidated dividend warrant / Demand Draft will be issued by the company. The Shareholders are advised to register their bank details with the Company / RTA (if holding shares in physical form) or their DPs (if holding shares in electronic mode), 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 28<sup>th</sup> Annual General Meeting will be held on Wednesday, July 12, 2023 at 12:00 Noon (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 8, 2023 to 5:00 P.M. on July 11, 2023. The cut-off date for determining Shareholders entitled to vote is July 5, 2023.

#### 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 <https://mf.nipponindiaim.com> 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@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com) for investors.

#### Registrar and Transfer Agent (RTA)

KFIN Technologies Limited (Formerly known as KFIN Technologies Private Limited) SELENIUM Tower-B, Plot No. 31 & 32, Gachibowli, Financial District & Nanakramguda Serilingampalle, Hyderabad- 500 032, Telangana, India.

Toll Free No. :1800-309-4001

Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

RTA email: [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

WhatsApp Number : (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

RTA Website : <https://ris.kfintech.com>

Investor Support Centre (DIY Link) : <https://ris.kfintech.com/clientservices/isc>

As an ongoing endeavour to enhance Investor experience and leverage new technology, our Registrar and Transfer Agents, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that have been developed for our investors.

**Investor Support Centre:** A webpage accessible via any browser-enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: <https://ris.kfintech.com/clientservices/isc/default.aspx>

**eSign Facility:** Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination require that the eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link below.

<https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>

**KYC Status:** Shareholders can access the KYC status of their folio. The webpage has been created to ensure that Shareholders have the requisite information regarding their folios.

URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

**KPRISM:** A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and a full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

#### Dividend Announcements

During the year, the Company had declared and paid an interim dividend of ₹ 4.00 per equity share (40%) amounting to ₹ 249.23 Crore. The Board has also recommended a final dividend of ₹ 7.50 per Equity Share (75%) of ₹ 10/- each for the financial year ended

March 31, 2023, for the approval of the Shareholders at the ensuing Annual General meeting. With this the total dividend for the financial year 2022-23 would be approximately ₹ 716 Crores, including the interim dividend of ₹ 4.00 per equity share distributed in November 2022. The Final dividend, if approved by Shareholders, will be paid on and from July 19, 2023.

#### 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, 2023 will be June 30, 2023.

#### Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2023, when declared at the AGM will be paid on and from July 19, 2023, subject to deduction of tax at source, to all those equity Shareholders whose

names appear in the Register of Members as on June 30, 2023 and those whose names appear as beneficial owners as on June 30, 2023 as 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.

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 March 31, 2023 is as follows:

Dividend Year	Records	Amount
2017-18 (Interim Dividend)	1,011	2,97,980.00
2017-18 (Final Dividend)	1,448	1,01,686.00
2018-19 (1 <sup>st</sup> Interim Dividend)	1,286	3,16,614.00
2018-19 (2 <sup>nd</sup> Interim Dividend)	1,931	4,12,932.00
2019-20 (Interim Dividend)	1,702	4,17,546.00
2019-20 (Final Dividend)	1,958	4,16,308.00
2020-21 (Interim Dividend)	2,011	5,86,604.00
2020-21 (Final Dividend)	1,455	5,10,762.00
2021-22 (Interim Dividend)	1,378	3,13,325.50
2021-22 (Final Dividend)	1,228	6,27,057.50
2022-23 (Interim Dividend)	1,371	3,31,890.00

#### 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, 2023	
	Number of shares	%
(A) Shareholding of promoter and promoter group		
(i) Indian	0	0
(ii) Foreign	45,90,28,095	73.66
<b>Total shareholding of promoter and promoter group</b>	<b>45,90,28,095</b>	<b>73.66</b>
(B) Public shareholding		
(i) Institutions	8,95,17,512	14.36
(ii) Non-institutions	7,46,29,836	11.98
<b>Total public shareholding</b>	<b>16,41,47,348</b>	<b>26.34</b>
(C) Shares held by custodians and against which depository receipts have been issued	0	0
(D) ESOS Trust	0	0
<b>Grand total (A)+(B)+(C)+(D)</b>	<b>62,31,75,443</b>	<b>100.00</b>

**Distribution of shareholding**

Number of Shares	No. of Shareholders as on March 31, 2023		Total equity shares as on March 31, 2023	
	Number	%	Number	%
1 to 500	1,76,926	93.75	1,32,05,163	2.12
501 to 5,000	10,707	5.67	1,49,76,305	2.40
5,001 to 1,00,000	1,020	0.54	1,52,07,423	2.44
Above 1,00,000	69	0.04	57,97,86,552	93.04
<b>Total</b>	<b>1,88,722</b>	<b>100.00</b>	<b>62,31,75,443</b>	<b>100.00</b>

**Status of Dematerialisation of Shares**

As on March 31, 2023, 100% of the Company's shares are held in Dematerialised form.

**Investors' Grievances Attended**

Received from	Received during		Redressed during		Pending as on	
	2022-23	2021-22	2022-23	2021-22	31-03-2023	31-03-2022
SEBI	0	3	0	3	Nil	Nil
Stock Exchanges	2	1	2	1	Nil	Nil
NSDL/CDSL	0	0	0	0	Nil	Nil
Direct from investors	0	0	0	0	Nil	Nil
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>Nil</b>	<b>Nil</b>

**Analysis of grievances**

	2022-23		2021-22	
	Number	%	Number	%
Non-receipt of dividend warrant	1	50.00	0	0
Non-receipt of share certificates	0	0.00	0	0
Others	1	50.00	4	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>

**There were no complaints pending as on March 31, 2023.**

**Notes:**

- The shareholder base was 1,88,722 (consolidated as per PAN) as of March 31, 2023.
- 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

Sr. No.	Date of Allotment	Reason/ Nature of allotment	Face value per Equity Share (₹)	Number of Equity Shares	Cumulative number of Equity Shares
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
15	July 06, 2020	Allotment under ESOP	10	16,500	61,21,28,367
16	August 5, 2020	Allotment under ESOP	10	2,93,508	61,24,21,875
17	September 2, 2020	Allotment under ESOP	10	5,936	61,24,27,811
18	September 9, 2020	Allotment under ESOP	10	43,884	61,24,71,695
19	October 7, 2020	Allotment under ESOP	10	94,420	61,25,66,115
20	November 11, 2020	Allotment under ESOP	10	55,347	61,26,21,462
21	December 2, 2020	Allotment under ESOP	10	86,192	61,27,07,654
22	December 31, 2020	Allotment under ESOP	10	2,43,702	61,29,51,356
23	January 22, 2021	Allotment under ESOP	10	34,518	61,29,85,874
24	February 11, 2021	Allotment under ESOP	10	56,060	61,30,41,934
25	February 26, 2021	Allotment under ESOP	10	20,90,714	61,51,32,648
26	March 12, 2021	Allotment under ESOP	10	1,72,431	61,53,05,079
27	March 26, 2021	Allotment under ESOP	10	11,99,688	61,65,04,767
28	April 16, 2021	Allotment under ESOP	10	25,778	61,65,30,545
29	May 12, 2021	Allotment under ESOP	10	5,32,998	617,063,543
30	June 01, 2021	Allotment under ESOP	10	7,27,897	617,791,440
31	June 17, 2021	Allotment under ESOP	10	6,02,366	618,393,806
32	July 08, 2021	Allotment under ESOP	10	3,11,039	618,704,845
33	July 30, 2021	Allotment under ESOP	10	4,01,884	619,106,729
34	August 19, 2021	Allotment under ESOP	10	10,01,290	620,108,019
35	September 03, 2021	Allotment under ESOP	10	2,44,069	62,03,52,088
36	September 17, 2021	Allotment under ESOP	10	2,41,879	62,05,93,967
37	October 08, 2021	Allotment under ESOP	10	5,83,705	62,11,77,672
38	November 22, 2021	Allotment under ESOP	10	4,89,004	62,16,66,676
39	December 7, 2021	Allotment under ESOP	10	27,398	62,16,94,074
40	December 17, 2021	Allotment under ESOP	10	1,30,234	62,18,24,308
41	January 3, 2022	Allotment under ESOP	10	81,325	62,19,05,633
42	February 17, 2022	Allotment under ESOP	10	1,01,361	62,20,06,994
43	March 3, 2022	Allotment under ESOP	10	10,934	62,20,17,928
44	April 05, 2022	Allotment under ESOP	10	37,704	62,20,55,632
45	May 02, 2022	Allotment under ESOP	10	6,000	62,20,61,632
46	May 18, 2022	Allotment under ESOP	10	3,63,592	62,24,25,224
47	June 07, 2022	Allotment under ESOP	10	60,499	62,24,85,723
48	June 22, 2022	Allotment under ESOP	10	19,733	62,25,05,456
49	July 13, 2022	Allotment under ESOP	10	29,049	62,25,34,505
50	August 19, 2022	Allotment under ESOP	10	3,69,045	62,29,03,550
51	September 05, 2022	Allotment under ESOP	10	28,686	62,29,32,236
52	September 22, 2022	Allotment under ESOP	10	1,04,444	62,30,36,680
53	October 13, 2022	Allotment under ESOP	10	39,600	62,30,76,280
54	November 17, 2022	Allotment under ESOP	10	21,165	62,30,97,445
55	December 12, 2022	Allotment under ESOP	10	55,298	62,31,52,743
56	January 06, 2023	Allotment under ESOP	10	22,700	62,31,75,443



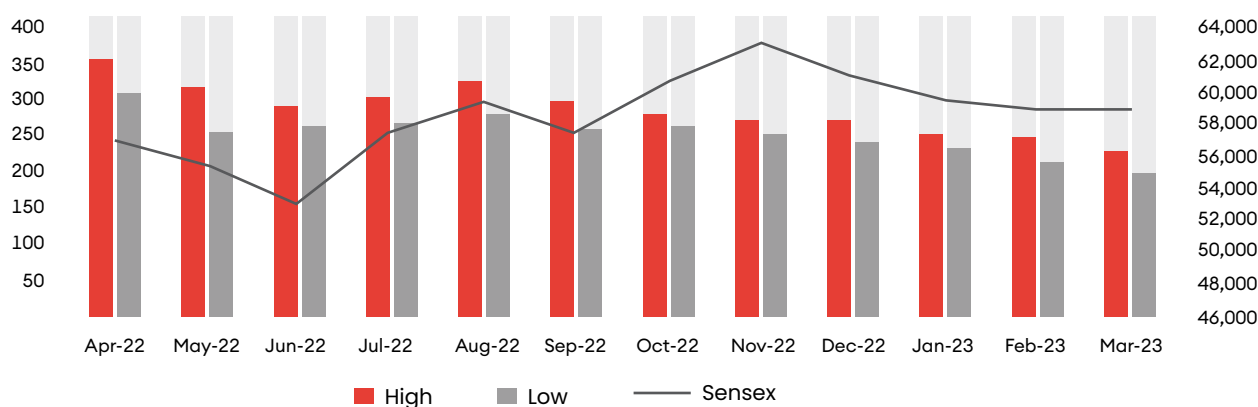
## Stock Price and Volume

2022-23	BSE			NSE		
	HIGH (₹)	LOW (₹)	Traded Volume (in lakhs)	HIGH (₹)	LOW (₹)	Traded Volume (in lakhs)
Apr-22	357.25	313.15	6.45	357.10	312.95	138.00
May-22	317.50	259.30	7.19	317.95	259.00	132.72
Jun-22	293.40	264.50	4.18	293.75	264.50	109.60
Jul-22	303.80	269.10	4.32	301.50	269.05	105.58
Aug-22	326.00	279.65	12.44	326.10	279.45	233.85
Sep-22	302.75	261.05	8.86	302.95	260.50	66.70
Oct-22	279.40	263.15	12.16	279.40	263.00	70.28
Nov-22	273.00	252.00	6.38	273.00	252.00	77.44
Dec-22	274.30	241.05	5.66	274.40	243.30	103.26
Jan-23	254.55	233.20	4.05	254.45	233.00	55.31
Feb-23	250.95	213.35	8.72	251.00	213.05	97.89
Mar-23	230.00	197.10	8.71	230.50	196.90	89.76

## Performance in comparison to markets

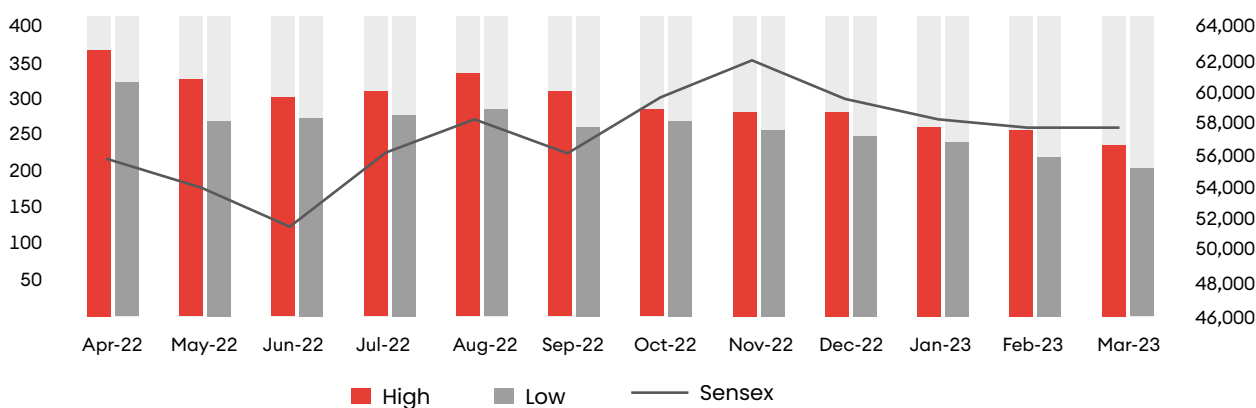
### NAM Price in BSE

#### Stock Price



### NAM Price in NSE

#### Stock Price



### 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](http://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](http://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 2023-24 has been paid by the Company to the stock exchanges

#### Key financial reporting dates for the financial year 2023-24

Unaudited results for the first quarter ended June 30, 2023: On or before August 14, 2023

Unaudited results for the second quarter / half year ended September 30, 2023 : On or before November 14, 2023

Unaudited results for the third quarter ended December 31, 2023: On or before February 14, 2024

Audited results for the financial year 2023-24: On or before May 30, 2024

#### Depository Services

For guidance on depository services, Shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: [www.nsdli.co.in](http://www.nsdli.co.in) or Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25<sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013 website: [www.cdslindia.com](http://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: <https://mf.nipponindiaim.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 Limited (formerly known as KFIN Technologies Private Limited) at the below mentioned address for speedy response:

KFIN Technologies Limited  
(Formerly known as KFIN Technologies Private Limited)  
SELENIUM Tower – B, Plot No. 31 & 32, Gachibowli, Financial District &, Nanakramguda Serilingampalle, Hyderabad- 500 032, Telangana, India

Toll Free No. :1800-309-4001

Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

RTA email: [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

WhatsApp Number : (91) 910 009 4099

KPRISM (Mobile Application):

<https://kprism.kfintech.com/>

RTA Website : <https://ris.kfintech.com>

Investor Support Centre (DIY Link) :

<https://ris.kfintech.com/clientservices/isc>

**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, 4<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (West) Mumbai 400 013

Tel.: +91 22 68087000, Fax: +91 22 68087097

E-mail: [Investorrelation@nipponindiaim.com](mailto:Investorrelation@nipponindiaim.com)

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer  
Nippon Life India Asset Management Limited  
4<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (West) Mumbai 400 013

Tel.: +91 22 68087000, Fax: +91 22 68087097

E-mail: [Investorrelation@nipponindiaim.com](mailto:Investorrelation@nipponindiaim.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 material 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 analysing 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/ Modernisation 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. Utilisation of retained earnings

The company shall endeavor to utilise the retained earnings in the following manner:

- For expansion and growth of business;
- Additional investments in existing business;
- Declaration of dividend;
- Mergers and Acquisitions
- 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.

**10. Website**

The Policy shall be disclosed on the website of the Company



# Environmental, Social & Governance Report

Nippon Life India Asset Management Limited<sup>1</sup> ('NAM India' or 'Company') is delighted to present its non-financial performance i.e., its qualitative and quantitative information for this financial year (FY) April 1, 2022, to March 31, 2023<sup>2</sup>. This is the second year NAM India has presented its environmental, social and governance (ESG) performance within its Annual Report (Report). This Report discloses information regarding the various ESG initiatives undertaken by the Company on an annual basis<sup>3</sup>.

The ESG section provides NAM India's continued efforts towards enhancing its ESG parameters. This Report has been prepared in accordance with the Nine Principles under National Guidelines on Responsible Business Conduct (NGRBC) and meets the requirements stated in the Business Responsibility and Sustainability Reporting (BRSR) format stipulated by Securities and Exchange Board of India (SEBI). Additionally, the Company has referred to the Global Reporting Initiative (GRI) Universal Standards 2021 and the United Nations Sustainable Development

Goals (SDGs). There have been no restatements of information or changes in FY2022-23<sup>4</sup>.

The Company's previous Reports can be found on its [website](#). For any feedback, suggestions or views related to this Report, kindly reach out to [investorrelation@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com)<sup>5</sup>.

## Precautionary Principle<sup>6</sup>

NAM India has taken utmost care to follow principles of stakeholder inclusiveness, completeness, and account for materiality. The Company stays committed to providing all its stakeholders with relevant disclosures thereby highlighting its policies, systems, and processes that it has implemented to enhance its ESG performance.

NAM India adopts a precautionary approach in its risk management as well as business decisions to mitigate any adverse impacts on the environment and society. Various sections in the Report enumerate NAM India's approach.

<sup>1</sup>GRI 2-1 Organisational details, GRI 2-2 Entities included in the organisation's sustainability reporting

<sup>2</sup>GRI 2-3 Reporting period, frequency, and contact point

<sup>3</sup>GRI 2-3 Reporting period, frequency, and contact point

<sup>4</sup>GRI 2-4 Restatements of information

<sup>5</sup>GRI 2-3 Reporting period, frequency, and contact point

<sup>6</sup>GRI 2-23 Policy commitments

## Importance of ESG in the Financial Services Sector

The financial system is the backbone of the country's economic system. There is increased regulatory, and investor scrutiny on ESG performance. The regulatory disclosures include but are not limited to the Business Responsibility and Sustainability Reporting (BRSR) proposed by Securities and Exchange Board of India (SEBI) and Sustainable Finance Disclosure Regulation (SFDR) introduced by the European Union. The integration of ESG into the companies' systems enables them to lower their risks. The non-financial risks or ESG risks include understanding, and implementing ESG practices in the business strategy, planning, and execution. Financial institutions follow a two-pronged approach wherein ESG risks can impact the overall ESG performance. This approach includes impacts from its investments and operations. In addition to integration, companies are expected to be transparent and disclose information related to their ESG performance in the public domain.

The Indian mutual fund industry had ₹ 39,42,031 Crores in assets under management<sup>7</sup> as of March 31, 2023. Companies are now not only adopting the ESG practices but have also started disclosing its performance publicly. Many financial sector companies have integrated ESG into their investments by adopting one or more responsible investment approaches. These approaches include:

- ESG Integration- Including ESG factors into the investment decision making process
- Negative Screening- Excluding certain companies or sectors based on certain ESG criteria
- Norm-based Screening- Evaluating investments against minimum standard of business based on international norms
- Corporate engagement and shareholder action- Engaging with companies through Active Stewardship and Proxy Voting on their ESG performance

- Positive Screening- Including companies assessed to have better ESG performance based on the benchmarks set
- Sustainability Themed Investing- Including companies specifically related to improving social and environmental sustainability
- Impact Investing- Including companies that generate a positive and measurable ESG impact

According to a study of over 1,000 global investors commissioned by Capital Group, investors are increasingly showcasing interest in funds promoting ESG. Of those investors, 89% had adopted ESG in 2022 which has increased from 84% in 2021<sup>8</sup>. The government, public and private organisations have started working on various plans and initiatives to safeguard the planet from the extreme weather condition. Large scale financing to promote environment friendly solutions is known as Green Finance. Green finance is a structured financial activity, product, or service to ensure a better environmental outcome. As per World Economic Forum (WEF), the green bond market could be worth \$ 2.36 trillion by 2023. The financial sector plays a vital role in funding green finance in the industry. The financial sector has a complementary role in green financing as well as in mitigating climate risks. The opportunities that arise from these practices include but are not limited to enhanced brand value and reputation, lower impact of risks, enhanced access to capital and being equipped to tackle the impact of adverse events. Keeping the industry trends in mind, NAM India is dedicated towards remaining ahead of the curve and has taken initiatives towards enhancing its performance at the operational and investment level. Integration of ESG not only helps organisations enhance business performance but also manage risks better. This Report highlights the efforts undertaken by NAM India throughout the year.

<sup>7</sup>Penetration of mutual funds in India goes up to 17% of the GDP - [Cafemutual.com](https://cafemutual.com)

<sup>8</sup><https://www.msn.com/en-us/money/savingandinvesting/esg-investing-trends-for-2023/ar-AA16b4IW>

## NAM India's Approach to ESG

The evolving market scenario and growing investor interest in ESG is becoming a key focus area in the corporate environment. NAM India is committed to centralise its efforts and strategically implement its focused initiatives to positively impact ESG aspects. It believes that by integrating ESG into investment decision-making, NAM India can strengthen its management of key emerging risks and opportunities. This will enable NAM India to gain a competitive advantage and enhance its market presence

**NAM India's ESG vision is to create a sustainable future for our stakeholders by integrating environmental, social and governance (ESG) principles into our business operations, investment processes and stewardship.**

**NAM India's ESG Mission is to**

- **Create long-term value for its stakeholders**
- **Ensure holistic integration of a responsible approach in its investment processes**
- **Maintain the highest standards of ethics and accountability in its operations**
- **Build a high potential workforce and invest in talent acquisition, development, and retention**
- **Foster wellbeing and safety of all its employees**
- **Implement sound systems to manage climate risks and opportunities for business and operations**
- **Manage environmental impact of its operations**
- **Ensure financial independence amongst stakeholders by promoting financial literacy**
- **Create a culture of inclusive growth by ensuring continued support to local communities**

During FY23, the Company laid emphasis on its ESG strategy<sup>9</sup> with an aim to enhance its ESG performance and create value for its stakeholders. NAM India endeavours to implement best-in-class ESG practices in its operations in addition to its investment portfolio.

**The Company has structured its ESG integration efforts into three categories namely:**



### **Stakeholder Relationship**

Building strong stakeholder relationships by understanding their needs, expectations, and grievances. This provides NAM India a competitive advantage and ensures long-term business sustenance.



### **Operational Commitments**

The Company is committed to adopt robust corporate governance practices along with data security and customer privacy. It also aims at minimising its environmental footprint.



### **Responsible Investment**

The Company endeavors to incorporate responsible investment practices by developing a screening process, integrating ESG and adopting active ownership approaches into its investment decision-making.

To operationalise its ESG commitments and embed sustainable practices across the organisation, the Company has developed bespoke ESG related policies, these include policies aspects such as: ESG policy framework, information cyber security and cyber resilience, group tax policy, human rights, responsible investment for listed equity, responsible investment for fixed income, stakeholder engagement, supplier code of conduct, clawback, environmental and anti-money laundering. These policies are publicly available on NAM India's [website](#).

<sup>9</sup>GRI 2-22 Statement on sustainable development strategy

### Stakeholder Engagement<sup>10</sup>

Stakeholder engagement forms an essential component of NAM India’s business operations. The Company defines its stakeholders as persons or groups of persons that are directly or indirectly affected by its business operations. It also includes those persons or groups who may have interest in the operations of NAM India or possess the abilities to influence the outcomes of its business. The Company is committed to building a strong and long-lasting relationship with its stakeholders by encouraging healthy communication to understand their needs and expectations. The key stakeholders identified include shareholders, investors, employees, customers, regulators, vendors, distributors, registrar and transfer agents, media and the community. The Company’s diverse stakeholder groups allows it to gain holistic insights of stakeholder expectations, thus helping them align their business objective and set strategic goals to meet their needs. NAM India has also designed its ESG policies and strategy keeping in mind the collaborative responsibilities NAM India with the backing of its stakeholders is committed towards building a sustainable business.

The Company engages with its stakeholders on a regular basis leveraging various platforms and communication channels. It has developed a stakeholder engagement policy which sets the

framework for open and transparent interactions with its stakeholder groups. This helps NAM India build credibility and trust. This policy offers instructions for methodically obtaining its stakeholders viewpoints and knowledge as well as for comprehending, addressing, and managing their expectations and apprehensions.

### Materiality Assessment<sup>11</sup>

With the objective of integrating ESG into its business, NAM India has identified its key material topics through consultation with senior management and internal representatives for the identified stakeholder groups. A detailed assessment was conducted in FY22 wherein inputs were taken from employee representatives (who also communicated expectations of external stakeholders) and from the senior management of NAM India. The inputs provided on the laundry list of topics were based on the representatives’ views from frequent interactions with the stakeholders. Additionally, peer practices and industry trends were reviewed. Taking into consideration the industry trends and stakeholder inputs, topics were then ranked in order of significance. This was also based on their implications on the value chain and importance of stakeholders’ and business outcomes. This process enabled the Company to identify its prioritised material topics mentioned below. NAM India plans on reviewing its material topics in the coming year.

A structured process was followed to determine material issues:



<sup>10</sup>GRI 2- 29 Approach to stakeholder engagement

<sup>11</sup>GRI 3-1 Process to determine material topics, GRI 3-2 List of material topics

## Responsible Investment Practices at NAM India

At NAM India, investors' expectations form an important input for investment decision making. The Company endeavours to benefit its stakeholders and enable long-term value creation through responsible and sustainable investment strategies. It is committed to integrate ESG factors into its investment analysis, review, and decision-making process.

NAM India is a signatory to the PRI principles to adopt and implement its responsible investment approach across asset classes. The Company has adopted a screening process for its portfolio companies based on their exposure to ESG risks and governance practices. To ensure effective oversight and ESG performance of its portfolio companies, sector and company specific key material topics are considered to develop an internal proprietary risk rating mechanism. This involves a fundamental analysis and review of ESG disclosures, ESG ratings, statutory disclosures, and other publicly available information to monitor the ESG performance.

NAM India's responsible investment policies describes its objectives, principles, strategy, approach, and governance practices to create long-term value for its stakeholders. It instituted a separate responsible investment policy for equity and fixed income.

The Company actively engages with its portfolio companies to understand their ESG performance, commitments, strategies and help them strengthen their sustainability practices. This helps assess and integrate climate related risks into investment decision making. It believes that frequent and effective communication with investee companies promotes improved corporate governance, which results in joint value creation by unitholders and investee companies. NAM India's stewardship policy guides its engagement process and highlights the stewardship tools investors can adopt into policies, procedures, practices and illustrates the significance and relevance of stewardship within responsible investment. Effective stewardship provides an opportunity to identify and influence the pressing ESG challenges faced by investors and companies.



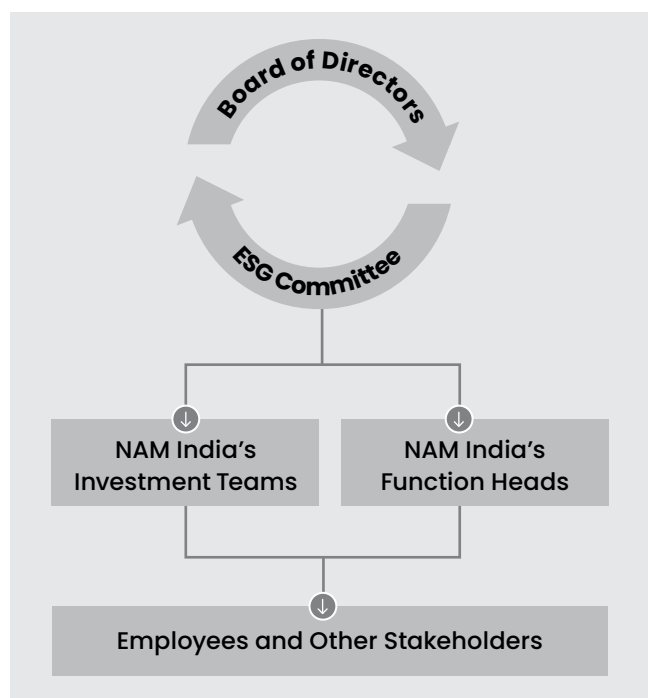
## Responsible Business Practices

Regulators are actively engaging in implementing improved practices across governance and ethics related areas due to the evolving expectations and risks. Introducing ESG funds or integrating ESG practices in existing portfolio necessitates mutual fund managers to follow ethical standards thereby maintaining investor confidence. This minimises the possibility of conflicts of interest and ensures allocative efficiency within financial markets.

NAM India is dedicated to upholding high standards of ethical behaviour in its business and operations. Additionally, the Company's philosophy of corporate governance is guided by six core principles namely transparency, disclosures, empowerment and accountability, compliance, ethical conduct, and stakeholders' interest. It has instituted an ESG policy framework that fosters ethical conduct, outlines stakeholder expectations, and provides remedial measures in the event of grievances or violations<sup>12</sup>.

### Governance for ESG

NAM India has established board level oversight and accountability for its ESG agenda. NAM India's ESG committee ensures the adherence to its responsible investment principles and ESG Framework and reports the result to the Board. The investment team and function heads are accountable for implementation of policies.



<sup>12</sup>GRI 3-3 Management of material topics

<sup>13</sup>GRI 205-2 Communication and training about anti-corruption policies and procedures

### Code of Conduct at NAM India

NAM India has formalised a Code of Conduct (CoC) for its Board of Directors and Senior Management Personnel and a distinguished CoC for its employees (also known as the employee handbook). The Company's code of ethics rests on nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

The CoC for its Board of Directors and Senior Management Personnel (SMPs) outlines the principles, rules, and ethical standards that are to be followed while performing their duties. The Directors, Chief Executive Officer (CEO) and SMPs at NAM India are obliged to work in compliance with all applicable laws, rules, regulations, agreements, guidelines, standards, internal policies, and procedure. This code lays emphasis on aspects such as honest and ethical conduct, obligation against various applicable laws and prohibition against insider trading, protecting company confidential information, violation and disciplinary actions, conflict of interest situations, etc. An annual declaration is given by all board members and senior management attesting to the proper compliance with the code.

The employee handbook encapsulates standards, definitions, guidelines, and policies for responsible business practices that are to be followed by its employees in their day-to-day operations. NAM India's employee handbook provides a comprehensive guideline on governance and CoC, employment rules, total rewards policy, business enablers and career and opportunities. The Company has a formal compliance manual and a zero-tolerance policy for non-compliant behavior.

NAM India provides training on the CoC during on-boarding and further conducts annual refresher trainings. This training on the code covers Company policies such as anti-corruption, anti-money laundering, prevention of sexual harassment, etc. During the reporting period, 100% of our employees and senior management have undertaken the training and signed the CoC<sup>13</sup>.

### Supplier Code of Conduct

NAM India has developed a supplier code of conduct for its suppliers including third party suppliers, service providers, intermediaries, and independent

contractors. Its supplier CoC is built on honesty, integrity, respect, fairness, trust, and responsibility. The CoC focuses on four main pillars of human rights, diversity and inclusion, environmental stewardship and ethics and anti-corruption. NAM India promotes the integration of principles of human rights across its supply chain along with adherence to labour laws and employee well-being practices while doing their business. The Company prohibits discrimination and harassment at workplace. It is committed to

preserve and uphold natural resources and reduce the environmental impact across its supply chain.

The suppliers are expected to act in compliance with the laws of the jurisdiction in their areas of business regarding bribery, corruption, data protection insider trading and money laundering. Non-compliance with the supplier CoC can result in the termination or suspension of business between NAM India and the supplier.

# Safeguarding and Transforming Information Technology (IT) Infrastructure

## NAM India's Strategy

Technology and innovation are key drivers in transforming NAM India's business. The Company focuses on superior digital ecosystem to achieve strong profitable growth. Technology adoption has grown manifold at NAM India with the introduction of products and services that are zero-touch, virtual and completely utilises. This enables NAM India to satisfy the diverse needs of its spectrum of customers. NAM India strategises its business to maintain its position as a leading provider of asset management services and its strong digital capabilities provides it a competitive edge. The following three pillars form the Company's long-term digital strategy:

1. User growth
2. Digital distribution
3. Digital products and platforms

The user growth pillar has a sharp executional focus on acquisition and retention of investors. In addition to this, the Company has established policies, systems, and processes to further strengthen its IT and cyber security systems. A robust governance mechanism has been put in place to ensure effective oversight

and trainings are carried out to generate awareness amongst its internal stakeholders.

## Catalysing Financial Inclusion through Digitisation

NAM India aims to bring about utilise sized and intuitive experience through its digital initiatives and solutions. The Company conducts various focused trainings, refresher sessions, live demonstrations and guidance aimed to empower and imbibe a digital mindset amongst its distributors. Byte sized content, infographics, presentations, and videos were circulated via email, WhatsApp, and other digital platforms for greater impact.



### Business Easy Revamp

- Business Easy App enhanced with 17 additional modules
- Consistent rating of 4.4 on Android App\*

\*As of December 2022



### Cart Buying on Investors Application

- Enables investors to select multiple schemes in a single basket and purchase through a single transaction



### Mutual Fund Intern Distributor Portal

- Increase in transaction count
- Tracking of Trainee Mutual Fund Distributor
- Identifying potential of the location
- Track daily and monthly inputs



### Corporate Website Implementation

- NAM India's corporate brand overview has a gateway to various Line of Businesses, Mutual Funds (MFs), Portfolio Management Services (PMS), Alternative Investment Funds (AIFs), etc.



### Digital Systems to Cloud App

- Responsiveness at 84%
- Availability greater than 99.5%



For further information on digital applications and initiatives, kindly refer to page 12 of this Report.

### Goals and Targets

To bring about transformation in end-user experiences, NAM India utilises the power of digitally driven solutions to boost its business infiltration into every stratum of customers such as individuals with varying degree of digital evolution, financial advisors, brokers, intermediaries, distributors, or digital partners. The Company has successfully achieved its short-term target set in the previous year to enhance market penetration of mutual fund products by introducing a new feature that allows its investors to interact and transact conveniently through its

WhatsApp platform. In FY23, NAM India obtained opt-ins from 1.53 million investors to engage and transact over WhatsApp. This paved the way for driving the adoption of the WhatsApp channel. Additionally, NAM India conducted vernacular digital campaigns. NAM India is in the process of revamping its Simply Save App with vernacular capabilities. It has also initiated processes for application designs and technology development for its digital assets.

Achievement of the intended results through set targets and the zeal of the Company encouraged NAM India to undertake new targets for FY23.

 <p><b>Incremental Improvement</b></p> <p>Two Critical Parameters identified to measures NAM India's Asset Performance:</p> <ul style="list-style-type: none"> <li>- Availability</li> <li>- Responsiveness</li> </ul>	 <p><b>Operational Excellence</b></p> <ul style="list-style-type: none"> <li>- Improve operations by way of optimisation and automation</li> <li>- Implement technology solutions to review and further enhance or replace existing processes to provide a better solution or experience</li> </ul>	 <p><b>Technology Innovations</b></p> <ul style="list-style-type: none"> <li>- Continuous innovation to bring in new technology implementations to generate incremental benefits</li> <li>- Goals for these innovations is one or a combination of:             <ul style="list-style-type: none"> <li>- improved transaction processing</li> <li>- operational excellence</li> <li>- user experience</li> <li>- new business</li> </ul> </li> </ul>
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### Information Technology and Cybersecurity

NAM India has instituted an Information, Cyber Security and Cyber Resilience Policy that identifies responsibilities and establishes goals for consistent and appropriate protection. This policy ensures enhanced management of risk. These can be risk of accidental or intentional disclosure, modification, destruction, delay, or misuse of information assets. Additionally, it protects information and information infrastructure in cyberspace. It helps add capabilities to prevent and respond to cyber threats, reduce vulnerabilities, and minimise damage from cyber incidents. This is carried out through a combination of institutional structures, people, processes, and technology. The policy consistently establishes and maintains controls for ensuring confidentiality, integrity, and availability of all information assets.

This policy is governed by the Technology Committee (TC) comprising of the CEO, Chief Risk Officer (CRO), Chief Technology Officer (CTO), Chief Information Security Officer (CISO), function heads of Operations, Digital Business and Legal and Compliance. The TC is responsible for changes and updates to the policy and to oversee its implementation. The Information Security Office (ISO) is the owner of this policy and provides direction for implementing, maintaining, and improving the security of IT assets. The responsibility

for the execution of this policy lies with various departments, namely IT, Administration, Human Resources (HR) and the respective Business units.

NAM India conducts Vulnerability Assessment and Penetration Testing (VAPT) on an annual basis for all its IT systems and processes that may affect its user data. This testing is conducted by an external third party empaneled auditor. The findings of these audits are then submitted to SEBI as per the regulatory requirements. Simultaneously, remediation measures are undertaken on a continuous basis to strengthen the systems. NAM India also carries out various initiatives to efficiently monitor and respond to data breaches and cyberattacks. There were no instances of data breaches and/or cyberattacks recorded in FY23.

Additionally, NAM India expects all its employees to be aware of and comply with its Information, Cyber Security and Cyber Resilience Policy, irrespective of their job specific roles. Mandatory refresher trainings are conducted on an annual basis for its existing employees. In FY23, 98% of employees completed this training. Further, new employees undergo this training during their onboarding process. Also, monthly awareness emails on phishing attacks and cyber security are sent to all its employees.

## Enabling a Thriving Workplace

NAM India considers its employees to be key stakeholders and has deployed systems, policies, and initiatives to maintain health and well-being of its employees. The core pillars of its success include people, culture, agility, performance, well-being, and innovation. The Company promotes the development of its human capital through employee training, engagement, and well-being practices. The Company conducts various trainings and employee development initiatives to nurture a growth culture.

### Talent Management

NAM India’s approach to talent management enables empowerment, attraction, and retention of its employees. It has established a philosophy and some of the main tenets include talent development and care, decision-making and empowerment, innovation, agility, and digital transformation. NAM India continually endeavours to be a globally respected organisation that strives towards making a positive impact on all its stakeholders. The Company has received various prestigious awards in its efforts to thrive as an employer of choice:



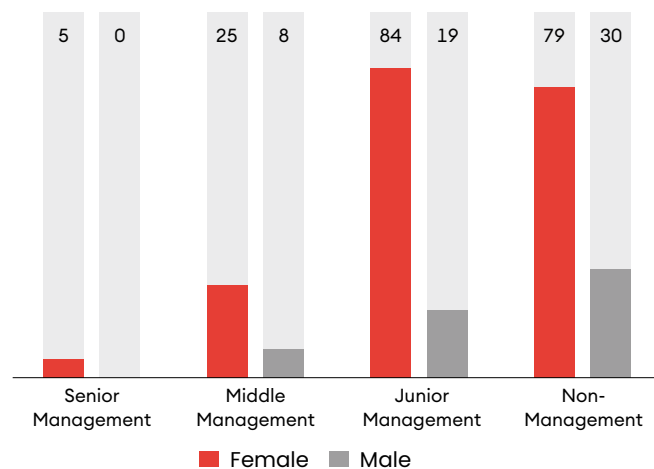
The Company invests in employee development and employee engagement programmes to upskill its workforce and foster a growth mindset. It has formulated an engagement philosophy known as Say, Stay and Strive. During FY23, it recorded an employee satisfaction score of 88%. NAM India also launched two new awards:

- **Orange Cap Award:** For new joinees who demonstrate the Company’s value at the workplace, complete all HR related processes in time and are proactive and innovative at work.
- **Purple Cap Award:** For employees who go above and beyond for the workplace or society, by going the extra mile.

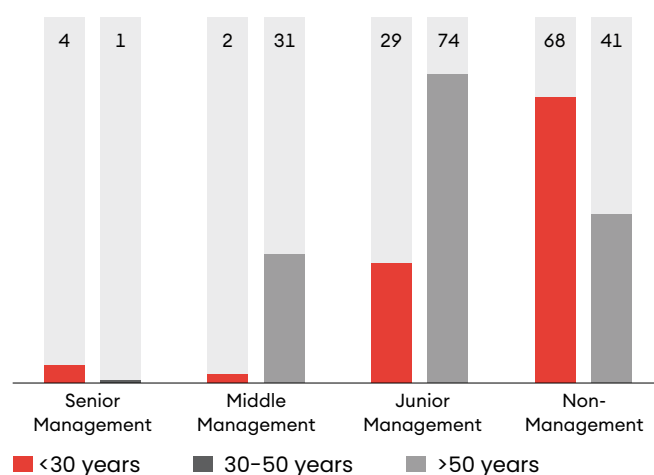
Additionally, other awards such as the Star of the Quarter, Young Achiever and Recognise (spot recognition) were awarded to the employees.

### New Joinees<sup>15</sup>

#### New Joinees by Gender for FY23



#### FY23

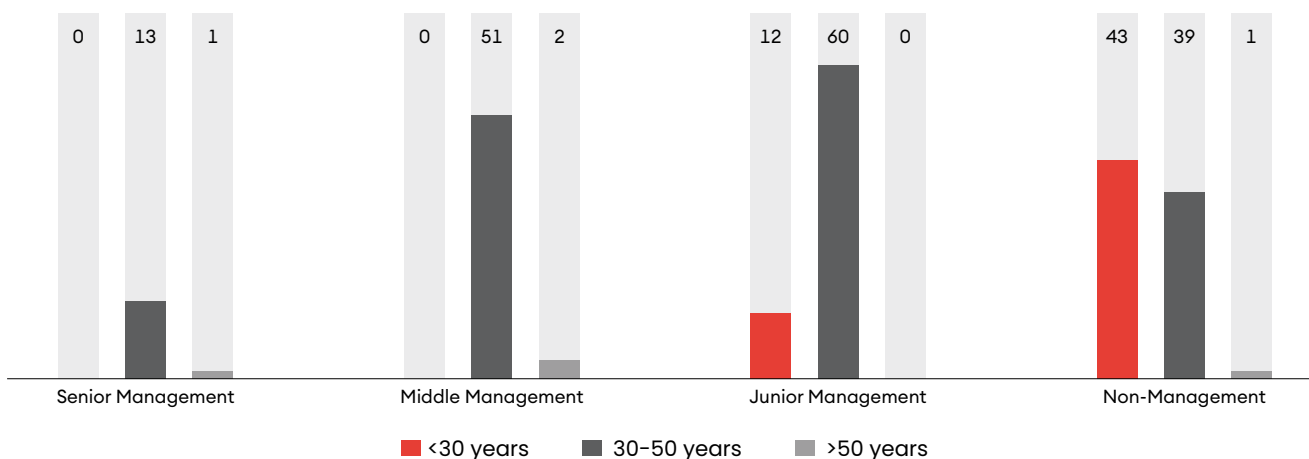




**Employee Turnover Rate:<sup>16</sup>**

Employee category	FY23		FY22		FY21	
	Male	Female	Male	Female	Male	Female
Senior Management	14.43%	0.00%	3.21%	12.50%	5.77%	10.53%
Middle Management	18.03%	16.51%	19.61%	15.05%	7.65%	9.01%
Junior Management	22.44%	23.33%	18.70%	23.08%	12.18%	8.40%
Non-management	33.01%	25.00%	31.05%	32.61%	27.25%	12.99%

**Employee turnover by age and category for FY23**



NAM India achieved one of the lowest attrition rates in the industry.

**Diversity and Inclusion<sup>17</sup>**

The Company considers diversity and inclusion as a crucial part of its business development strategy. NAM India believes in promoting innovation by leveraging employees’ capabilities, ideas, and skills. NAM India takes various initiatives to promote diversity through focused hiring activities conducted across age groups, gender, and regions. It provides equal opportunity to all its employees and promotes an inclusive environment where every individual can thrive. The Company’s recruitment, promotion and remuneration process is conducted with the utmost fairness while promoting equal opportunity. Additionally, it undertakes initiatives like:

- **Pankh-** A special initiative for its female employees aimed at grooming them to enhance leadership capabilities and potential
- **Creche Allowance-** An allowance for a period of 24 months is paid to support its female employees returning from maternity leave
- **Travel Reimbursement-** Female employees are eligible to claim home to office travel

reimbursement during the last two months from her expected date of delivery.

During FY23, the Company’s salary ratio for women to men was 1:2.3 at the senior management, 1:1.5 at the middle management, 1:0.83 at the junior management and 1:1 for non-management level employees. Additionally, NAM India ensures it provides more than minimum wages to all its employees.

NAM India is committed towards creating a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company pledges to treat its employees with fairness and dignity and prohibits discrimination on the basis of race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, political opinion, or any other category protected by applicable laws. At NAM India, there were no cases of discrimination reported<sup>19</sup>.

The Company’s Human Rights policy is applicable to all its stakeholders and its subsidiary companies. The Policy provides a basis for embedding responsibility across functions to adhere and uphold the highest level of human rights standards. The Company’s premises are made accessible to differently abled employees, workers, and visitors.

<sup>16</sup>GRI 401-1 New employee hires and employee turnover

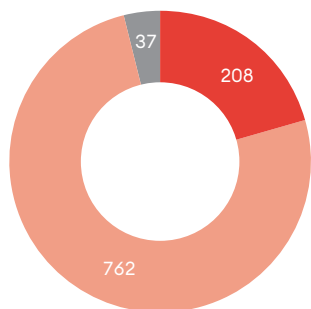
<sup>17</sup>GRI 3-3 Management of material topics

<sup>18</sup>GRI 405-2 Ratio of basic salary and remuneration of women to men

<sup>19</sup>GRI 2-7 Employees, GRI 406-1 Incidents of discrimination and corrective actions taken

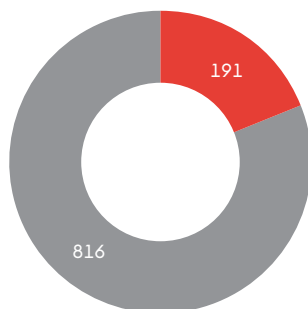
**Total Workforce:<sup>20</sup>**

**Total Employees by Age**



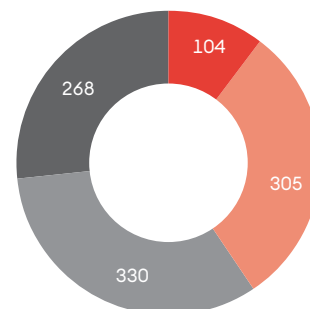
■ <30 years    ■ 30-50 years  
 ■ >50 years

**Total Employees by Employment Category**



■ Female    ■ Male

**Total Employee by Gender**



■ Senior Management  
 ■ Middle Management  
 ■ Junior Management  
 ■ Non-management

	<30 years	30-50 years	>50 years
Senior Management	0%	77%	23%
Middle Management	2%	96%	2%
Junior Management	21%	77%	2%
Non-management	50%	50%	0.4%
<b>Total</b>	<b>21%</b>	<b>76%</b>	<b>4%</b>

NAM India is one of the companies with the youngest talent pool in the industry with an average age of 37 years. It also has rich leadership experience of approximately 1,250 years and an average tenure of 11+ years.

<sup>20</sup>GRI 405-1 Diversity of governance bodies and employees

## Training and Development

NAM India believes that training and education is essential to stay updated with the sector trends and changing market scenarios. The Company conducts regular trainings and skill development workshops for its employees including technical and behavioral training through its internal competency framework. With the intention to create future leaders and enhance their capabilities on the business front, NAM India conducts the following trainings and skill development activities across its five focus areas namely interpersonal development, management courses, personal development, leadership, and product training.

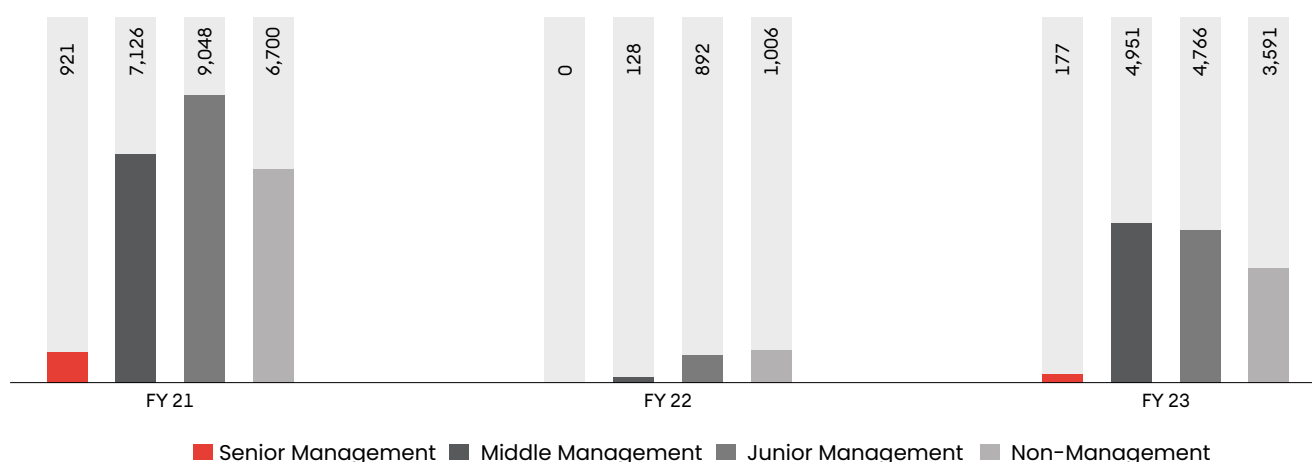
 <p><b>Interpersonal Development</b></p> <ul style="list-style-type: none"> <li>– Foster a Happy Workplace</li> <li>– Find New Solutions through Design Thinking</li> <li>– Empathy and Emotional Intelligence</li> <li>– Deal with other Cultures</li> <li>– Collaborating with Teams</li> </ul>	 <p><b>Management Course</b></p> <ul style="list-style-type: none"> <li>– Foster a Happy Workplace</li> <li>– Find New Solutions through Design Thinking</li> <li>– Empathy and Emotional Intelligence</li> <li>– Deal with other Cultures</li> <li>– Collaborating with Teams</li> </ul>	 <p><b>Personal Development</b></p> <ul style="list-style-type: none"> <li>– Assertiveness and self-confidence</li> <li>– Finance for Everyone</li> <li>– Customer Centricity</li> <li>– Quality Focus</li> <li>– Time Management</li> <li>– Drive to Excel</li> <li>– High Impact Presentation Skills</li> <li>– Develop Creativity</li> <li>– Effective Communication Skills</li> <li>– Result Orientation</li> <li>– Active Learning</li> <li>– Accountability</li> </ul>
 <p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>– Strategic and Critical Thinking</li> <li>– Leadership Attitude</li> <li>– Innovative Thinking</li> <li>– Create and relay the Vision.</li> <li>– Change Management</li> </ul>	 <p><b>Product Training</b></p> <ul style="list-style-type: none"> <li>– Lean Six Sigma Green Belt Certification</li> <li>– Debt 360</li> <li>– Finance and Accounts</li> <li>– Debt: Fixed Income Nuances</li> <li>– Exchange-traded fund (ETF) Essentials</li> <li>– Develop Product Acumen</li> </ul>	

As a part of its learning and development activities, CEO's club was launched. This initiative help recognise and groom emerging leaders. The objective of this Club is to develop young leaders who would be a part of the future leadership positions. A leadership capability development programme known as LEAD was also undertaken with the objective of identifying and train the potential leaders for the next level of business critical. This forms a part of succession planning in the organisation through focused interventions for competency and capability enhancement. Innovation hub was initiated with an aim to use the investment opportunity in a futuristic and innovative start-up. This is a team-based programme mentored by the CEO, CHRO and CFO. Additionally, the business leaders are also provided with strategic trainings that focuses on driving the team's performance to meet overall organisational and business goals. NAM India's mentorship

programme- Aarohan, an initiative to enhance the competency of young talent and prepare them for managerial roles. The Company has also tied-up with top national and international institutions like Harvard Business School, Indian Institute of Management (IIM) Bangalore, Massachusetts Institute of Technology (MIT), etc. to provide its employees with opportunities to gain specialised certifications. Further, the Company takes multiple initiatives to train mutual fund distributors to boost their sales excellence for an independent financial adviser. It has introduced the best product Pitch Challenge called Pitch It, to create a pool of product champions. NAM India also conducts specific training programmes for its senior management like branch operation mastery and effective communication, team management workshop, transformational learning journey, etc. to cross sell and up sell thereby driving new revenue of the Company.<sup>21</sup>

<sup>21</sup>GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes

## Total Training Hours



The total training hours provided for male employees was 11,139 and 2,346 for female employees. At NAM India, the average training hours during FY23 was 13.39.<sup>22</sup> 100% of eligible employees underwent a performance and career development review.<sup>23</sup>

### Employee Benefits

NAM India is taking measures to digitise its HR interaction through the adoption of the digital platform HR 360. The digitalised interaction is a way to ease the onboarding process, enhance employee experience and leverage digital learning. NAM India has implemented a five-day working model for its employees which promotes a healthy work life. The Company also offers flexible working opportunities to employees through its flexi work policy and is one of the first companies to do so. The organisation offers four various arrangements, such as remote working for a set proportion of the week as well as unpaid sabbatical leave for self-education, child and family care, personal development, and other necessities. The Company also has a family support plan in case of death of an immediate family member through demise leave.<sup>24</sup> The aim is to provide employees with a productive work environment where they can thrive and excel.

### Health and Well-being

NAM India's Environment, Health, and Safety (EHS) philosophy is safety of individuals and environment, overrides all the financial and physical targets. The Company is committed to implementing a robust management system that addresses health and safety issues on a top priority basis. It works towards safeguarding the health and safety of its employees, contractors, customers, and visitors on its premises.

NAM India's EHS policy sets the direction and provides guidance to ensure a safe and healthy workplace. It has defined EHS roles and responsibilities across its functions. The highest responsibility of this policy lies with the leadership team that ensures applicable legal compliance and integration of EHS aspects within the respective functions. The business team is responsible for evaluating and improving internal EHS practices, processes, and product to verify its safety.

The HR and admin team conducts need-based training programmes and awareness sessions on EHS for its employees and contractors. It also works towards the development of management systems and processes to comply with the EHS policy. NAM India conducts annual audits of its internal and external processes to identify and mitigate work-related hazard and risks. It conducts an investigation of all incidents including the minor ones and near-misses and takes measures to avoid recurrence of such incidents in the future. The Company consults with its employees on environmental impact and health and safety arrangements to ensure effective delivery and continual improvement of its EHS systems. During FY23, there were no cases of work-related injuries or hazard.

At NAM India, health benefits are provided to all its employees. 100% of its employees are covered with health insurance, accident coverage, parental benefits, and day care facilities. Other benefits include availability of first aid, extension of medical insurance to immediate family members, access to 24\*7 application based medical consultation, etc. A complete health and wellness programme known as ekinicare was launched for the employees and their families. As part of its long-term benefits, NAM India

<sup>22</sup>GRI 404-1 Average hours of training per year per employee

<sup>23</sup>GRI 404-3 Percentage of employees receiving regular performance and career development reviews

<sup>24</sup>GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

provides retirement benefits such as provident fund, gratuity, Employee State Insurance (ESI), etc.

NAM India offers its female employees benefits like maternity leaves and creche allowances. The maternity leaves are provided in case of childbirth or adoption (under three months old). It also provides financial aid to new moms to deal with financial hardships. At NAM India, 32 employees (including 16 female and 22 male) availed parental leaves and all of them returned to work during the reporting period. The retention rate for its female employees was 100% and for its male employees was 85%.<sup>25</sup>

### **Grievance Resolution**

To promote a non-threatening environment and a culture of speak-up, NAM India has established adequate internal grievance mechanisms for its employees. The Ombudspersons and whistle

blower mechanism is implemented wherein its employees' identity is kept anonymous. An ombudsperson network and whistle blower helpline has been instituted to address the grievances in a systematic manner.

NAM India's Prevention of Sexual Harassment (POSH) policy is developed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This Policy is covered as part of NAM India's Employee CoC. The Company conducts regular trainings on POSH as a part of its induction programme for its new joiners.

To report on any cases of human rights violation, an internal grievance redressal mechanism is available. An internal complaints committee (ICC) is established for the redressal of complaints of sexual harassment. During the reporting period, no cases of human rights violation were reported.

<sup>25</sup>GRI 401-3 Parental leave



## Advancing and Nurturing Growth for our Stakeholders

NAM India considers its stakeholders like customers, investors, and communities to play an important role in its growth. The Company considers taking care of their needs and expectations is its fiduciary duty. To ensure elevated customer experience, NAM India leverages its digital infrastructure with a focus on technology and innovation. It has established customer engagement platforms and conducts external surveys to measure customer satisfaction. A redressal mechanism is also in place to address its customers' grievance. NAM India also undertakes various Corporate Social Responsibility (CSR) activities for its community and conducts investor education programmes.

### Customer Relationship Management (CRM)

NAM India believes in establishing and maintaining long-term relationships with its customers. The Company has set up an effective CRM to enable better understanding of its customers' needs and

preferences. This enables it to build its business and gain loyalty. NAM India utilises communication and technology as key areas to improve customer relationship.

Extensive trainings are imparted to frontline staff, relationship managers and customer service staff to handle its customers effectively. A dedicated customer service team has been introduced to handle customer queries and requests as well as address any complaints or escalations. All customer or investor or partner facing employees undergo a bi-monthly review based on customer service metrics. A dashboard has been instituted that enables the management to keep track of its performance. This team is chaired by the Co-Chief Business Officers. In addition, the Company's Annual Report discloses the number of client or investor complaints received in each financial year.

### Customer Engagement Platforms

NAM India has various channels for engaging with its customers to ensure effective engagement based on the type of information to be disseminated. Some of the platforms used are mentioned below:



#### Outbound voice campaigns

- Convey important updates on products and services to partners and investors



#### SMS and e-mail

- Details of every commercial and non-commercial transaction
- Provide regulatory updates
- Conduct periodic communications on product and services offered



#### Websites and Applications

- Messages that need to be broadcasted



#### IVR, SMS, e-mail based subscriptions and missed call

- Instant trigger of messages from CRM

### Customer Satisfaction

Being a customer-responsive company, NAM India strives to provide its customers with the highest levels of satisfaction. To enhance its customer satisfaction practices, the Company sets internal targets. It continuously monitors and undertakes various initiatives to achieve the set targets throughout the

year. In FY23, the Net Promoter Score (NPS) based Customer Satisfaction (CSAT) survey was conducted against all transactions done by Investors, including Query, Request and Grievances (QRG). A NPS score of 47 was achieved.

### Key Initiatives Undertaken to Enhance Customer Satisfaction

Statement of Account enhanced to capture regulatory compliance like nomination status, Aadhaar PAN linking status and Kin No. issued by KYC	Proactive triggering of TDS certificates for investors on a quarterly basis.	Special product enhancements like Quant Variable SIP, Daily and Weekly SIP, Multiple OTBM, reporting of STP along with purchases by removing the minimum balance requirement, SWP in Multiples of ₹ 1.	Successful migration to the alternate telephone application "Genesys" has enabled us to have a 360-degree view of processes, thereby increasing vigilance and enhancing the customer experience.
Choice of SIP payment mode enabled for investors in all the digital assets.	The display of the redemption pay out date is enabled while placing the redemption transaction and in the email or SMS sent to investors.	Resend OTP functionality has been revamped to send the same OTP three times within a 45-second gap.	KOTM (OTBM) registered at the RTA level (Kfintech) is enabled as payment for purchase or SIP registrations in our digital assets.
Distributors can now opt for SIP first instalment's at the time of transaction initiation.	Cheque upload facility in case of penny drop verification failure and the addition of multiple holder facilities are now enabled at the time of the initiation of a new folio creation request in BE App 2.0 by the distributor.	Implementation of risk mitigation measures across branches resulted in a transaction processing accuracy of 99.78%	Proactive initiatives were undertaken by Branch team to convert unclaimed amounts of clients by reaching out to them. A total of ~₹ six Crores was converted in FY23.

### Investor Education and Financial Empowerment

NAM India conducts numerous investor education and financial empowerment sessions for its Company partners, investors, and employees. In FY23, 100+ Investors Awareness Programmes (IAPs) were conducted under the banner of Aazadi ka Amrit Mahotsav. The Company also scheduled sessions during Women's Day and Children's Day for its distributors and investors. It carried out 42 programmes covering 1,857 investors along with usual IAP sessions across SEBI adopted districts. NAM India continuously endeavours to increase financial literacy along with Mutual Fund awareness across various levels. IAPs for schoolteachers, professors, doctors and for various other professions are carried out on a continuous basis to remain connected through its Rural and Emerging Market Group (REMG) teams. Additionally, NAM India has undertaken an initiative to sensitise Central Board of Secondary Education (CBSE) School teachers across the northeast region on the basics of financial literacy. In FY23, 50 IAPs were conducted covering 3,400+ CBSE

schoolteachers. Moreover, 249 investor education programmes were conducted benefiting 14,990 investors across the country. NAM India conducts 'straight from the fund manager' series wherein the fund managers regularly share insights and updates on the mutual fund schemes managed by them. This is extensively used by the sales team and is shared with the Investors as well.

The Company ensures that its eligible and identified employees are certified through the National Institute of Securities Markets, which is the Association of Mutual Funds in India (AMFI) organised and mandated by SEBI.

Further, to promote financial inclusion, NAM India is a strong advocate for financial empowerment and has launched a plethora of products and services that meet the needs of the community. These include face-to-face Know Your Customers (KYCs), zero balance folios, acceptance of mutual fund investments with minimum amount of ₹ 100, to name a few.




## Corporate Social Responsibility

NAM India not only considers CSR to be a business activity or action required to fulfill legal obligations but also a channel to build long-term relationships. It has instituted a policy and distinct philosophy. The CSR Policy has been developed in accordance with Section 135 of the Companies Act, 2013 with Schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with the government of India's notifications issued from time to time. It also outlines its key focus areas namely healthcare, education and skill development, climate conservation, sports, and support to armed forces and their families. This is an overarching policy applicable to NAM India and its subsidiaries. The CSR department is responsible for administering and executing the Policy. NAM India has resolved to invest in making a meaningful and measurable impact on the lives of the communities where it operates. With respect to NAM India's philosophy, the primary principle is to maintain the highest ethical standards, while on its mission to improve and sustain lives around the world.

### CSR Initiatives undertaken in FY23

Through NAM India's CSR projects, it has benefitted 34,566 people including persons belonging to the vulnerable and marginalised groups. NAM India's CSR spend amounted to ₹ 13.85 Crore in accordance with sub-section (5) of section 135.

### CSR Spend (₹ Crore)

FY23		13.85
FY22		12.73
FY21		13.28

The Company's employees volunteered to support NAM India's CSR initiatives. Details on the flagship activities conducted are highlighted below:

#### — Diagnostic and Research Initiative

In partnership with Tata Memorial Centre - Advanced Centre for Treatment, Research, and Education in Cancer (ACTREC), NAM India established a computed tomography scan (CT scan) facility. This was installed since the existing scan machine had reached the end of life leading to sharing of resources. This resulted in the waitlisting of patients, or use of expensive independent external centres. Installation of the CT simulator equipment enabled the centre to

carry out diagnostic CT scans for CT image-based cancer diagnosis and implement intervention procedures. On average 25 to 30 patients use this machine a day. Further, the equipment is also used for image-guided procedures performed by Intervention Radiologists.

#### — Integrated Development of Schools and Community for Environment Sustainability and Social Development

In collaboration with various institutions and Non-governmental Organisations (NGOs) like The Energy and Resources Institute (TERI), Swades Foundation and EdelGive Foundation, NAM India has implemented projects under this flagship programme.

With TERI, NAM India has implemented projects in Jharkhand, India to address the SDGs. This project is aimed at identifying the types of initiatives required to provide sustainable solutions on 'Integrated village development on environment sustainability for social transformation.' In order to ameliorate the living conditions, activities like development of Water, sanitation, and hygiene (WaSH) infrastructure, establishment of Digital Learning Centres, rejuvenate ponds through water conservation, development of ecological gardens and conduct trainings and sensitisation programmes for Self-Help Groups (SHGs). This initiative benefitted around 14,500 people.

Similarly, with Swadesh Foundation, NAM India executed programmes towards enabling rural and tribal communities in Maharashtra, India creating a cluster of Dream Villages. In the first year of this partnership, NAM India supported 365 lives by building household toilets and empowered 379 families with livelihood opportunities like water for Irrigation (through Solar Pumps) and goat rearing, impacting a total of 1,895 lives.

Project SAFAL, a Sustainable Livelihood Initiative was implemented in Odisha, India by EdelGive Foundation. The aim of this programme is to ensure nutritional food security and enhance the income of 21,000 small farm holders and migrant families through climate-smart agriculture and allied sectors. In FY23, due to the adoption of crop intensification by 16,624 farmers, production increased, and the farmers are now able to address their food security and 52% of farmers produced surplus of food crops for marketing.



Somubai Choudhari conducts a ceremonial Pooja to inaugurate a toilet built for her home in Dapure, Nashik

The gesture of inaugurating a toilet indicates the importance of a toilet to the communities especially for the women in Dapure. Earlier, the women of the village walked to the fields to relieve themselves with the risk of being bitten by snakes or scorpion and on menstruating days its was particularly challenging. The irregular urination cycle took a toll on the health of the individuals apart from the fact that it compromised the entire village's hygiene.

Ever since the women in Dapure got individual toilets, they are now leading a far more empowered life with better hygiene, health and comfort. "We are very grateful to Swades Foundation and NAM India for transforming our lives. We are happy that our children especially daughters, will not have to go through our situation." feedback provided from the village folk.

– **Pragati, an integrated programme on health and development**

In partnership with Tata Institute of Social Science, NAM India implemented the Pragati programme focused on promoting healthcare. In addition to this, the project focuses on three verticals to achieve positive health in the community. These include livelihood, education and skill development and gender. This programme has been implemented keeping in mind the following objectives:

- To develop a culture-sensitive, comprehensive need-based and mental health, and livelihood interventions in the community

- To strengthen and facilitate positive changes in the basic education facilities available to tribal children through skill development programmes
- To liaise the community with government initiatives for tribal development
- To enhance the availability, access, and consumption of nutritional food through livelihood programmes

In the last five years, through this project, NAM India has been able to reclaim the land, address the concerns of water through irrigation mechanisms and support establish market linkages, build capacity of youth, and enhance skills of children in Ashram Schools.

– **Rashtriya Netra Yagna**

In association with Vision Foundation of India, NAM India has initiated an eye care surgery project. This project was implemented under this flagship project and has benefitted 3,263 individuals belonging to the economically weaker section of society. This was implemented across six states namely Maharashtra, Karnataka, West Bengal, Gujarat, Chhattisgarh, and Bihar. The aim of this project is to support 3,100 eye surgeries for individuals belonging to economically weaker families, uplift their social and emotional standards and build the capacity of 16 associate hospitals providing these high-quality eye care services.

– **Sports**

In partnership with Olympic Gold Quest (OGQ), the Company provided training and support to athletes preparing for the Paris 2024, LA 2028 Olympics and Paralympics. In FY23, comprehensive support was provided to 239 athletes that covered world-class coaching, domestic and international training, sports science (including physiotherapy, nutrition, strength and conditioning, psychology, injury rehabilitation and nutritional supplements), equipment, and sports kit. This resulted in the OGQ supported athletes winning 146 medals at the international level and 53 medals at the national level. Additionally, it supported 17 Sports Science personnel who impacted 166 athletes and para-athletes. Two OGQ coaches' workshops were conducted at the Balewadi Stadium, Pune where 10 of India's top young coaches were trained impacting 400+ athletes. At the Commonwealth Games, 23 OGQ supported athletes competed of which 17 won medals, including 12 golds for India. Further, at the Paralympics, Indian Grand Prix and 24<sup>th</sup> Summer Deaflympics, the OGQ supported

athletes secured titles in badminton, long jump and shooting respectively.

#### — Asha Nivas

In collaboration with Tata Memorial Centre - ACTREC, NAM India launched Asha Nivas, an affordable patient hostel providing short and long-term stay to patients undergoing treatment at the Centre. This hostel catered to the patient's undergoing treatment for chemotherapy, radiation therapy and post- bone marrow transplant. Asha Nivas is an 11-floor structure and has the capacity to accommodate up to 300 patients at subsidised rates. Additionally, it has a common dining facility consisting of a kitchen and cafeteria wherein hygienically prepared meals are served at affordable rates.

Other amenities such as laundry and a facility for recreation are also available. Through this project, the following activities were undertaken:

- Individual rooms with a patient cot, an attendants' couch, a table, chair, and a TV
- A modern kitchen with necessary equipment
- A cafeteria with dining tables and chairs catering to 300 patients
- A laundry with industrial-grade laundromats and dryers
- A recreation room or library with internet kiosks, TV and reading space

The aim of the project is to provide a home away from home.

### Incidents and Complaints<sup>26</sup>

The Company is highly committed to upholding its ethics and nine core values as specified in its CoC. It strives to win and maintain its customers by providing a safe and reliable experience through its world-class products and services. The Company takes utmost care in terms of protecting its customers' data. Zero complaints were received or identified, related to breaches of customer privacy, data breaches involving personally identifiable information, leaks, threats, or losses of customer data from outside parties and substantiated by NAM India or from regulatory bodies during the financial year. Also, NAM India's complaints to folio ratio is 0.005% in FY23.

Type of Complaint	FY23		FY22	
	Total number of complaints received during the year	Total number of cases pending for resolution at the end of the year	Total number of complaints received during the year	Total number of cases pending for resolution at the end of the year*
Others	1,039	5	1,016	7

\* Cases received at the end of the financial year for the respective time periods

Additionally, NAM India believes in building trust and confidence amongst its other stakeholders and is committed to provide a robust and effective grievance redressal mechanism system to resolve any adverse impact that the Company might have caused<sup>27</sup>. The Company conducts regular stakeholder engagements and encourages customers and investors to raise any grievance regarding deficiency in services or product performance through its email or hotline number. A structured approach is followed to address their concerns in an appropriate manner. In certain circumstances, the disputes result in a civil suit and legal resolutions are pursued in such cases. In FY23, 1,046 investor and distributors' complaints were received, of which 1,041 were resolved. The Company

tracks the effectiveness of its remediation process and appreciates feedback. These feedbacks enable NAM India to further improve its established systems. On an annual basis, details of investor complaints are published on its [website](#).

### List of Memberships and Associations<sup>28</sup>

NAM India is an active member of industry associations. It collaborates with peers to collectively identify risks and opportunities and contributes towards research and policy development. These associations include Association of Mutual Fund Industry (AMFI), Confederation of Indian Industry (CII) and Bombay Chamber of Commerce and Industry.

<sup>26</sup>GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

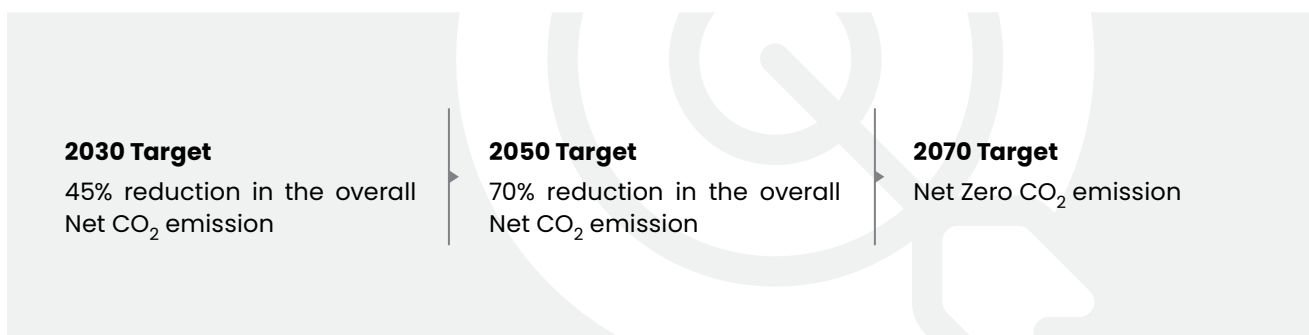
<sup>27</sup>GRI 2-25 Process to remediate negative impact

<sup>28</sup>GRI 2-28 Membership associations



## Environmental Stewardship

NAM India is committed to minimise its operational environmental footprint. The recently instituted environmental policy governs the Company's protocols and processes to help it stay aligned to its commitment. The Company undertakes steps to sensitise its employees to adopt sustainable practices and resource optimisation techniques. Moreover, the Company supports the global climate goals and aims to reduce its carbon (CO<sub>2</sub>) emissions. In line with India's climate commitment to become Net Zero by 2070, NAM India has aligned its CO<sub>2</sub> emission reduction target for its operations. It plans to reduce its greenhouse gas (GHG) emissions across Scope 1 and Scope 2 and has set emission reduction targets. To achieve these targets, the Company will annually set up a target achievement plan to meet its 2030 CO<sub>2</sub> reduction target.<sup>29</sup>



compared to baseline year i.e., FY19

In order to optimise its resource consumption, NAM India has identified four levers namely energy consumption, GHG emissions, water consumption and waste generation. Detailed information on the initiatives and performance of these levers is mentioned below.

### Energy Consumption and GHG Emissions

NAM India operates in the financial services sector therefore its operational energy consumption is minimal. Purchased electricity, business travel, employee commute and associated goods and services, are the key identified emission sources. The Company has installed energy efficient equipment across its offices such as LED lights and energy star appliances for air conditioning to reduce its energy consumption. To reduce desktop energy consumption, NAM India has instituted a policy for refreshing end user devices with newer energy-optimised devices. Motion-based sensors have also been installed at its corporate office to help with energy savings. The Company has established measuring and monitoring systems to track its energy consumption pattern and compute its emissions. Deviations in trends (baseline year FY19), if any, are highlighted to the concerned branch office for immediate attention. NAM India is also considering the feasibility of obtaining renewable energy to meet its energy needs as soon it is available on the nearest electrical grid. The Company uses environment friendly Novec gas, with minimum global warming potential and compact fluorescent lamp (CFL) at its Colocation Data Centres. NAM India has also installed low consumption and efficient equipment such as air conditioners and light-emitting diode (LED) lights across its branch offices.

### Energy Consumption in FY23<sup>30</sup>

Areas	Units	FY23	FY22
Energy Consumption from Grid	MWh	2,027.12	2,596.60
Energy Intensity <sup>31</sup>	MWh/FTE	2.01	2.69

NAM India achieved 21.93% reduction in energy consumption<sup>32</sup> and 0.68 reduction in energy intensity<sup>32</sup>.

<sup>30</sup>GRI 302-1- Energy consumption within the organisation, GRI 302-2- Energy consumption outside of the organisation

<sup>31</sup>GRI 302-3- Energy intensity

<sup>32</sup>GRI 302-4- Reduction of energy consumption

**GHG Emissions (Scope 1, Scope 2, and Scope 3)<sup>33</sup>****Total Scope 1 Emissions (in tCO<sub>2</sub>e)**

FY23		52.20
FY22		3.13

**Total Scope 2 Emissions (in tCO<sub>2</sub>e)**

FY23		1,439.25
FY22		2,051.00

Scope 1 emissions are direct emissions and the scope of computing this includes fuels used by company owned and managed vehicles and stationary combustion from DG sets. There has been an increase in the Scope 1 emissions since the scope has increased. Last year, NAM India only monitored its company owned vehicles while this year it has also taken into consideration stationary combustion diesel generation sets. Scope 2 emissions are indirect emissions caused due to electricity purchased by the organisation. The Scope 2 emissions have reduced due to the electricity saving initiatives undertaken.

**Scope 3 Emissions (in tCO<sub>2</sub>e)**

FY23		355.89
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## ■ FY 23- Business Travel

Scope 3 emissions are the result of activities from assets not owned or controlled by the organisation, but that the organisation indirectly affects in its value chain. Currently, the Company only tracks business travels as a part of their Scope 3 emissions and plans to increase their monitoring to include other categories. Total reported GHG emissions across all three scopes for FY23 were 1,847.35 tCO<sub>2</sub>e and the GHG emission intensity for FY23 was 1.83 tCO<sub>2</sub>e/FTE.

For further details, please refer to page 100 of this Report

**Water Consumption<sup>34</sup>**

NAM India measures and monitors its drinking water consumption across its offices. To avoid unnecessary water wastage, it has installed sensor-based taps in washrooms across its zonal offices. Employees are also sensitised to the importance of water conservation through regular e-mails and posters in its offices. In FY23, water consumption was 5,45,200 litres i.e., 27,260 bottles. NAM India will install sensor-based taps at 11 Regional Offices.

**Waste Generation**

NAM India has implemented systems for waste-water treatment and responsible disposal of e-waste. To dispose its e-waste, the Company has an Asset disposal policy that lays down the process for disposal of information system assets. The Company also has tie-ups with third party vendors who assist in disposing of the IT assets. NAM India ensures all technology equipment's identified as scrap is being disposed-off as per the guidelines of this policy. Air Conditioner and Inverter Batteries are sold to dealers. The copper and metal parts are recycled and used as spares or in smelting units to generate metal. Across all the offices of NAM India, a maintenance team has been established which segregates the office waste into dry and wet waste post which it is handed to the local municipal corporation for end disposal. NAM India has taken measures to promote no single-use plastic at its premises. The Company aims to reduce its paper consumption through digitalisation and awareness dissemination. For instance, NAM India uses paperless, and video based self-serviced digital onboarding modules to enroll new customers. These modules are integrated seamlessly across the various digital assets. Employees are discouraged to use paper and encouraged to use digital methods to share information and documents across teams and offices to further reduce its environmental footprint. Processes are in place to monitor actual paper consumption across all its offices.

**Way Forward**

NAM India strongly believes in integrating ESG into its operations and products. In the past two years, it has undertaken a plethora of initiatives to achieve this. It became a signatory to Principles for Responsible Investments, conducted an extensive diagnostic and peer benchmarking exercise, formulated a formal ESG strategy and developed ESG related policies to support it. The Company also announced its ESG vision and mission statement. NAM India is in the process of formulating Key Performance Indicators (KPIs) for each of its material topics namely Climate Action, Responsible Investing, Diversity and Inclusion, Business Ethics and Corporate Governance.

<sup>33</sup>GRI 305-1- Direct (Scope 1) GHG emissions, GRI 305-2- Energy indirect (Scope 2) GHG emissions, GRI 305-3- Other indirect (Scope 3) GHG emissions

<sup>34</sup>GRI 303- 5 Water consumption

# Independent Auditor's Report

## To the Members of Nippon Life India 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 ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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, 2023, its profit including other comprehensive loss, 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, 2023. 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
<p><b>Revenue from management fee and portfolio management services (as described in Note 18 of the standalone Ind AS financial statements)</b></p> <p>Revenue from operations is the most significant balance in the statement of profit and loss. Revenue is made of a number of streams including:</p> <ul style="list-style-type: none"> <li>• Management fees ₹ 1,218.97 Crores</li> <li>• Portfolio Management Services ₹ 40.24 Crores</li> </ul> <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>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"> <li>— We have performed the following procedures in relation to revenue recognised during the year:</li> <li>— Obtained and read the accounting policy for revenue recognition.</li> <li>— Obtained an understanding of 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.</li> <li>— Tested the design and 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.</li> <li>— 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.</li> <li>— Obtained and read the investment management fee certification report, issued by statutory auditors of mutual fund schemes, in accordance with generally accepted standards for such work and reconciled the certified amount with the accounting records.</li> <li>— On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and reconciled with the financial statements and test checked invoice and reconciled with the accounting records.</li> <li>— On a sample basis, checked the receipts of such income in bank statements.</li> <li>— Recalculated Portfolio Management Services Fee in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li> </ul>
<p><b>Impairment of Asset Management Rights (as described in Note 2.4 of the standalone Ind AS financial statements)</b></p> <p>The Company's balance sheet as at March 31, 2023 includes ₹ 240 Crores of Asset Management Rights, representing 6.49% of total assets.</p> <p>As a result, an impairment assessment was required to be performed by the Company in terms of Ind AS 36 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"> <li>— Obtained and read the accounting policy on impairment of asset management rights.</li> <li>— Read the Company's valuation methodology applied in determining the recoverable amount. We also assessed the objectivity, competence and independence of Company's specialists involved in the process.</li> <li>— Evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>— Assessed the recoverable value computed by the Company's specialists based on the various scenarios.</li> <li>— 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.</li> </ul>

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, 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 loss, 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 charged with governance 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, 2023 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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, 2023 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.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared / paid during the year / subsequent to the year-end by the Company is in compliance with section 123 of the Act.
- As stated in note 31 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/  
E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023

## Annexure I referred to in paragraph I under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

### Re: Nippon Life India Asset Management Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has maintained proper records showing full particulars of intangibles assets.
- (c) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans to companies and other parties as follows:
- | Particulars  | Loans          |
|--|----------------|
| Aggregate amount granted during the year:                              |                |
| — Subsidiaries   | ₹ 74.75 Crores |
| — Others   | ₹ 0.19 Crores  |
| Balance outstanding as at balance sheet date in respect of above case: |                |
| — Subsidiaries   | ₹ 67.70 Crores |
| — Others   | ₹ 0.05 Crores  |
- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies and other parties are not prejudicial to the Company’s interest.
- (c) The Company has granted loans during the year to companies and other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans granted to companies and other parties which are overdue for more than ninety days.
- (e) There were no loans granted to companies and other parties which had fallen due during the year.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to companies other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, cess and other statutory dues which have not been deposited by the Company on account of disputes. The dues outstanding on account of dispute of goods and services tax and income-tax are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Crores) *	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.49	AY 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3.41	AY 2020-21	The Commissioner of Income Tax (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	0.48	AY 2018-19	Commissioner of Goods and Service Tax

\*excluding interest, if any.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 37 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 21(b) to the financial statements.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in Note 21(b) to the financial statements.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023



## **Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Nippon Life India 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")**

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Nippon Life India Asset Management Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS 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 ("ICAI"). 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 with reference to these standalone 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

### **Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements**

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 With Reference to Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023

## Statement of Assets and Liabilities

as at March 31, 2023

(₹ in Crores)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	1.25	4.45
Bank balance other than above	4	229.87	270.87
Receivables			
(i) Trade receivables	5A	86.79	65.86
(ii) Other receivables	5B	-	-
Loans	6	66.74	36.32
Investments	7	2,934.78	2,877.78
Other financial assets	8	21.83	22.35
<b>Sub-total - Financial assets</b>		<b>3,341.26</b>	<b>3,277.63</b>
<b>Non-financial assets</b>			
Current tax assets (net)		13.60	31.44
Property, plant and equipment	10	11.26	9.88
Capital work-in-progress	30	2.49	0.05
Other intangible assets	9	291.52	285.63
Other non-financial assets	11	37.43	39.53
<b>Sub-total - Non-financial assets</b>		<b>356.30</b>	<b>366.53</b>
<b>Total Assets</b>		<b>3,697.56</b>	<b>3,644.16</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	40.63	47.06
Other financial liabilities	13	115.73	112.18
<b>Sub-total - Financial liabilities</b>		<b>156.36</b>	<b>159.24</b>
<b>Non-financial Liabilities</b>			
Current tax liabilities (Net)		25.29	-
Provisions	14	11.19	14.03
Deferred tax liabilities (Net)	22	57.98	67.68
Other non-financial liabilities	15	34.97	34.33
<b>Sub-total - Non-financial liabilities</b>		<b>129.43</b>	<b>116.04</b>
Share Application money pending Allotment		0.26	0.81
<b>EQUITY</b>			
Equity share capital	16	623.18	622.02
Other equity	17	2,788.33	2,746.05
<b>Total Equity</b>		<b>3,411.51</b>	<b>3,368.07</b>
<b>Total Liabilities and Equity</b>		<b>3,697.56</b>	<b>3,644.16</b>

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**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

Mumbai  
April 25, 2023

**Nilufer Shekhawat**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Crores)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	18	1,259.21	1,213.98
Other income	19	171.97	214.44
<b>Total income</b>		<b>1,431.18</b>	<b>1,428.42</b>
<b>Expenses</b>			
Finance costs		3.89	3.79
Fee and commission expenses		10.32	15.87
Employee benefits expenses	20	272.71	267.86
Depreciation, amortisation and impairment	10	29.08	26.73
Others expenses	21	197.41	168.74
<b>Total expenses</b>		<b>513.41</b>	<b>482.99</b>
<b>Profit before tax</b>		<b>917.77</b>	<b>945.43</b>
<b>Income tax expense:</b>			
- Current tax	22	212.53	200.38
- Deferred tax	22	(9.70)	33.84
<b>Total tax expense</b>		<b>202.83</b>	<b>234.22</b>
<b>Profit for the period</b>		<b>714.94</b>	<b>711.21</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(2.47)	(0.36)
- Income tax relating to these items		0.62	0.09
<b>Other comprehensive income for the period</b>		<b>(1.85)</b>	<b>(0.27)</b>
<b>Total comprehensive income for the period</b>		<b>713.09</b>	<b>710.94</b>
<b>Earnings per equity share</b>			
- Basic (₹)	32	11.48	11.47
- Diluted (₹)		11.40	11.28

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

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**per Shrawan Jalan**  
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**Sundeep Sikka**  
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**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

Mumbai  
April 25, 2023

**Nilufer Shekhawat**  
Company Secretary

## Statement of Cash Flow

for the year ended March 31, 2023

Particulars	(₹ in Crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax:</b>	<b>917.77</b>	945.43
Adjustments:		
Depreciation and amortisation	<b>29.08</b>	26.73
Finance cost	<b>3.89</b>	3.79
Net (gain) / loss on sale of property, plant and equipments	<b>(0.70)</b>	(1.74)
Provision / (Reversal) for ECL on Inter Corporate Deposits	<b>(0.40)</b>	(0.51)
Remeasurement of defined benefit obligations	<b>(2.47)</b>	(0.36)
Employee share-based payments	<b>20.19</b>	35.69
(Profit) / Loss on sale of investments	<b>(99.20)</b>	(79.29)
Fair Value (Gain) / Loss on Investments	<b>(38.32)</b>	(104.20)
Dividend income	<b>(0.03)</b>	(0.70)
Interest income	<b>(27.97)</b>	(27.83)
<b>Operating profit before working capital changes</b>	<b>801.84</b>	<b>797.01</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade and other receivables	<b>(20.93)</b>	(29.13)
Other financial assets	<b>(7.31)</b>	2.17
Other non-financial assets	<b>2.10</b>	8.77
Loans and advances to employees	<b>0.19</b>	(0.05)
Capital work-in-progress	<b>(2.44)</b>	1.26
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	<b>(6.43)</b>	(12.47)
Other financial liabilities	<b>(3.82)</b>	5.57
Provisions	<b>(2.84)</b>	(9.03)
Other non-financial liabilities	<b>0.64</b>	(1.39)
Cash generated from operations	<b>761.00</b>	<b>762.71</b>
Income taxes Paid (net of refunds)	<b>(168.78)</b>	(202.02)
<b>Net cash inflow from operating activities</b>	<b>592.22</b>	<b>560.69</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	<b>35.80</b>	23.64
Dividend received	<b>0.03</b>	0.70
Sales proceeds from disposal of property, plant and equipments	<b>0.22</b>	0.01
Purchase of investments	<b>(1,768.46)</b>	(1,961.92)
Sale of investments	<b>1,849.06</b>	1,780.61
Proceeds from maturity of Fixed deposits placed with financial institution	<b>41.00</b>	26.54
Inter corporate deposit repayment	<b>44.55</b>	51.56
Inter corporate deposit given	<b>(74.75)</b>	(52.11)
Purchase of property, plant and equipments and intangible assets	<b>(9.89)</b>	(6.75)
<b>Net cash outflow from investing activities</b>	<b>117.56</b>	<b>(137.72)</b>



# Statement of Cash Flow

for the year ended March 31, 2023

Particulars	(₹ in Crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issuance of Share Capital	26.27	122.24
Principal Element of Lease Payments	(18.70)	(17.70)
Interest Element of Lease Payments	(3.89)	(3.79)
Share Application money pending Allotment	(0.55)	0.28
Dividend paid (including dividend distribution tax)	(716.11)	(526.31)
<b>Net cash outflow from financing activities</b>	<b>(712.98)</b>	<b>(425.28)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>(3.20)</b>	<b>(2.31)</b>
Add: Cash and cash equivalents at the beginning of the year	4.45	6.76
<b>Cash and cash equivalents at the end of the year</b>	<b>1.25</b>	<b>4.45</b>

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

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Mumbai  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

## Statement of Changes in Equity

for the year ended March 31, 2023

### A. Equity share capital

		(₹ in Crores)	
<b>For the year ended March 31, 2023</b>		<b>Number</b>	<b>Amount</b>
Equity shares of INR 10 each issued, subscribed and fully paid			
As at April 01, 2022		62,20,17,928	622.02
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at April 01, 2022		62,20,17,928	622.02
Issue of share capital / ESOP		11,57,515	1.16
<b>At March 31, 2023</b>		<b>62,31,75,443</b>	<b>623.18</b>

		(₹ in Crores)	
<b>For the year ended March 31, 2022</b>		<b>Number</b>	<b>Amount</b>
Equity shares of INR 10 each issued, subscribed and fully paid			
As at April 01, 2021		61,65,04,767	616.50
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at April 01, 2021		61,65,04,767	616.50
Issue of share capital / ESOP		55,13,161	5.52
<b>As at March 31, 2022</b>		<b>62,20,17,928</b>	<b>622.02</b>

### B. Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income			Total other equity
	Securities premium	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	
<b>As at March 31, 2021</b>	676.18	97.93	1,542.18	91.26	6.10	(4.63)	2,409.02
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at April 01, 2021</b>	676.18	97.93	1,542.18	91.26	6.10	(4.63)	2,409.02
Profit for the year	-	-	711.21	-	-	-	711.21
Other comprehensive income	-	-	-	-	-	(0.27)	(0.27)
<b>Total Comprehensive Income for the year</b>	-	-	<b>711.21</b>	-	-	<b>(0.27)</b>	<b>710.94</b>
Stock option expense for the year	-	-	-	35.69	-	-	35.69
Options lapsed during the year	-	(0.03)	-	0.03	-	-	-
- Interim dividend on equity shares	-	-	(217.41)	-	-	-	(217.41)
- Final dividend on equity shares	-	-	(308.90)	-	-	-	(308.90)
- Fresh issue of equity shares	132.66	-	-	(15.95)	-	-	116.71
<b>As at March 31, 2022</b>	<b>808.84</b>	<b>97.90</b>	<b>1,727.08</b>	<b>111.03</b>	<b>6.10</b>	<b>(4.90)</b>	<b>2,746.05</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at April 01, 2022</b>	<b>808.84</b>	<b>97.90</b>	<b>1,727.08</b>	<b>111.03</b>	<b>6.10</b>	<b>(4.90)</b>	<b>2,746.05</b>
Profit for the year	-	-	714.94	-	-	-	714.94
Other comprehensive income	-	-	-	-	-	(1.85)	(1.85)
<b>Total Comprehensive Income for the year</b>	-	-	<b>714.94</b>	-	-	<b>(1.85)</b>	<b>713.09</b>
- Share based payments:							
Stock option expense for the year	-	-	-	20.19	-	-	20.19
Options lapsed during the year	-	1.40	-	(1.40)	-	-	-
- Interim dividend on equity shares	-	-	(249.23)	-	-	-	(249.23)
- Final dividend on equity shares	-	-	(466.88)	-	-	-	(466.88)
- Fresh issue of equity shares	28.66	-	-	(3.55)	-	-	25.11
<b>As at March 31, 2023</b>	<b>837.50</b>	<b>99.30</b>	<b>1,725.91</b>	<b>126.27</b>	<b>6.10</b>	<b>(6.75)</b>	<b>2,788.33</b>

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  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**

Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**

Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**

Director  
DIN No. 06559989

**Ajay Patel**

Manager

# Notes to the Financial Statements

for the year ended March 31, 2023

(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 ('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 are listed on National Stock exchange of India Limited and Bombay Stock exchange Limited.

## 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 recognised 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 derecognised 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 amortised 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 recognised 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 amortisation 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 derecognised.

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 amortisation 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 recognised 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 recognised 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 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.

## 2.6 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 recognised 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 recognised 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 (FVTPL), are adjusted to the fair value on initial recognition. However, trade receivable that do not contain a significant financial component are measure at transaction price. Purchase and sale of financial assets are recognised using trade date accounting.

### B. Subsequent Measurement

Financial Assets measured at Amortised 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 FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 6. Interest income from these financial assets is recognised 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 amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised 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 measures at Fair value through profit or loss: Assets that do not meet the criteria for amortised 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 recognised 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 recognised 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 amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises 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 recognises 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 recognised 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 amortised 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 derecognised 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 recognised 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 recognises 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 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 recognised using the effective interest rate.

**(v) Dividend income**

Dividend income is recognised 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.

**2.15 Fund and commission expenses**

Prior to October 21, 2018, certain scheme related expenses and commission were being borne by the Company in accordance with circulars and guidelines issues by SEBI and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until October 21, 2018 is treated as prepaid expenses and is amortised on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued

by SEBI in this regard, after October 21, 2018, these expenses, are being borne by the mutual fund schemes.

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. Prior to October 01, 2020, Commission was paid to the brokers for Portfolio Management services on upfront basis. This commission is treated as prepaid expenses and is amortised on the contractual period and charge to statement of profit and loss account. Pursuant to circular issued by SEBI, in this regard, after October 01, 2020, the commission is being paid on trail basis to the brokers. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

## 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 recognised amounts and there is an intention to settle on a net basis or realise 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 recognised 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 recognised 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 recognised in the statement of profit or loss.

**Phantom shares**

As a long-term incentive plan to employees, the Company had 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 28.

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 Crores as per the requirements of Schedule III, unless otherwise stated.

### 3. Cash and cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Cheques on hand	-	-
Balances with banks:		
In current accounts	1.25	4.45
Deposits with original maturity of less than 3 months	-	-
<b>Total</b>	<b>1.25</b>	<b>4.45</b>

### 4. Bank balance other than cash and cash equivalents above

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.42	0.34
- unspent CSR	0.12	0.40
In deposit accounts		
Term Deposits against the bank guarantee	6.60	15.60
Other Term Deposits	222.72	254.53
<b>Total</b>	<b>229.87</b>	<b>270.87</b>

### 5A. Trade receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured*	86.79	65.86
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>86.79</b>	<b>65.86</b>

\*Includes receivable from Related Party ₹ 2.12 Crores for FY 2022-23 (Previous year ₹ 2.35 Crores)

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	0-6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>						
Undisputed Trade Receivables – considered good	85.11	1.67	-	0.01	-	86.79
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>85.11</b>	<b>1.67</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>86.79</b>



(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	0-6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
Undisputed Trade Receivables – considered good	63.47	2.38	-	0.01	-	65.86
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>63.47</b>	<b>2.38</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>65.86</b>

**5B. Other receivables**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	-
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**6. Loans**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>Term loans (unsecured)</b>		
Loans and advances to related parties	67.70	36.50
Loans and advances to employees	0.05	0.24
Loans and advances Others	-	1.00
<b>Total (A) - Gross</b>	<b>67.75</b>	<b>37.74</b>
(Less): Impairment loss allowance	(1.01)	(1.42)
<b>Total (A) - Net</b>	<b>66.74</b>	<b>36.32</b>
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	67.75	37.74
<b>Total (B) - Gross</b>	<b>67.75</b>	<b>37.74</b>
(Less): Impairment loss allowance	(1.01)	(1.42)
<b>Total (B) - Net</b>	<b>66.74</b>	<b>36.32</b>
<b>Loans in India</b>		
- Public sector	-	-
- Others	67.75	37.74
<b>Total (C) - Gross</b>	<b>67.75</b>	<b>37.74</b>
(Less): Impairment loss allowance	(1.01)	(1.42)
<b>Total (C) - Net</b>	<b>66.74</b>	<b>36.32</b>

The details of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment.

Type of borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total loans and Advances in the nature of loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties (Subsidiary)	<b>67.70</b>	<b>99.93</b>	36.50	96.71

### Reconciliation of ECL balance

(₹ in Crores)

Particulars	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	<b>0.56</b>	<b>0.87</b>	-	<b>1.42</b>
New assets originated / change in inputs to ECL model	<b>1.01</b>	-	-	<b>1.01</b>
Assets derecognised or repaid	<b>(0.56)</b>	<b>(0.87)</b>	-	<b>(1.43)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>1.01</b>	-	-	<b>1.01</b>

(₹ in Crores)

Particulars	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.52	1.41	-	1.93
New assets originated / change in inputs to ECL model	0.43	-	-	0.43
Assets derecognised or repaid	(0.39)	(0.54)	-	(0.93)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>0.56</b>	<b>0.87</b>	-	<b>1.42</b>

## 7. Investments

(₹ in Crores)

Particulars	At amortised cost	At fair value through			Others	Total
		Other comprehensive income	Profit and loss	Subtotal		
<b>As at March 31, 2023</b>						
Mutual funds	-	-	2,773.79	2,773.79	-	2,773.79
Debt securities	109.53	-	-	-	-	109.53
Equity Shares	-	-	9.58	9.58	-	9.58
Subsidiaries	29.15	-	-	-	-	29.15
Associates	12.73	-	-	-	-	12.73
<b>Total (A) - Gross</b>	<b>151.41</b>	<b>-</b>	<b>2,783.37</b>	<b>2,783.37</b>	<b>-</b>	<b>2,934.78</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>151.41</b>	<b>-</b>	<b>2,783.37</b>	<b>2,783.37</b>	<b>-</b>	<b>2,934.78</b>
Investments outside India	22.02	-	-	-	-	22.02
Investments in India	129.39	-	2,783.37	2,783.37	-	2,912.76
<b>Total (B) - Gross</b>	<b>151.41</b>	<b>-</b>	<b>2,783.37</b>	<b>2,783.37</b>	<b>-</b>	<b>2,934.78</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) - Net</b>	<b>151.41</b>	<b>-</b>	<b>2,783.37</b>	<b>2,783.37</b>	<b>-</b>	<b>2,934.78</b>
<b>As at March 31, 2022</b>						
Mutual funds	-	-	2,709.04	2,709.04	-	2,709.04
Government securities	109.69	-	-	-	-	109.69
Equity Shares	-	-	9.55	9.55	-	9.55
Subsidiaries	36.77	-	-	-	-	36.77
Associates	12.73	-	-	-	-	12.73
<b>Total (A) - Gross</b>	<b>159.19</b>	<b>-</b>	<b>2,718.59</b>	<b>2,718.59</b>	<b>-</b>	<b>2,877.78</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>159.19</b>	<b>-</b>	<b>2,718.59</b>	<b>2,718.59</b>	<b>-</b>	<b>2,877.78</b>
Investments outside India	30.79	-	-	-	-	30.79
Investments in India	128.40	-	2,718.59	2,718.59	-	2,846.99
<b>Total (B) - Gross</b>	<b>159.19</b>	<b>-</b>	<b>2,718.59</b>	<b>2,718.59</b>	<b>-</b>	<b>2,877.78</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) - Net</b>	<b>159.19</b>	<b>-</b>	<b>2,718.59</b>	<b>2,718.59</b>	<b>-</b>	<b>2,877.78</b>

## 8. Other financial assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	12.69	10.26
Interest accrued on loans	-	0.34
Interest accrued on others	3.23	10.72
Accrued Fee Income	0.85	1.03
Other receivable	5.06	-
<b>Total</b>	<b>21.83</b>	<b>22.35</b>

## 9. Intangible assets

(₹ in Crores)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
<b>Year ended March 31, 2022</b>				
<b>Gross carrying amount</b>				
Cost as at April 01, 2021	67.64	26.66	250.14	344.44
Additions	23.57	2.50	-	26.07
Less: Disposals and transfers	20.34	3.61	-	23.95
<b>Closing gross carrying amount</b>	<b>70.87</b>	<b>25.55</b>	<b>250.14</b>	<b>346.56</b>
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	27.25	17.98	10.14	55.37
Amortisation during the year	17.47	4.26	-	21.73
Less: Disposals and transfers	12.59	3.58	-	16.17
<b>Closing accumulated depreciation</b>	<b>32.13</b>	<b>18.66</b>	<b>10.14</b>	<b>60.93</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>38.74</b>	<b>6.89</b>	<b>240.00</b>	<b>285.63</b>
<b>Year ended March 31, 2023</b>				
<b>Gross carrying amount</b>				
Cost as at April 01, 2022	70.87	25.55	250.14	346.56
Additions	28.49	2.98	-	31.47
Less: Disposals and transfers	13.09	-	-	13.09
<b>Closing gross carrying amount</b>	<b>86.27</b>	<b>28.53</b>	<b>250.14</b>	<b>364.94</b>
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	32.13	18.66	10.14	60.93
Amortisation during the year	18.05	5.72	-	23.77
Less: Disposals and transfers	11.29	-	-	11.29
<b>Closing accumulated depreciation</b>	<b>38.89</b>	<b>24.39</b>	<b>10.14</b>	<b>73.42</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>47.38</b>	<b>4.14</b>	<b>240.00</b>	<b>291.52</b>

## 10. Property, plant and equipment

(₹ in Crores)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Year ended March 31, 2022</b>						
<b>Gross carrying amount</b>						
Cost as at April 01, 2021	20.29	2.95	4.45	0.67	11.49	39.85
Additions	1.01	2.31	0.60	0.08	0.26	4.26
Less: Disposals and transfers	2.74	-	0.46	0.12	0.17	3.49
<b>Closing gross carrying amount</b>	<b>18.56</b>	<b>5.26</b>	<b>4.59</b>	<b>0.63</b>	<b>11.58</b>	<b>40.62</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation	13.58	1.09	2.96	0.27	11.25	29.15
Depreciation charge during the year	3.55	0.38	0.71	0.06	0.30	5.00
Less: Disposals and transfers	2.74	-	0.38	0.07	0.22	3.41
<b>Closing accumulated depreciation</b>	<b>14.39</b>	<b>1.47</b>	<b>3.29</b>	<b>0.26</b>	<b>11.33</b>	<b>30.74</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>4.17</b>	<b>3.79</b>	<b>1.30</b>	<b>0.37</b>	<b>0.25</b>	<b>9.88</b>
<b>Year ended March 31, 2023</b>						
<b>Gross carrying amount</b>						
Cost as at April 01, 2022	18.56	5.26	4.59	0.63	11.58	40.62
Additions	2.58	1.71	0.59	0.18	1.85	6.91
Less: Disposals and transfers	0.23	0.25	0.03	-	0.14	0.65
<b>Closing gross carrying amount</b>	<b>20.91</b>	<b>6.72</b>	<b>5.15</b>	<b>0.81</b>	<b>13.29</b>	<b>46.88</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation	14.39	1.47	3.29	0.26	11.33	30.74
Depreciation charge during the year	3.77	0.64	0.57	0.07	0.26	5.31
Less: Disposals and transfers	0.24	0.01	0.04	-	0.14	0.43
<b>Closing accumulated depreciation</b>	<b>17.92</b>	<b>2.10</b>	<b>3.82</b>	<b>0.33</b>	<b>11.45</b>	<b>35.62</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>2.99</b>	<b>4.62</b>	<b>1.33</b>	<b>0.48</b>	<b>1.84</b>	<b>11.26</b>

## 11. Other non-financial asset

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Vendors	10.60	8.67
GST Input tax credit	16.81	14.80
Prepaid expenses	9.52	14.48
Others	0.50	1.58
<b>Total</b>	<b>37.43</b>	<b>39.53</b>

## 12. Trade payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	40.63	47.06
<b>Total</b>	<b>40.63</b>	<b>47.06</b>



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:

Particulars	As at March 31, 2023	As at March 31, 2022
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.	-	-

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				
	0-1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>0.42</b>	-	<b>0.08</b>	<b>0.48</b>	<b>0.98</b>
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>0.42</b>	-	<b>0.08</b>	<b>0.48</b>	<b>0.98</b>

Unbilled dues as on March 31, 2023 is 39.65 Crores.

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				
	0-1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2022</b>					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.10	0.20	0.48	0.01	0.78
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>0.10</b>	<b>0.20</b>	<b>0.48</b>	<b>0.01</b>	<b>0.78</b>

Unbilled dues as on March 31, 2022 is 46.28 Crores.

**13. Other Financial Liabilities**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Other payables	61.18	65.07
Unclaimed dividend	0.42	0.35
Lease liability	54.13	46.76
<b>Total</b>	<b>115.73</b>	<b>112.18</b>

**14. Provisions**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Leave encashment	3.22	3.14
Phantom Shares	4.53	7.64
Compensated Absence Cost	3.44	3.25
<b>Total</b>	<b>11.19</b>	<b>14.03</b>

**15. Other Non-Financial Liabilities**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	34.97	34.33
<b>Total</b>	<b>34.97</b>	<b>34.33</b>

**16. Equity share capital**

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
<b>Authorised shares</b>				
Equity shares of ₹ 10 each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Increase / (decrease) during the year	-	-	-	-
<b>As at March 31</b>	<b>1,00,00,00,000</b>	<b>1,000.00</b>	<b>1,00,00,00,000</b>	<b>1,000.00</b>
Preference shares of ₹ 100 each	30,00,000	30.00	30,00,000	30.00
Increase / (decrease) during the year	-	-	-	-
<b>As at March 31</b>	<b>30,00,000</b>	<b>30.00</b>	<b>30,00,000</b>	<b>30.00</b>
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of ₹ 10 each	62,20,17,928	622.02	61,65,04,767	616.50
Changes during the period	11,57,515	1.16	5,51,3161	5.52
<b>As at March 31</b>	<b>62,31,75,443</b>	<b>623.18</b>	<b>62,20,17,928</b>	<b>622.02</b>

**a) 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.

**b) 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 27.

**c) Shares of the Company held by the holding/ultimate holding Company**

(₹ in Crores)

Equity Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Nippon Life Insurance Company*	45,90,28,095	73.66	45,90,28,095	73.80

\* Including shares held jointly with nominee Shareholders

**d) Details of Shareholders holding more than 5% of the shares in the Company**

(₹ in Crores)

Equity Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Nippon Life Insurance Company*	45,90,28,095	73.66	45,90,28,095	73.80

\* Including shares held jointly with nominee Shareholders

**e) Details of shares held by promoters**

**As at March 31, 2023**

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Nippon Life Insurance Company	45,90,28,095	-	45,90,28,095	73.66	-
<b>Total</b>		<b>45,90,28,095</b>	<b>-</b>	<b>45,90,28,095</b>	<b>73.66</b>	<b>-</b>

**As at March 31, 2022**

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Nippon Life Insurance Company	45,90,28,095	-	45,90,28,095	73.80	-
<b>Total</b>		<b>45,90,28,095</b>	<b>-</b>	<b>45,90,28,095</b>	<b>73.80</b>	<b>-</b>

**17. Other Equity**

(₹ in Crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Securities premium account	837.50	808.84
General reserve	99.30	97.90
Surplus in the statement of profit and loss	1,725.91	1,727.08
Share based options outstanding account	126.27	111.03
Other comprehensive income	(0.65)	1.20
<b>Total</b>	<b>2,788.33</b>	<b>2,746.05</b>

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Securities premium account</b>		
Opening balance	808.84	676.18
Add / (Less): Changes during the year		
Fresh issue of equity shares	28.66	132.66
<b>Closing balance</b>	<b>837.50</b>	<b>808.84</b>
<b>General reserve</b>		
Opening balance	97.90	97.93
Add / (Less): Changes during the year		

Particulars	As at March 31, 2023	As at March 31, 2022
Share based options outstanding account	1.40	(0.03)
<b>Closing balance</b>	<b>99.30</b>	<b>97.90</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Opening balance	1,727.08	1,542.18
Net profit for the period	714.94	711.21
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax		
- Transfer to retained earnings of FVOCI equity investments, net of tax		
Dividends:		
Interim dividend on equity shares	(249.23)	(217.41)
Final dividend on equity shares	(466.88)	(308.90)
<b>Closing balance</b>	<b>1,725.91</b>	<b>1,727.08</b>
<b>Share based options outstanding account</b>		
Opening balance	111.03	91.26
Add: Stock option expense for the year	20.19	35.69
Less: Transferred to General Reserve	(1.40)	0.03
Add: Fresh issue of equity shares	(3.55)	(15.95)
<b>Closing balance</b>	<b>126.27</b>	<b>111.03</b>

### Other Comprehensive Income

(₹ in Crores)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
<b>As at April 01, 2021</b>	6.10	(4.63)	1.47
Remeasurements of post-employment benefit obligations	-	(0.36)	(0.36)
Deferred tax	-	0.09	0.09
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>(4.90)</b>	<b>1.20</b>
Remeasurements of post-employment benefit obligations	-	(2.47)	(2.47)
Deferred tax	-	0.62	0.62
<b>As at March 31, 2023</b>	<b>6.10</b>	<b>(6.75)</b>	<b>(0.65)</b>

### 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 utilised 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. 27)

## 18. Revenue from Operations

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Management Fees	1,218.97	1,164.82
Portfolio Management Fees (including advisory fees)	40.24	49.16
<b>Total</b>	<b>1,259.21</b>	<b>1,213.98</b>

## 19. Other Income

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest	27.97	27.83
Dividend	0.03	0.70
Gain on sale of Investment	137.52	183.49
Miscellaneous income	6.45	2.42
<b>Total</b>	<b>171.97</b>	<b>214.44</b>

## 20. Employee benefits expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries wages and bonus	233.56	215.10
Contribution to provident and other funds	11.77	10.83
Employee stock option scheme	20.19	35.69
Staff welfare expenses	7.19	6.24
<b>Total</b>	<b>272.71</b>	<b>267.86</b>

## 21. Others expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Marketing, advertisement and publicity	37.56	26.06
Outsourced business service	27.45	33.00
Legal and Professional charges	30.78	24.81
Information technology	38.85	35.80
Communication Costs	7.45	8.07
Office administration	15.02	12.95
Conveyance and travelling	6.25	0.60
Corporate Social Responsibility	14.00	13.00
Rent, Rates and taxes	2.99	1.20
Repairs and maintenance	2.04	1.09
Filing fees and stamp duty	1.78	2.75
Seminar and training	1.52	0.15
Membership and subscription	4.62	5.35
Insurance	2.00	0.49
Printing and stationery	2.23	2.21
Directors' fees and commission	1.79	1.02
Auditor's fees and expenses	0.53	0.35
Expected credit loss (ECL)	(0.40)	(0.51)
Net loss on foreign currency transactions and translations	0.14	0.03
Miscellaneous expenses	0.81	0.32
<b>Total</b>	<b>197.41</b>	<b>168.74</b>



## a) Breakup of Auditors' remuneration

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	0.27	0.25
Certification matters	0.08	0.10
Other matters	0.18	-
Out of pocket expenses	0.00	-
<b>Total</b>	<b>0.53</b>	<b>0.35</b>

## Details of CSR expenditure

(₹ in Crores)

Details of CSR expenditure:	Year ended March 31, 2023	Year ended March 31, 2022	
a) Gross amount required to be spent by the Company during the year	13.85	12.73	
b) Amount approved by the Board to be spent during the year	14.00	13.00	
<b>c) Amount spent during the year ending on March 31, 2023:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	14.00	-	14.00
<b>d) Amount spent during the year ending on March 31, 2022:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	13.00	-	13.00
<b>e) Details related to spent / unspent obligations:</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	
i) Contribution to Public Trust	4.20	5.60	
ii) Contribution to Charitable Trust	-	-	
iii) Unspent amount in relation to:	-	-	
- Ongoing project	9.48	7.08	
- Other than ongoing project	-	-	
iv) Others*	0.32	0.32	
	<b>14.00</b>	<b>13.00</b>	

\*includes Admin overheads of 0.32 Crores

## Details of ongoing project and other than ongoing project

## In case of S. 135(6) (Ongoing Project)

Opening Balance	Amount required to be spent during the year	Amount spent during the year		Closing Balance	
		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	9.48	1.56	6.96	7.92	0.12

## In case of S. 135(5) (Other than ongoing project)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	4.52	4.52	-

## Details of excess amount spent:

## Excess amount spent

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.29	13.85	14.00	0.44

## 22. Income tax

### a) The components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	211.91	200.29
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	(9.70)	33.84
<b>Total</b>	<b>202.21</b>	<b>234.13</b>

### 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 is as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	917.77	945.43
<b>Tax at India's statutory income tax rate of 25.168% (previous year 25.168%)</b>	<b>230.98</b>	<b>237.95</b>
Tax effect of the amount which are not taxable in calculating taxable income:		
- Corporate Social responsibility expenditure	3.52	3.27
- Disallowance of estimated expenditure to earn tax exempt (Section 14a)	0.28	0.28
- Tax free interest	(2.25)	(2.25)
- Profit / Loss on investments (including MTM)	(20.08)	(12.10)
- Income tax relating to items that will not be reclassified to profit or loss- OCI	(0.62)	(0.09)
- Others	(9.63)	7.07
<b>Income tax expense at effective tax rate</b>	<b>202.21</b>	<b>234.13</b>
<b>Effective tax rate</b>	<b>22.03%</b>	<b>24.76%</b>

### c) Deferred tax assets / liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at March 31, 2021	Charged / credited to profit and loss	Charged / (credited) to OCI	As at March 31, 2022
<b>Deferred tax liability:</b>				
FVTPL of financial instruments	47.99	30.65	-	78.64
<b>Total (a)</b>	<b>47.99</b>	<b>30.65</b>	<b>-</b>	<b>78.64</b>
<b>Deferred tax asset:</b>				
Property, plant and equipment	5.33	(0.27)	-	5.05
Defined benefit obligations	-	-	-	-
Leave Encashment	0.75	0.04	-	0.79
Compensated absence cost	2.10	(1.28)	-	0.82
Phantom Shares	2.95	(1.03)	-	1.92
Impairment allowance for financial assets	0.49	(0.13)	-	0.36
IND AS 116 Leases	2.53	(0.52)	-	2.02
<b>Total (b)</b>	<b>14.15</b>	<b>(3.19)</b>	<b>-</b>	<b>10.96</b>
<b>Net deferred tax (asset) / liability (a - b)</b>	<b>33.84</b>	<b>33.84</b>	<b>-</b>	<b>67.68</b>

Particulars	As at March 31, 2022	Charged / (credited) to profit and loss	Charged / (credited) to OCI	As at March 31, 2023
<b>Deferred tax liability:</b>				
FVTPL of financial instruments	78.64	(10.44)	-	<b>68.20</b>
<b>Total (a)</b>	<b>78.64</b>	<b>(10.44)</b>	<b>-</b>	<b>68.20</b>
<b>Deferred tax asset:</b>				
Property, plant and equipment	5.05	0.41	-	<b>5.46</b>
Defined benefit obligations	-	-	-	
Leave Encashment	0.79	0.02	-	<b>0.81</b>
Compensated absence cost	0.82	0.05	-	<b>0.87</b>
Phantom Shares	1.92	(0.78)	-	<b>1.14</b>
Impairment allowance for financial assets	0.36	(0.11)	-	<b>0.25</b>
IND AS 116 Leases	2.02	(0.32)	-	<b>1.70</b>
<b>Total (b)</b>	<b>10.96</b>	<b>(0.73)</b>	<b>-</b>	<b>10.23</b>
<b>Net deferred tax (asset) / liability (a - b)</b>	<b>67.68</b>	<b>(9.70)</b>	<b>-</b>	<b>57.98</b>

## 23. 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 Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	<b>7.78</b>	7.23
Superannuation fund	<b>0.05</b>	0.05
Pension fund	<b>1.33</b>	1.36

### 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 Crores)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31, 2021</b>	<b>27.09</b>	<b>28.55</b>	<b>(1.46)</b>
Current service cost	2.61	-	2.61
Interest expense / (income)	1.74	1.84	(0.09)
Return on plan assets (excl. Interest Income)	-	0.45	(0.45)
Actuarial loss / (gain) arising from change in financial assumptions	(1.20)	-	(1.20)
Actuarial loss / (gain) arising from change in demographic assumptions	0.00	-	0.00
Actuarial loss / (gain) arising on account of experience changes	2.01	-	2.01
Liability Transferred In / Acquisitions	-	-	-
Employer contributions	-	3.00	(3.00)
Benefit payments	(2.95)	(2.95)	-
<b>As at March 31, 2022</b>	<b>29.31</b>	<b>30.89</b>	<b>(1.57)</b>

(₹ in Crores)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current service cost	2.71	-	2.71
Interest expense / (income)	2.04	2.15	(0.11)
Return on plan assets (excl. Interest Income)	-	(1.27)	1.27
Actuarial loss / (gain) arising from change in financial assumptions	(1.04)	-	(1.04)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.24	-	2.24
Liability Transferred In / Acquisitions	-	-	-
Liability Transferred Out / Divestments	(0.23)	-	(0.23)
(Assets Transferred Out / Divestments)	-	(0.23)	0.23
Employer contributions	-	4.00	(4.00)
Benefit payments	(3.75)	(3.75)	0.00
<b>As at March 31, 2023</b>	<b>31.29</b>	<b>31.80</b>	<b>(0.50)</b>

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	31.29	29.31
Fair value of plan assets	31.80	30.89
<b>Plan liability (net of plan assets)</b>	<b>-</b>	<b>-</b>

## ii) Statement of Profit and Loss

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefit Expenses:		
Current service cost	2.71	2.61
<b>Total</b>	<b>2.71</b>	<b>2.61</b>
Net Interest Cost	(0.11)	(0.09)
<b>Net impact on the profit before tax</b>	<b>2.60</b>	<b>2.52</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense / income	1.27	(0.45)
Actuarial gains / (losses) arising from changes in financial assumptions	(1.04)	(1.20)
Actuarial loss / (gain) arising on account of experience changes	2.24	2.01
<b>Net impact on the other comprehensive income before tax</b>	<b>2.48</b>	<b>0.37</b>

## iii) Defined benefit plans assets

(₹ in Crores)

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
<b>Insurer managed funds</b>		
- Government securities	66.00%	55.16%
- Deposit and money market securities	2.68%	5.52%
- Debentures / bonds	7.74%	16.90%
- Equity shares	20.65%	21.40%
- Others	2.93%	1.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**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.

(₹ in Crores)

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
Discount rate	<b>7.46%</b>	6.98%
Salary escalation rate*	<b>6.00%</b>	6.00%

\* Takes into account the inflation, seniority, promotions and other relevant factors

**v) Demographic assumptions**

Mortality in Service: Indian Assured Lives Mortality (2012-14)

**vi) Sensitivity**

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	<b>1.00%</b>	<b>(1.98)</b>	<b>2.23</b>
Salary escalation rate	<b>1.00%</b>	<b>2.24</b>	<b>(2.03)</b>
Employee Turnover	<b>1.00%</b>	<b>0.17</b>	<b>(0.19)</b>

(₹ in Crores)

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(2.03)	2.29
Salary escalation rate	1.00%	2.29	(2.06)
Employee Turnover	1.00%	0.11	(0.12)

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 Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1 <sup>st</sup> Following Year	<b>2.83</b>	1.95
2 <sup>nd</sup> Following Year	<b>2.58</b>	2.01
3 <sup>rd</sup> Following Year	<b>2.56</b>	2.81
4 <sup>th</sup> Following Year	<b>2.15</b>	2.32
5 <sup>th</sup> Following Year	<b>3.02</b>	1.96
Sum of 6 to 10 Years	<b>16.47</b>	15.54
Sum of 11 Year and above	<b>27.58</b>	27.23

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 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	December 01, 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	<b>In case of continuation of employment:</b> Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and <b>In case of cessation of employment:</b> 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 ₹ (3.11) Crores (Previous year ₹ (4.09) Crores).

**24. Segment information**

The Company is in the business of providing asset management services to the schemes of Nippon 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.

## 25. 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 amortised 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, 2023

(₹ in Crores)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	1.25	-	-	-	1.25
Investments	151.41	-	-	-	151.41
Bank balance other than cash and cash equivalents above	229.87	-	-	-	229.87
<b>Receivables</b>					
(i) Trade receivables	86.79	-	-	-	86.79
(ii) Other receivables	-	-	-	-	-
Loans	66.74	-	-	-	66.74
Other financial assets	21.83	-	-	-	21.83
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	2,773.79	-	9.58	2,783.37
<b>Total financial assets</b>	<b>557.89</b>	<b>2,773.79</b>	<b>-</b>	<b>9.58</b>	<b>3,341.26</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	40.63	-	-	-	40.63
Other financial liabilities	115.73	-	-	-	115.73
<b>Total financial liabilities</b>	<b>156.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.36</b>

### As at March 31, 2022

(₹ in Crores)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	4.45	-	-	-	4.45
Investments	159.19	-	-	-	159.19
Bank balance other than cash and cash equivalents above	270.87	-	-	-	270.87

(₹ in Crores)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Receivables</b>					
(i) Trade receivables	65.86	-	-	-	65.86
(ii) Other receivables	-	-	-	-	-
Loans	36.32	-	-	-	36.32
Other financial assets	22.35	-	-	-	22.35
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	2,709.04	-	9.55	2,718.59
<b>Total financial assets</b>	<b>559.04</b>	<b>2,709.04</b>	<b>-</b>	<b>9.55</b>	<b>3,277.63</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	47.06	-	-	-	47.06
Other financial liabilities	112.18	-	-	-	112.18
<b>Total financial liabilities</b>	<b>159.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159.24</b>

**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.

## 26. 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 reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### As at March 31, 2023

(₹ in Crores)

Contractual maturities of assets and liabilities	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Cash and cash equivalents	1.25	-	-	-	1.25
Bank balance other than cash and cash equivalents above	0.42	222.96	6.49	-	229.87
<b>Receivables</b>					
(i) Trade receivables	-	86.78	0.01	-	86.79
(ii) Other receivables	-	-	-	-	-
Loans	-	0.05	55.00	11.69	66.74
Investments	2,451.54	3.38	92.45	387.41	2,934.78
Other financial assets	-	14.40	6.55	0.88	21.83
<b>Total assets</b>	<b>2,453.21</b>	<b>327.57</b>	<b>160.49</b>	<b>399.98</b>	<b>3,341.26</b>
<b>Financial liabilities</b>					
Payables					
<b>Trade payables</b>					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	40.08	0.55	-	40.63
Other financial liabilities	-	63.75	39.04	12.94	115.73
<b>Total liabilities</b>	<b>-</b>	<b>103.83</b>	<b>39.59</b>	<b>12.94</b>	<b>156.36</b>
<b>Net</b>	<b>2,453.21</b>	<b>223.75</b>	<b>120.90</b>	<b>387.05</b>	<b>3,184.90</b>

#### As at March 31, 2022

(₹ in Crores)

Contractual maturities of assets and liabilities	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Cash and cash equivalents	4.45	-	-	-	4.45
Bank balance other than cash and cash equivalents above	0.34	270.53	-	-	270.87
<b>Receivables</b>					
(i) Trade receivables	-	65.85	0.01	-	65.86
(ii) Other receivables	-	-	-	-	-
Loans	-	0.24	9.98	26.10	36.32
Investments	2,469.05	29.79	53.13	325.80	2,877.77
Other financial assets	-	14.85	6.20	1.31	22.35
<b>Total assets</b>	<b>2,473.84</b>	<b>381.26</b>	<b>69.32</b>	<b>353.21</b>	<b>3,277.63</b>
<b>Financial liabilities</b>					
Payables					
<b>Trade payables</b>					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	46.38	0.68	-	47.06
Other financial liabilities	-	112.18	-	-	112.18
<b>Total liabilities</b>	<b>-</b>	<b>158.56</b>	<b>0.68</b>	<b>-</b>	<b>159.24</b>
<b>Net</b>	<b>2,473.84</b>	<b>222.70</b>	<b>68.64</b>	<b>353.21</b>	<b>3,118.39</b>

### 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 Crores)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2023	As at March 31, 2022
NAV - Increase 5%	138.69	135.45
NAV - Decrease 5%	(138.69)	(135.45)

## 27. 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:

Particulars	ESOS 2017			ESOS 2019			
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I	ESOS 2019 - II	ESOS 2019 - III	ESOS 2019 - IV
Date of Grant	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40	278.10	405.35	397.95
Exercise / Strike Price (₹)	204.25	256.10	202.35	223.32	247.60	372.71	389.28

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Particulars	ESOS 2017			ESOS 2019			
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I	ESOS 2019 - II	ESOS 2019 - III	ESOS 2019 - IV

Risk Free Interest Rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%	4.37%- 4.88%	5.49%- 5.99%	5.48%- 5.98%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%	1.98%	2.54%	2.01%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50	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%	16.17%	12.92%	12.92%
Weighted Average Fair Value (₹)	10.82	45.71	38.94	43.06	65.51	85.73	78.29

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, 2023						
	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Date of Grant							
Outstanding at the beginning of the year	7,33,161	24,69,454	73,90,790	1,44,72,483	3,93,347	52,41,572	77,065
Granted during the year	-	-	-	-	-	-	-
Exercised during the year	59,671	1,04,158	4,74,991	4,77,945	10,008	-	-
Forfeited during the year	-	-	-	-	-	-	-
Lapsed / expired during the year	-	93,956	2,39,222	4,16,538	18,968	4,72,710	-
<b>Outstanding at the end of the year</b>	<b>6,73,490</b>	<b>22,71,340</b>	<b>66,76,577</b>	<b>1,35,78,000</b>	<b>3,64,371</b>	<b>47,68,862</b>	<b>77,065</b>
Vested and exercisable	6,73,490	22,71,340	44,47,367	97,17,408	1,72,045.00	11,92,234.00	19,266.00

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Particulars	No. of stock options as at March 31, 2023						
	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Grant date	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Expiry date	August 08, 2024	April 25, 2025	April 29, 2026	August 01, 2026	June 10, 2027	July 19, 2028	August 07, 2028
Exercise price	204.25	256.10	202.35	223.32	247.60	372.71	389.28
Outstanding as at March 31, 2023	6,73,490	22,71,340	66,76,577	1,35,78,000	3,64,371	47,68,862	77,065
Outstanding as at March 31, 2022	7,33,161	24,69,454	73,90,790	1,44,72,483	3,93,347	52,41,572	77,065

**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	ESOS 2019 - II	ESOS 2019 - III	ESOS 2019 - IV
-------------	---------------	----------------	-----------------	---------------	----------------	-----------------	----------------

Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%	12.92%	12.92%
Expected dividends	3.09%	3.25%	2.97%	3.22%	1.98%	2.54%	2.01%
Expected term (In years)	4	4	4	4	4	4	4
Risk free rate	6.20%-6.34%	7.06%-7.15%	6.32%-6.55%	6.22%-6.45%	4.37%-4.88%	5.49%-5.99%	5.48%-5.98%
Exercise price	204.25	256.10	202.35	223.32	247.60	372.71	389.28
Market price	145.10	253.90	202.35	227.40	278.10	405.35	397.95
Grant date	42,955	43,215	43,584	43,678	43,992	July 19, 2021	August 07, 2021
Expiry date	45,512	45,772	46,141	46,235	46,548	July 19, 2028	August 07, 2028
Fair value of the option at grant date	10.82	45.71	38.94	43.06	65.51	85.73	78.29

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 Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee stock option scheme (equity settled)	20.19	35.69

## 28. 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
	<b>I</b>	<b>Holding Company</b>
	1	Nippon Life Insurance Company
	<b>II</b>	<b>Key Managerial Personnel</b>
	<b>A</b>	<b>Executive Director &amp; CEO</b>
	1	Sundeep Sikka
	<b>B</b>	<b>Non-Executive Director</b>
	1	Ameeta Chatterjee
	2	General Ved Prakash Malik (Retd.)
	3	Ashvin Parekh
	4	Balasubramanyam Sriram
	5	Minoru Kimura
	6	Akira Shibata
	7	Tomohiro Yao (Appointed w.e.f. April 21, 2022)
	8	Yutaka Ideguchi (up to March 30, 2022)
	9	Kazuyuki Saigo (up to April 20, 2022)
	<b>IV</b>	<b>Subsidiary</b>
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd.
	2	Nippon Life India AIF Management Limited
	3	Nippon Life India Asset Management (Mauritius) Ltd. (ceased w.e.f. August 17, 2022)
	<b>V</b>	<b>Associate</b>
	1	Reliance Capital Pension Fund Limited
	<b>VI</b>	<b>Subsidiary of Investing Company</b>
	1	Nissay Asset Management Corporation
	<b>VII</b>	<b>Associate of Holding Company</b>
	1	Reliance Nippon Life Insurance Company Limited
	<b>VIII</b>	<b>A Private Company in which a Director or Manager or his relative is a member or Director</b>
		CMS IT Services Private Limited



**(ii) Transactions during the year with related parties:**

Sr. No.	Name of Related Party	Description of Transactions / Categories	2022-2023		2021-2022	
			Transaction for the year*	Outstanding amt. carried to Balance sheet	Transaction for the year*	Outstanding amt. carried to Balance sheet
1	Sundeeep Sikka	(i) Remuneration paid to Sundeeep Sikka	8.00	-	6.89	-
2	Ameeta Chatterjee	(i) Sitting fees	0.21	-	0.24	-
3	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.22	-	0.23	-
4	Balasubramanyam Sriram	(i) Sitting fees	0.27	-	0.28	-
5	Ashvin Dhirajlal Parekh	(i) Sitting fees	0.29	-	0.27	-
6	Nippon Life India AIF Management Limited	(i) Inter corporate deposit given	74.75	-	52.11	-
		(ii) Repayment of inter corporate deposit	43.55	-	50.60	-
		(iii) Interest income	5.93	-	4.76	-
		(iv) Reimbursement for staff on deputation	0.02	-	0.87	-
		(v) Rent Cost	0.51	-	0.52	-
		(vi) Reimbursement of Expenses	2.20	-	-	-
		(vii) ESOP related expenses	1.15	-	1.67	-
		(viii) Inter corporate deposit	-	67.70	-	36.50
		(ix) Receivable for staff deputation	-	-	-	0.07
7	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.06	-	0.06	0.02
8	Nippon Life India Asset Management (Singapore) Pte. Ltd.	(i) Advisory Fees	9.74	-	10.08	-
		(ii) Offshore advisory fee receivable	-	1.81	-	1.93
9	Nippon Life India Asset Management (Mauritius) Ltd.	(i) Capital proceeds from voluntary liquidation of Company	27.02	-	-	-
10	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	5.24	-	5.01	-
		(ii) Reimbursement of expenses paid	0.44	-	0.55	-
		(iii) Payment of funded gratuity	4.09	-	3.00	-
		(iv) Advance towards insurance policies	-	0.24	-	0.31
11	Nissay Asset Management Ltd.	(i) Advisory Fees Income	8.10	-	10.61	-
		(ii) Offshore Advisory fee paid	0.97	-	0.87	-
		(iii) Advisory Fee Receivable	-	0.31	-	0.42
12	CMT IT Services	(i) Charges for IT Related services	0.05	-	0.06	-

\*Note: Above figures are excluding GST

**29. Lease****Right to use of asset**

(₹ in Crores)

Particulars	Property	Motor Vehicles	Total
<b>As at April 01, 2021</b>	39.93	0.46	40.39
Additions	23.58	-	23.58
Deletion	(7.76)	-	(7.76)
Depreciation expense	(17.29)	(0.18)	(17.47)
<b>As at March 31, 2022</b>	<b>38.46</b>	<b>0.28</b>	<b>38.74</b>
Additions	28.49	-	28.49
Deletion	(1.80)	-	(1.80)
Depreciation expense	(17.87)	(0.18)	(18.05)
<b>As at March 31, 2023</b>	<b>47.28</b>	<b>0.10</b>	<b>47.38</b>

### Lease liability

(₹ in Crores)

Particulars	Amount
<b>As at April 01, 2021</b>	<b>50.47</b>
Additions / deletion (net)	13.99
Accretion of interest	3.79
Payments	(21.49)
<b>As at March 31, 2022</b>	<b>46.76</b>
Additions / deletion (net)	26.07
Accretion of interest	3.89
Payments	(22.59)
<b>As at March 31, 2023</b>	<b>54.13</b>

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	<b>18.05</b>	17.47
Interest expense on lease liabilities	<b>3.89</b>	3.79
Expense relating to short-term leases (included in other expenses)	<b>0.39</b>	0.56
<b>Total amount recognised in profit or loss</b>	<b>22.33</b>	<b>21.82</b>

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only

### 30. Capital work-in-progress (CWIP) Ageing Schedule

(₹ in Crores)

As at March 31, 2023	Amount in CWIP for a period of				Total
	0-1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	<b>2.49</b>	-	-	-	<b>2.49</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.49</b>	-	-	-	<b>2.49</b>

(₹ in Crores)

As at March 31, 2022	Amount in CWIP for a period of				Total
	0-1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.05	-	-	-	0.05
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.05</b>	-	-	-	<b>0.05</b>

### 31. Dividend during the year

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Dividend during the year</b>		
Dividends on ordinary shares:		
Final dividend for FY 2020-21: 5 per share	-	308.90
Interim dividend for FY 2021-22: 3.50 per share	-	217.41
Final dividend for FY 2021-22: 7.50 per share	<b>466.88</b>	-
Interim dividend for FY 2022-23: 4.00 per share	<b>249.23</b>	-
<b>Total Dividend paid</b>	<b>716.11</b>	<b>526.31</b>
<b>B. Proposed (not recognised as a liability)</b>		
Dividend on ordinary shares:		
*Final dividend for FY 2022-23: 7.50 per share (FY 2021-22: 7.50 per share)	<b>467.38</b>	466.51

\*Based on the outstanding number of equity share as on the proposed date

**32. Earnings per share (EPS)****a) The basic earnings per share has been calculated based on the following:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax available for equity Shareholders (₹ in Crores)	714.94	711.21
Weighted average number of equity shares	62,28,10,020	62,00,04,419

**b) The reconciliation between the basic and the diluted earnings per share is as follows:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic earnings per share	11.48	11.47
Effect of outstanding stock options	(0.08)	(0.19)
Diluted earnings per share	11.40	11.28

**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, 2023	Year ended March 31, 2022
Weighted average number of shares for computation of Basic EPS	62,28,10,020	62,00,04,419
Dilutive effect of outstanding stock options	43,53,700	1,04,52,531
Weighted average number of shares for computation of Diluted EPS	62,71,63,720	63,04,56,950

**33. Contingent liabilities**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Claims not acknowledged as debts in respect of:</b>		
- Guarantees to banks and financial institutions	1.31	11.30
- Claims against Company not acknowledged as debt	6.15	3.25

**34. Capital commitments**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	21.82	1.08

**35. Expenditure in foreign currency**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling Expenses	0.01	0.02
Legal & Professional Fees	4.29	2.02
Salary and benefits	2.74	1.95
Other expenses	4.21	2.99
<b>Total</b>	<b>11.25</b>	<b>6.98</b>

**Earning in foreign currency**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advisory fees	18.09	22.85
<b>Total</b>	<b>18.09</b>	<b>22.85</b>

**36. The details of utilisation of IPO proceeds ₹ 588.85 Crores (net of IPO related expenses) are as follows:**

(₹ in Crores)

Particulars	Net Proceeds as per IPO	Utilised up to March 31, 2023	Unutilised amount as of March 31, 2023
Setting up new branches and relocating certain existing branches	38.31	6.73	31.58
Upgrading the IT system	40.65	40.65	-
Advertising, marketing and brand building activities	72.09	72.09	-
Lending to our Subsidiary (Nippon Life India AIF Management Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	100.04	24.96
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	-
<b>Total</b>	<b>588.85</b>	<b>367.31</b>	<b>221.54</b>

Management continues to evaluate market conditions, changing business dynamics and the competitive landscape so as to ensure optimal utilisation of the IPO Proceeds in the subsequent periods, in accordance with the objectives as stated in the IPO Prospectus.

**37. Key Financial Ratios**

(₹ in Crores)

Ratio	Numerator	Denominator	31-Mar-23	% Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR *	-	-	-	-
(d) Liquidity Coverage Ratio (Number of times)	2,780.79	149.99	18.54	34.36%
Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)]				
This has increased as Financial liabilities within 12 months from the reporting date have changed.				

Ratio	Numerator	Denominator	31-Mar-22	% Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR *	-	-	-	-
(d) Liquidity Coverage Ratio (Number of times)	2,855.10	206.92	13.80	20.73%
Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)]				

\*Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

**38. Details of transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956:**

Name of struck off Company	Nature of transactions	Balance outstanding	Relationship with the Struck off company, if any
No transaction entered with struck off company			

**39.** The Company has not borrowed any fund from bank or financial Institution or other lender hence disclosure is not applicable.

**40.** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**41.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- 42.** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 43.** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 44.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 45.** The Company does not has any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 46.** The Code on Social Security 2020, relating to employee benefits during employment and post-employment, has been notified in the Official Gazette on September 29, 2020, which could impact the contributions made by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in period of notification of the relevant provisions.
- 47.** As part of the long-term strategy to consolidate offshore operations, during the previous year, the activities undertaken by the Mauritius subsidiary were transferred to Singapore subsidiary and voluntary liquidation process was initiated. The liquidation process of Mauritius subsidiary got completed during the quarter ended June 30, 2022.
- 48.** The figures for the corresponding previous period have been regrouped / reclassified wherever necessary, to make them comparable.

**49. Events occurring after the reporting period**

The Board of Directors have proposed final dividend of ₹ 7.50/- per equity share of ₹ 10/- each for the financial year 2022-23. This is in addition to the interim dividend of ₹ 4.00/- per equity share declared by the Board of Directors on October 19, 2022.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Mumbai  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

# Independent Auditor's Report

**To the Members of Nippon Life India 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 (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, 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 its associate as at March 31, 2023, their consolidated profit including other comprehensive loss, 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, 2023. 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
<b>Revenue from management fee and portfolio management services (as described in Note 18 of the consolidated Ind AS financial statements)</b>	
<p>Revenue from operations is the most significant balance in the statement of profit and loss. Revenue is made of a number of streams including:</p> <ul style="list-style-type: none"> <li>— Management fees ₹ 1319.97 Crores</li> <li>— Portfolio Management Services ₹ 29.85 Crores</li> </ul> <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>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>	<p>We have performed the following procedures in relation to revenue recognised during the year:</p> <p>Obtained and read the accounting policy for revenue recognition.</p> <ul style="list-style-type: none"> <li>— Obtained an understanding of 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.</li> <li>— Tested the design and 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.</li> <li>— 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.</li> <li>— Obtained and read the investment management fee certification report, issued by statutory auditors of mutual fund schemes, in accordance with generally accepted assurance standards for such work and reconciled the certified amount with the accounting records.</li> <li>— On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and reconciled with the financial statements and test checked invoice and reconciled with the accounting records.</li> <li>— On a sample basis, checked the receipts of such income in bank statements.</li> <li>— Recalculated Portfolio Management Services Fee in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li> </ul>
<b>Impairment of Asset Management Rights (as described in Note 2.4 of the consolidated Ind AS financial statements)</b>	
<p>The Company's balance sheet as at March 31, 2023 includes ₹ 240 Crores of Asset Management Rights, representing 6.21% of total assets.</p> <p>As a result, an impairment assessment was required to be performed by the Company in terms of Ind AS 36 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 consolidated Ind AS financial statements.</p>	<p>We have performed the following procedures with respect to impairment of asset management rights:</p> <p>Obtained and read the accounting policy on impairment of asset management rights.</p> <ul style="list-style-type: none"> <li>— Read the Company's valuation methodology applied in determining the recoverable amount. We also assessed the objectivity, competence and independence of Company's specialists involved in the process.</li> <li>— Evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>— Assessed the recoverable value computed by the Company's specialists based on the various scenarios.</li> <li>— 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.</li> </ul>

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 Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, 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 Ind AS 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 loss, consolidated cash flows and consolidated statement of changes in equity of the Group including its 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 its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 its associate are responsible for assessing the ability of their respective companies 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 its associate are also responsible for overseeing the financial reporting process of their respective companies.

### **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 its 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 its 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 its 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 Ind AS 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, 2023 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**

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 52.48 Crores as at March 31, 2023, and total revenues of ₹ 40.30 Crores and net cash inflows of ₹ 2.84 Crores for the year ended on that date. These 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 profit of ₹ 0.40 Crores for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have 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 the subsidiary 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 subsidiary and associate, is based solely on the reports of such other auditors.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective country and which have been audited by other auditor under generally accepted auditing standards applicable in the respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in the

respective country 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 subsidiary 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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the associate company incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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 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, 2023 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 its associate, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and 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

subsidiary and 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 its associate in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - 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 associate, incorporated in India during the year ended March 31, 2023.
  - iv. a) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 46 to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 47 to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The final dividend paid by the Holding Company, its subsidiaries and associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- The interim dividend declared and paid during the year by the Holding



Company, its subsidiaries and associate companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries and associate is in accordance with section 123 of the Act.

As stated in note 34 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, its subsidiaries and associate companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023



## **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 (“the Company”)

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the Group and associate included in the consolidated Ind AS financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023

## **Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Nippon Life India 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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group and its associate, 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 (ICAI). 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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 auditors in terms of their reports 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 with reference to consolidated Ind AS financial statements.

### **Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

A company's internal financial control with reference to 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 with reference to 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 With Reference to Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial

controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to an associate, which is incorporated in India, is based on the corresponding report of the auditor of such an associate company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIXC4728

Place of Signature: Mumbai  
Date: April 25, 2023

# Consolidated Statement of Assets and Liabilities

as at March 31, 2023

(₹ in Crores)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	21.26	47.92
Bank balance other than above	4	251.48	290.51
Receivables			
(i) Trade receivables	5A	96.88	75.37
(ii) Other receivables	5B	-	0.05
Loans	6	0.05	0.37
Investments	7	3,023.14	2,941.70
Other financial assets	8	23.85	23.07
<b>Sub-total - Financial assets</b>		<b>3,416.66</b>	<b>3,378.99</b>
<b>Non-financial assets</b>			
Current tax assets (net)		20.59	37.64
Property, plant and equipment	10	11.55	10.01
Capital work-in-progress	30	2.49	0.05
Other intangible assets	9	293.24	286.03
Other non-financial assets	11	116.38	83.82
<b>Sub-total - Non-financial assets</b>		<b>444.25</b>	<b>417.55</b>
<b>Total Assets</b>		<b>3,860.91</b>	<b>3,796.54</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
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	12	66.20	55.95
Other financial liabilities	13	123.56	122.55
<b>Sub-total - Financial liabilities</b>		<b>189.76</b>	<b>178.50</b>
<b>Non-financial Liabilities</b>			
Current tax liabilities (Net)		25.29	-
Provisions	14	12.68	15.41
Deferred tax liabilities (Net)	22	70.84	78.17
Other non-financial liabilities	15	46.71	45.84
<b>Sub-total - Non-financial liabilities</b>		<b>155.52</b>	<b>139.42</b>
Share Application money pending Allotment		0.26	0.81
<b>EQUITY</b>			
Equity share capital	16	623.18	622.02
Other equity	17	2,892.19	2,855.79
<b>Total Equity</b>		<b>3,515.37</b>	<b>3,477.81</b>
<b>Total Liabilities and Equity</b>		<b>3,860.91</b>	<b>3,796.54</b>

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

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

Mumbai  
April 25, 2023

**Nilufer Shekhawat**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Crores)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	18	1,349.82	1,306.63
Other income	19	166.79	228.99
<b>Total income</b>		<b>1,516.61</b>	<b>1,535.62</b>
<b>Expenses</b>			
Finance costs		3.97	3.82
Fee and commission expenses		50.05	51.30
Employee benefits expenses	20	300.41	290.31
Depreciation, amortisation and impairment	10	29.79	27.22
Others expenses	21	204.65	174.31
<b>Total expenses</b>		<b>588.87</b>	<b>546.96</b>
<b>Profit before tax</b>		<b>927.74</b>	<b>988.66</b>
Income tax expense:			
- Current tax	22	212.14	206.66
- Deferred tax	22	(7.33)	38.64
<b>Total tax expense</b>		<b>204.81</b>	<b>245.30</b>
<b>Profit for the period</b>		<b>722.93</b>	<b>743.36</b>
<b>Share of profit / (loss) in associate</b>		<b>0.40</b>	<b>0.79</b>
<b>Net profit after tax and share of profit in associate</b>		<b>723.33</b>	<b>744.15</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(2.49)	(0.40)
- Income tax relating to these items		0.63	0.10
<b>Other comprehensive income for the period</b>		<b>(1.86)</b>	<b>(0.30)</b>
<b>Total comprehensive income for the period</b>		<b>721.47</b>	<b>743.85</b>
<b>Earnings per equity share</b>			
- Basic (₹)	33	11.61	12.00
- Diluted (₹)		11.53	11.80

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  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

## Consolidated Statement of Cash Flow

for the year ended March 31, 2023

Particulars	(₹ in Crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax:</b>	<b>927.74</b>	988.67
Adjustments:		
Depreciation and amortisation	<b>29.79</b>	27.22
Finance cost	<b>3.97</b>	3.82
Net (gain) / loss on sale of property, plant and equipments	<b>(0.70)</b>	(1.71)
Provision / (Reversal) for ECL on Inter Corporate Deposits	<b>(0.47)</b>	(0.54)
Foreign currency transactions and translations	<b>(0.02)</b>	1.96
Remeasurement of defined benefit obligations	<b>(2.49)</b>	(0.40)
Employee share based payments	<b>21.34</b>	37.36
(Profit) / Loss on sale of investments	<b>(100.28)</b>	(80.50)
Fair Value (Gain) / Loss on Investments	<b>(38.32)</b>	(121.11)
Dividend income	<b>(0.03)</b>	(0.71)
Interest income	<b>(23.24)</b>	(24.39)
<b>Operating profit before working capital changes</b>	<b>817.29</b>	<b>829.67</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade and other receivables	<b>(21.46)</b>	(29.52)
Other financial assets	<b>(8.30)</b>	1.41
Other non-financial assets	<b>(32.56)</b>	(6.44)
Loans and advances to employees	<b>0.19</b>	(0.05)
Capital work-in-progress	<b>(2.44)</b>	1.26
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	<b>10.25</b>	(6.92)
Other financial liabilities	<b>(7.82)</b>	7.32
Provisions	<b>(2.73)</b>	(8.00)
Other non-financial liabilities	<b>0.87</b>	(0.17)
Cash generated from operations	<b>753.29</b>	<b>788.56</b>
Income taxes Paid (net of refunds)	<b>(169.17)</b>	(209.01)
<b>Net cash inflow from operating activities</b>	<b>584.12</b>	<b>579.55</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	<b>30.76</b>	20.30
Dividend received	<b>0.03</b>	0.71
Sales proceeds from disposal of property, plant and equipments	<b>0.21</b>	0.05
Purchase of investments	<b>(1,784.21)</b>	(1,977.71)
Sale of investments	<b>1,824.43</b>	1,786.66
Proceeds from maturity of Fixed deposits placed with financial institution	<b>39.03</b>	51.32
Inter corporate deposit repayment	<b>1.00</b>	0.95
Purchase of property, plant and equipments and intangible assets	<b>(10.38)</b>	(6.82)
<b>Net cash outflow from investing activities</b>	<b>100.87</b>	<b>(124.54)</b>



Particulars	(₹ in Crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issuance of Share Capital	26.22	122.27
Principal Element of Lease Payments	17.24	(18.29)
Interest Element of Lease Payments	(3.97)	(3.82)
Share Application money pending Allotment	(0.55)	0.28
Dividend paid (including dividend distribution tax)	(716.11)	(526.31)
<b>Net cash outflow from financing activities</b>	<b>711.65</b>	<b>(425.87)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES</b>	<b>(26.66)</b>	29.14
Add: Cash and cash equivalents at the beginning of the year	47.92	18.78
<b>Cash and cash equivalents at the end of the year</b>	<b>21.26</b>	<b>47.92</b>

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**

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

Mumbai  
April 25, 2023

**Nilufer Shekhawat**  
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

## A. Equity share capital

		(₹ in Crores)	
<b>For the year ended March 31, 2023</b>		<b>Number</b>	<b>Amount</b>
Equity shares of INR 10 each issued, subscribed and fully paid			
<b>As at April 01, 2022</b>		<b>62,20,17,928</b>	<b>622.02</b>
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at April 01, 2022		<b>62,20,17,928</b>	<b>622.02</b>
Issue of share capital / ESOP		<b>11,57,515</b>	<b>1.16</b>
<b>As at March 31, 2023</b>		<b>62,31,75,443</b>	<b>623.18</b>

		(₹ in Crores)	
<b>For the year ended March 31, 2022</b>		<b>Number</b>	<b>Amount</b>
Equity shares of INR 10 each issued, subscribed and fully paid			
<b>As at April 01, 2021</b>		61,65,04,767	616.50
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at April 01, 2021		61,65,04,767	616.50
Issue of share capital / ESOP		55,13,161	5.52
<b>As at March 31, 2022</b>		<b>62,20,17,928</b>	<b>622.02</b>

## B. Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income			Total other equity
	Securities premium	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	
<b>As at March 31, 2021</b>	676.18	97.92	1,573.46	43.62	91.26	6.10	(4.71)	2,483.83
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance as at April 01, 2021</b>	676.18	97.92	1,573.46	43.62	91.26	6.10	(4.71)	2,483.83
Profit for the year	-	-	744.16	-	-	-	-	744.16
Other comprehensive income	-	-	-	-	-	-	(0.30)	(0.30)
<b>Total Comprehensive Income for the year</b>	-	-	<b>744.16</b>	-	-	-	<b>(0.30)</b>	<b>743.86</b>
Stock option expense for the year	-	-	-	-	35.70	-	-	35.70
Options lapsed during the year	-	(0.01)	-	-	0.01	-	-	-
- Interim dividend on equity shares	-	-	(217.41)	-	-	-	-	(217.41)
- Final dividend on equity shares	-	-	(308.90)	-	-	-	-	(308.90)
- Changes during the year	-	-	-	1.96	-	-	-	1.96
- Fresh issue of equity shares	132.67	-	-	-	(15.92)	-	-	116.75
<b>As at March 31, 2022</b>	<b>808.85</b>	<b>97.91</b>	<b>1,791.31</b>	<b>45.58</b>	<b>111.05</b>	<b>6.10</b>	<b>(5.01)</b>	<b>2,855.79</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at April 01, 2022</b>	808.85	97.91	1,791.31	45.58	111.05	6.10	(5.01)	2,855.79
Profit for the year	-	-	723.33	-	-	-	-	723.33
Other comprehensive income	-	-	-	-	-	-	(1.86)	(1.86)
<b>Total Comprehensive Income for the year</b>	-	-	<b>723.33</b>	-	-	-	<b>(1.86)</b>	<b>721.47</b>
- Share based payments:								
Stock option expense for the year	-	-	-	-	21.34	-	-	21.34
Options lapsed during the year	-	1.39	-	-	(1.39)	-	-	-
- Interim dividend on equity shares	-	-	(249.23)	-	-	-	-	(249.23)
- Final dividend on equity shares	-	-	(466.88)	-	-	-	-	(466.88)
- Voluntary Liquidation of Subsidiary	-	-	(10.62)	-	-	-	-	(10.62)
- Changes during the year	-	-	-	(3.60)	-	-	-	-
- Fresh issue of equity shares	28.65	-	-	-	(4.73)	-	-	23.92
<b>As at March 31, 2023</b>	<b>837.50</b>	<b>99.30</b>	<b>1,787.91</b>	<b>41.98</b>	<b>126.27</b>	<b>6.10</b>	<b>(6.87)</b>	<b>2,892.19</b>

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: 102120

Mumbai  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(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 ('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 are listed on National Stock exchange of India Limited and Bombay Stock exchange Limited.

## 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:

- Certain financial assets and liabilities (including derivatives instruments).
- Defined benefit plans – plan assets and
- 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 recognised 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 derecognised 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 amortised 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 recognised 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 amortisation 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 derecognised.

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 amortisation 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 recognised 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 recognised 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 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.

### 2.6 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 recognised 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 recognised 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.

However, trade receivable that do not contain a significant financial component are measure at transaction price. Purchase and sale of financial assets are recognised using trade date accounting.

### B. Subsequent Measurement

Financial Assets measured at Amortised 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 amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 6. Interest income from these financial assets is recognised 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 amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised 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 measures at Fair value through profit or loss: Assets that do not meet the criteria for amortised 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 recognised 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 recognised 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 amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises 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 recognises 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 recognised 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 amortised 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 derecognised 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 recognised 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 recognises 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 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 recognised using the effective interest rate.

**(v) Dividend income**

Dividend income is recognised 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.

### 2.15 Fund and commission expenses

Prior to October 21, 2018, certain scheme related expenses and commission were being borne by the Company in accordance with circulars and guidelines issued by SEBI and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until October 21, 2018 is treated as prepaid expenses and is amortised on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued by SEBI in this regard, after October 21, 2018, these expenses, are being borne by the mutual fund schemes.

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. Prior to October 1, 2020, Commission was paid to the brokers for Portfolio Management services on upfront basis. This commission is treated as prepaid expenses and is amortised on the contractual period and charge to statement of profit and loss account. Pursuant to circular issued by SEBI, in this regard, after October 1, 2020, the commission is being paid on trail basis to the brokers. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

### 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 recognised amounts and there is an intention to settle on a net basis or realise 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 recognised 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 recognised 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 recognised 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 28.

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 Crores as per the requirements of Schedule III, unless otherwise stated.

### 3. Cash and cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	1.66
Cheques on hand	-	-
Balances with banks:		
In current accounts	21.26	46.26
Deposits with original maturity of less than 3 months	-	-
<b>Total</b>	<b>21.26</b>	<b>47.92</b>

### 4. Bank balance other than cash and cash equivalents above

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.42	0.35
- unspent CSR	0.13	0.40
In deposit accounts		
Term Deposits against the bank guarantee	6.60	15.60
Other Term Deposits	244.33	274.16
<b>Total</b>	<b>251.48</b>	<b>290.51</b>

### 5A. Trade receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	96.88	75.37
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>96.88</b>	<b>75.37</b>

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	0- 6 Months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
Undisputed Trade Receivables – considered good	95.20	1.67	-	0.01	-	96.88
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>95.20</b>	<b>1.67</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>96.88</b>

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	0- 6 Months	6 months-1year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
Undisputed Trade Receivables – considered good	72.98	2.38	-	0.01	-	75.37
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>72.98</b>	<b>2.38</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>75.37</b>

**5B. Other receivables**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	-	0.05
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>-</b>	<b>0.05</b>

**6. Loans**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>Term loans (unsecured)</b>		
Loans and advances to related parties	-	-
Loans and advances to employees	0.05	0.24
Loans and advances Others	-	1.00
<b>Total (A) – Gross</b>	<b>0.05</b>	<b>1.24</b>
(Less): Impairment loss allowance	-	(0.87)
<b>Total (A) – Net</b>	<b>0.05</b>	<b>0.37</b>
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	0.05	1.24
<b>Total (B) – Gross</b>	<b>0.05</b>	<b>1.24</b>
(Less): Impairment loss allowance	-	(0.87)
<b>Total (B) – Net</b>	<b>0.05</b>	<b>0.37</b>
<b>Loans in India</b>		
- Public sector	-	-
- Others	0.05	1.24
<b>Total (C) – Gross</b>	<b>0.05</b>	<b>1.24</b>
(Less): Impairment loss allowance	-	(0.87)
<b>Total (C) – Net</b>	<b>0.05</b>	<b>0.37</b>

The details of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment.

Type of borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties (Subsidiary)	-	-	-	-

### Reconciliation of ECL balance

(₹ in Crores)

Particulars	Year ended March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	0.87	-	0.87
New assets originated / change in inputs to ECL model	-	-	-	-
Assets derecognised or repaid	-	(0.87)	-	0.87
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	-	-	-	-

(₹ in Crores)

Particulars	Year ended March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	1.41	-	1.41
New assets originated / change in inputs to ECL model	-	-	-	-
Assets derecognised or repaid	-	(0.54)	-	(0.54)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	-	0.87	-	0.87

## 7. Investments

(₹ in Crores)

Particulars	At amortised cost	At fair value through			Others	Total
		Other comprehensive income	Profit and loss	Subtotal		
<b>As at March 31, 2023</b>						
Mutual funds	-	-	2,773.79	2,773.79	-	2,773.79
Debt securities	109.53	-	-	-	-	109.53
Equity Shares	-	-	9.58	9.58	-	9.58
Preference shares	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Associates	14.38	-	-	-	-	14.38
Others	-	-	-	-	-	-
Joint Ventures/AIF	-	-	115.86	115.86	-	115.86
<b>Total (A) - Gross</b>	<b>123.91</b>	<b>-</b>	<b>2,899.23</b>	<b>2,899.23</b>	<b>-</b>	<b>3,023.14</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>123.91</b>	<b>-</b>	<b>2,899.23</b>	<b>2,899.23</b>	<b>-</b>	<b>3,023.14</b>
Investments outside India	22.02	-	-	-	-	22.02
Investments in India	101.89	-	2,899.23	2,899.23	-	3,001.12
<b>Total (B) - Gross</b>	<b>123.91</b>	<b>-</b>	<b>2,899.23</b>	<b>2,899.23</b>	<b>-</b>	<b>3,023.14</b>



(₹ in Crores)

Particulars	At amortised cost	At fair value through			Others	Total
		Other comprehensive income	Profit and loss	Subtotal		
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) - Net</b>	<b>123.91</b>	<b>-</b>	<b>2,899.23</b>	<b>2,899.23</b>	<b>-</b>	<b>3,023.14</b>
<b>As at March 31, 2022</b>						
Mutual funds	-	-	2,709.04	2,709.04	-	2,709.04
Government securities	109.69	-	-	-	-	109.69
Equity Shares	-	-	9.55	9.55	-	9.55
Subsidiaries	-	-	-	-	-	-
Associates	13.98	-	-	-	-	13.98
<b>Total (A) - Gross</b>	<b>123.67</b>	<b>-</b>	<b>2,818.03</b>	<b>2,818.03</b>	<b>-</b>	<b>2,941.70</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>123.67</b>	<b>-</b>	<b>2,818.03</b>	<b>2,818.03</b>	<b>-</b>	<b>2,941.70</b>

**8. Other financial assets**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	12.89	10.43
Interest accrued on loans	0.32	0.34
Interest accrued on others	3.23	10.73
Accrued Fee Income	0.85	1.03
Other receivable	6.56	0.54
<b>Total</b>	<b>23.85</b>	<b>23.07</b>

**9. Intangible assets**

(₹ in Crores)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
<b>Year ended March 31, 2022</b>				
<b>Gross carrying amount</b>				
Cost as at April 01, 2021	69.69	26.69	250.14	346.52
Additions	23.57	2.50	-	26.07
Less: Disposals and transfers	20.34	3.61	-	23.95
<b>Closing gross carrying amount</b>	<b>72.92</b>	<b>25.58</b>	<b>250.14</b>	<b>348.64</b>
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	28.41	18.01	10.14	56.56
Amortisation during the year	17.93	4.26	-	22.19
Less: Disposals and transfers	12.58	3.56	-	16.14
<b>Closing accumulated depreciation</b>	<b>33.76</b>	<b>18.71</b>	<b>10.14</b>	<b>62.61</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>39.16</b>	<b>6.87</b>	<b>240.00</b>	<b>286.03</b>
<b>Year ended March 31, 2023</b>				
<b>Gross carrying amount</b>				
Cost as at April 01, 2022	72.92	25.58	250.14	348.64
Additions	30.45	2.95	-	33.40
Less: Disposals and transfers	15.38	-	-	15.38
<b>Closing gross carrying amount</b>	<b>87.99</b>	<b>28.53</b>	<b>250.14</b>	<b>366.66</b>

(₹ in Crores)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	33.76	18.71	10.14	62.61
Amortisation during the year	18.70	5.72	-	24.42
Less: Disposals and transfers	13.57	0.04	-	13.61
<b>Closing accumulated depreciation</b>	<b>38.89</b>	<b>24.39</b>	<b>10.14</b>	<b>73.42</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>49.10</b>	<b>4.14</b>	<b>240.00</b>	<b>293.24</b>

## 10. Property, plant and equipment

(₹ in Crores)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Year ended March 31, 2022</b>						
<b>Gross carrying amount</b>						
Cost as at April 01, 2021	20.44	3.25	4.45	0.89	11.49	40.52
Additions	1.07	2.31	0.60	0.08	0.26	4.32
Less: Disposals and transfers	2.74	0.29	0.45	0.11	0.18	3.77
<b>Closing gross carrying amount</b>	<b>18.77</b>	<b>5.27</b>	<b>4.60</b>	<b>0.86</b>	<b>11.57</b>	<b>41.07</b>
<b>Accumulated depreciation</b>						
<b>Opening accumulated depreciation</b>	13.72	1.36	2.97	0.43	11.25	29.73
Depreciation charge during the year	3.57	0.38	0.71	0.07	0.30	5.03
Less: Disposals and transfers	2.74	0.27	0.40	0.07	0.22	3.70
<b>Closing accumulated depreciation</b>	<b>14.55</b>	<b>1.47</b>	<b>3.28</b>	<b>0.43</b>	<b>11.33</b>	<b>31.06</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>4.22</b>	<b>3.80</b>	<b>1.32</b>	<b>0.43</b>	<b>0.24</b>	<b>10.01</b>
<b>Year ended March 31, 2023</b>						
<b>Gross carrying amount</b>						
Cost as at April 01, 2022	18.77	5.27	4.60	0.86	11.57	41.07
Additions	2.63	1.70	0.59	0.65	1.86	7.43
Less: Disposals and transfers	0.23	0.25	0.03	0.21	0.14	0.86
<b>Closing gross carrying amount</b>	<b>21.17</b>	<b>6.72</b>	<b>5.16</b>	<b>1.30</b>	<b>13.29</b>	<b>47.64</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation	14.55	1.47	3.28	0.43	11.33	31.06
Depreciation charge during the year	3.79	0.64	0.57	0.11	0.26	5.37
Less: Disposals and transfers	0.20	0.01	0.02	(0.03)	0.14	0.34
<b>Closing accumulated depreciation</b>	<b>18.14</b>	<b>2.10</b>	<b>3.83</b>	<b>0.57</b>	<b>11.45</b>	<b>36.09</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>3.03</b>	<b>4.62</b>	<b>1.33</b>	<b>0.73</b>	<b>1.84</b>	<b>11.55</b>

## 11. Other non-financial asset

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Vendors	10.85	8.75
GST Input tax credit	21.16	17.15
Prepaid expenses	84.37	56.34
Others	-	1.58
<b>Total</b>	<b>116.38</b>	<b>83.82</b>

## 12. Trade payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	66.20	55.95
<b>Total</b>	<b>66.20</b>	<b>55.95</b>

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:

Particulars	As at March 31, 2023	As at March 31, 2022
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.	-	-

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				
	0-1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.64	-	0.08	0.48	6.20
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>5.64</b>	<b>-</b>	<b>0.08</b>	<b>0.48</b>	<b>6.20</b>

Unbilled dues as on March 31, 2023 is 60 Crores.

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	0-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.79	0.20	0.48	0.46	2.93
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>1.79</b>	<b>0.20</b>	<b>0.48</b>	<b>0.46</b>	<b>2.93</b>

Unbilled dues as on March 31, 2022 is 53.02 Crores.

### 13. Other Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Other payables	67.14	75.03
Unclaimed dividend	0.42	0.35
Lease liability	56.00	47.17
<b>Total</b>	<b>123.56</b>	<b>122.55</b>

### 14. Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Leave encashment	3.54	3.14
Gratuity	0.95	0.99
Phantom Shares	4.53	7.64
Compensated Absence Cost	3.66	3.64
<b>Total</b>	<b>12.68</b>	<b>15.41</b>

### 15. Other Non-Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	39.40	38.63
Revenue received in advance	7.31	7.21
<b>Total</b>	<b>46.71</b>	<b>45.84</b>

### 16. Equity share capital

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
<b>Authorised shares</b>				
Equity shares of ₹ 10 each	1,00,00,00,000.00	1,000.00	1,00,00,00,000.00	1,000.00
Preference shares of ₹ 100 each	30,00,000.00	30.00	30,00,000.00	30.00
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of ₹ 10 each	62,20,17,928.00	622.02	61,65,04,767.00	616.50
Changes during the period	11,57,515.00	1.16	55,13,161.00	5.52
<b>Total</b>	<b>62,31,75,443.00</b>	<b>623.18</b>	<b>62,20,17,928.00</b>	<b>622.02</b>

**a) 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.

**b) 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 27.

**c) Shares of the Company held by the holding / ultimate holding Company**

(₹ in Crores)

Equity Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Nippon Life Insurance Company*	45,90,28,095	73.66	45,90,28,095	73.80

\* Including shares held jointly with nominee Shareholders

**d) Details of Shareholders holding more than 5% of the shares in the Company**

(₹ in Crores)

Equity Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Nippon Life Insurance Company*	45,90,28,095	73.66	45,90,28,095	73.80

\* Including shares held jointly with nominee Shareholders

**e) Details of shares held by promoters****As at March 31, 2023**

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Nippon Life Insurance Company	45,90,28,095	-	45,90,28,095	73.66	-
<b>Total</b>		<b>45,90,28,095</b>	<b>-</b>	<b>45,90,28,095</b>	<b>73.66</b>	<b>-</b>

**As at March 31, 2022**

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Nippon Life Insurance Company	45,90,28,095	-	45,90,28,095	73.80	-
<b>Total</b>		<b>45,90,28,095</b>	<b>-</b>	<b>45,90,28,095</b>	<b>73.80</b>	<b>-</b>

\* Including shares held jointly with nominee Shareholders

**17. Other Equity**

(₹ in Crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Securities premium account	837.50	808.85
General reserve	99.30	97.91
Surplus in the statement of profit and loss	1,787.91	1,791.31
Foreign currency translation reserve	41.98	45.58
Share based options outstanding account	126.27	111.05
Other comprehensive income	(0.77)	1.09
<b>Total</b>	<b>2,892.19</b>	<b>2,855.79</b>

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities premium account</b>		
Opening balance	808.85	676.18
Add / (Less): Changes during the year		
Fresh issue of equity shares	28.65	132.67
<b>Closing balance</b>	<b>837.50</b>	<b>808.85</b>
<b>General reserve</b>		
Opening balance	97.91	97.92
Add / (Less): Changes during the year		
Share based options outstanding account	1.39	(0.01)
<b>Closing balance</b>	<b>99.30</b>	<b>97.91</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Opening balance	1,791.31	1,573.46
Net profit for the period	723.33	744.16
Dividends:		
Interim dividend on equity shares	(249.23)	(217.41)
Final dividend on equity shares	(466.88)	(308.90)
Voluntary Liquidation of Subsidiary	(10.62)	-
<b>Closing balance</b>	<b>1,787.91</b>	<b>1,791.31</b>
<b>Foreign currency translation reserve</b>		
Opening balance	45.58	43.62
Add / (Less): Changes during the year	(3.60)	1.96
<b>Closing balance</b>	<b>41.98</b>	<b>45.58</b>
<b>Share based options outstanding account</b>		
Opening balance	111.05	91.26
Add: Stock option expense for the year	21.34	35.70
Less: Transferred to General Reserve	(1.39)	0.01
Add: Fresh issue of equity shares	(4.73)	(15.92)
<b>Closing balance</b>	<b>126.27</b>	<b>111.05</b>

### Other Comprehensive Income

(₹ in Crores)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
<b>As at April 01, 2021</b>	<b>6.10</b>	<b>(4.71)</b>	<b>1.39</b>
Remeasurements of post-employment benefit obligations	-	(0.40)	(0.40)
Deferred tax	-	0.10	0.10
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>(5.01)</b>	<b>1.09</b>
Remeasurements of post-employment benefit obligations	-	(2.49)	(2.49)
Deferred tax	-	0.63	0.63
<b>As at March 31, 2023</b>	<b>6.10</b>	<b>(6.87)</b>	<b>(0.77)</b>

#### 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 utilised 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. 27)

**18. Revenue from Operations**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Management Fees	1,319.97	1,262.71
Portfolio Management Fees (including advisory fees)	29.85	43.92
<b>Total</b>	<b>1,349.82</b>	<b>1,306.63</b>

**19. Other Income**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest	23.24	24.39
Dividend	0.03	0.71
Gain on sale of Investment	138.60	201.61
Miscellaneous income	4.92	2.28
<b>Total</b>	<b>166.79</b>	<b>228.99</b>

**20. Employee benefits expenses**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries wages and bonus	258.13	234.34
Contribution to provident and other funds	13.62	12.23
Employee stock option scheme	21.34	37.36
Staff welfare expenses	7.32	6.38
<b>Total</b>	<b>300.41</b>	<b>290.31</b>

**21. Others expenses**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Marketing, advertisement and publicity	37.71	26.10
Outsourced business service	27.45	32.99
Legal and Professional charges	33.18	25.75
Information technology	38.85	35.80
Communication Costs	7.64	8.25
Office administration	15.06	13.02
Conveyance and travelling	6.46	0.83
Corporate Social Responsibility	14.24	13.17
Rent, Rates and taxes	3.06	1.17
Repairs and maintenance	2.13	1.08
Filing fees and stamp duty	1.85	2.82
Seminar and training	1.52	0.16
Membership and subscription	5.67	5.94
Insurance	2.93	1.27
Printing and stationery	2.26	2.22
Directors' fees and commission	2.44	1.20
Auditor's fees and expenses	0.70	0.65
Expected credit loss (ECL)	(0.87)	(0.53)
Net loss on foreign currency transactions and translations	0.67	0.05
Miscellaneous expenses	1.70	2.37
<b>Total</b>	<b>204.65</b>	<b>174.31</b>

**a) Breakup of Auditors' remuneration**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	0.43	0.50
Certification matters	0.08	0.10
Other matters	0.18	0.05
Out of pocket expenses	0.01	-
<b>Total</b>	<b>0.70</b>	<b>0.65</b>

**b) Details of CSR expenditure:**

(₹ in Crores)

Details of CSR expenditure:	Year ended March 31, 2023	Year ended March 31, 2022	
a) Gross amount required to be spent by the Company during the year	14.09	12.90	
b) Amount approved by the Board to be spent during the year	14.25	13.17	
<b>c) Amount spent during the year ending on March 31, 2023:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	14.25	-	14.25
<b>d) Amount spent during the year ending on March 31, 2022:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	13.17	-	13.17
<b>e) Details related to spent / unspent obligations:</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	
i) Contribution to Public Trust	4.45	5.77	
ii) Contribution to Charitable Trust	-	-	
iii) Unspent amount in relation to:	-	-	
- Ongoing project	9.48	7.08	
- Other than ongoing project	-	-	
iv) Others*	0.32	0.32	
	<b>14.25</b>	<b>13.17</b>	

\*includes Admin overheads of 0.32 Crores

**Details of ongoing project and other than ongoing project**

**In case of S. 135(6) (Ongoing Project)**

Opening Balance	In Separate CSR Unspent A/c	Amount required to be spent during the year	Amount spent during the year		Closing Balance	
			From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	7.08	9.48	1.56	6.96	7.92	0.12

**In case of S. 135(5) (Other than ongoing project)**

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	0	4.77	4.77	-

**Details of excess amount spent:**

**Excess amount spent**

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.29	14.09	14.25	0.45

**22. Income tax****a) The components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	211.51	206.66
Deferred tax	(7.33)	38.64
<b>Total</b>	<b>204.18</b>	<b>245.30</b>

**b) Deferred tax assets/liabilities**

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

(₹ in Crores)

Particulars	As at March 31, 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2022
<b>Deferred tax liability :</b>				
FVTPL of financial instruments	47.99	30.65	-	78.64
Brokerage	8.18	3.81	-	11.99
<b>Total (a)</b>	<b>56.17</b>	<b>34.46</b>	<b>-</b>	<b>90.63</b>
<b>Deferred tax asset:</b>				
Property, plant and equipment	5.33	(0.27)	-	5.06
Gratuity	0.23	0.05	0.01	0.29
Leave Encashment	0.75	0.04	-	0.79
Compensated absence cost	2.15	(1.28)	-	0.87
Phantom Shares	2.95	(1.03)	-	1.92
FVTPL of financial instruments	-	(1.01)	-	(1.01)
Expenses allowable for tax purpose when paid	-	-	-	-
Impairment allowance for financial assets	0.49	(0.13)	-	0.36
IND AS 116 Leases	2.53	(0.52)	-	2.01
Other*	2.20	(0.03)	-	2.17
<b>Total (b)</b>	<b>16.62</b>	<b>(4.18)</b>	<b>0.01</b>	<b>12.46</b>
<b>Net deferred tax (asset) / liability (a - b)</b>	<b>39.55</b>	<b>38.64</b>	<b>(0.01)</b>	<b>78.17</b>

Particulars	As at March 31, 2022	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2023
<b>Deferred tax liability:</b>				
FVTPL of financial instruments	78.64	(10.04)	-	68.61
Brokerage	11.99	6.64	-	18.63
<b>Total (a)</b>	<b>90.63</b>	<b>(3.40)</b>	<b>-</b>	<b>87.23</b>
<b>Deferred tax asset:</b>				
Property, plant and equipment	5.06	0.41	-	5.47
Gratuity	0.29	0.07	0.01	0.37
Leave Encashment	0.79	0.02	-	0.81
Compensated absence cost	0.87	0.05	-	0.92
Phantom Shares	1.92	(0.78)	-	1.15
FVTPL of financial instruments	(1.01)	-	-	(1.01)
IND AS 116 Leases	2.01	(0.32)	-	1.69
Impairment allowance for financial assets	0.36	(0.11)	-	0.25
Other	2.17	4.59	-	6.76
<b>Total (b)</b>	<b>12.46</b>	<b>3.93</b>	<b>0.01</b>	<b>16.40</b>
<b>Net deferred tax (asset) / liability (a - b)</b>	<b>78.17</b>	<b>(7.32)</b>	<b>0.01</b>	<b>70.83</b>

## 23. 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 Crores)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	8.33	7.64
Superannuation fund	0.07	0.07
Pension fund	1.43	1.42

### 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 Crores)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31, 2021</b>	<b>27.91</b>	<b>28.57</b>	<b>(0.66)</b>
Current service cost	2.72	-	2.72
Interest expense / (income)	1.80	1.84	(0.04)
Return on plan assets (excl. Interest Income)	-	0.45	(0.45)
Actuarial loss / (gain) arising from change in financial assumptions	(1.23)	-	(1.23)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.00)	-	(0.00)
Actuarial loss / (gain) arising on account of experience changes	2.08	-	2.08
Employer contributions	-	3.00	(3.00)
Benefit payments	(2.95)	(2.95)	0.00
<b>As at March 31, 2022</b>	<b>30.33</b>	<b>30.91</b>	<b>(0.58)</b>
Current service cost	2.84	-	2.84
Interest expense / (income)	2.11	2.15	(0.04)
Return on plan assets (excl. Interest Income)	-	(1.27)	1.27
Actuarial loss / (gain) arising from change in financial assumptions	(1.08)	-	(1.08)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.32	-	2.32
Liability Transferred In / Acquisitions	0.23	-	0.23
(Assets Transferred Out / Divestments)	(0.23)	(0.23)	0.23
Employer contributions	-	4.00	(4.00)
Benefit payments	(3.75)	(3.75)	-
<b>As at March 31, 2023</b>	<b>32.77</b>	<b>31.82</b>	<b>1.18</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	32.74	30.33
Fair value of plan assets	31.80	30.91
<b>Plan liability (net of plan assets)</b>	<b>0.94</b>	<b>-</b>

## ii) Statement of Profit and Loss

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefit Expenses:		
Current service cost	2.84	2.72
<b>Total</b>	<b>2.84</b>	<b>2.72</b>
Net Interest Cost	(0.04)	(0.04)
<b>Net impact on the profit before tax</b>	<b>2.80</b>	<b>2.68</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/income	1.27	(0.45)
Actuarial gains / (losses) arising from changes in financial assumptions	(1.08)	(1.23)
Actuarial loss / (gain) arising on account of experience changes	2.32	2.08
Net impact on the other comprehensive income before tax	2.51	0.40

## iii) Defined benefit plans assets

(₹ in Crores)

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
Insurer managed funds		
- Government securities	66.00%	55.16%
- Deposit and money market securities	2.68%	5.52%
- Debentures / bonds	7.74%	16.90%
- Equity shares	20.65%	21.40%
- Others	2.93%	1.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## 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.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.46%	6.98%
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 2012-14 (Urban)

## vi) Sensitivity

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(2.06)	2.31
Salary escalation rate	1.00%	2.32	(2.10)
Employee Turnover	1.00%	0.17	(0.19)

(₹ in Crores)

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(2.08)	2.34
Salary escalation rate	1.00%	2.34	(2.11)
Employee Turnover	1.00%	0.11	(0.12)

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 Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1 <sup>st</sup> Following Year	3.27	2.01
2 <sup>nd</sup> Following Year	2.65	2.38
3 <sup>rd</sup> Following Year	2.63	2.86
4 <sup>th</sup> Following Year	2.23	2.37
5 <sup>th</sup> Following Year	3.09	2.00
Sum of 6 to 10 Years	17.26	15.77
Sum of 11 Year and above	28.48	28.03

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 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	December 01, 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	<b>In case of continuation of employment:</b> Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and <b>In case of cessation of employment :</b> 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 ₹ (3.11) Crores (Previous year ₹ (4.09) Crores).

**24. Segment information**

The Company is in the business of providing asset management services to the schemes of Nippon 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.

**25. 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 amortised 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, 2023**

(₹ in Crores)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	21.26	-	-	-	21.26
Investments	123.91	-	-	-	123.91
Bank balance other than cash and cash equivalents above	251.48	-	-	-	251.48
<b>Receivables</b>					
(i) Trade receivables	96.88	-	-	-	96.88
(ii) Other receivables	-	-	-	-	-
Loans	0.05	-	-	-	0.05
Other financial assets	23.85	-	-	-	23.85
<b>At Fair Value Through Profit / Loss</b>					
Investments	-	2,774.13	91.41	33.69	2,899.23
<b>Total financial assets</b>	<b>517.43</b>	<b>2,774.13</b>	<b>91.41</b>	<b>33.69</b>	<b>3,416.66</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	66.20	-	-	-	66.20
Other financial liabilities	123.56	-	-	-	123.56
<b>Total financial liabilities</b>	<b>189.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189.76</b>

**As at March 31, 2022**

(₹ in Crores)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	47.92	-	-	-	47.92
Investments	123.67	-	-	-	123.67
Bank balance other than cash and cash equivalents above	290.51	-	-	-	290.51
<b>Receivables</b>					
(i) Trade receivables	75.37	-	-	-	75.37
(ii) Other receivables	0.05	-	-	-	0.05
Loans	0.37	-	-	-	0.37
Other financial assets	23.07	-	-	-	23.07
<b>At Fair Value Through Profit / Loss</b>					
Investments	-	2,709.26	80.47	28.30	2,818.03
<b>Total financial assets</b>	<b>560.96</b>	<b>2,709.26</b>	<b>80.47</b>	<b>28.30</b>	<b>3,378.99</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	55.95	-	-	-	55.95
Other financial liabilities	122.55	-	-	-	122.55
<b>Total financial liabilities</b>	<b>178.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178.50</b>

**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.

## 26. 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 reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2023

(₹ in Crores)

Contractual maturities of assets and liabilities	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Cash and cash equivalents	21.26	-	-	-	21.26
Bank balance other than cash and cash equivalents above	0.42	244.57	6.49	-	251.48
<b>Receivables</b>					
(i) Trade receivables	-	96.87	0.01	-	96.88
(ii) Other receivables	-	-	-	-	-

(₹ in Crores)

Contractual maturities of assets and liabilities	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Loans	-	0.05	-	-	0.05
Investments	2,451.59	63.84	132.79	374.97	3,023.14
Other financial assets	-	16.24	6.73	0.88	23.85
<b>Total assets</b>	<b>2,473.22</b>	<b>421.57</b>	<b>146.02</b>	<b>375.85</b>	<b>3,416.66</b>
<b>Financial liabilities</b>					
Payables					
<b>Trade payables</b>					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	65.65	0.55	-	66.20
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	71.58	39.04	12.94	123.56
<b>Total liabilities</b>	<b>-</b>	<b>137.23</b>	<b>39.59</b>	<b>12.94</b>	<b>189.76</b>
<b>Net</b>	<b>2,473.22</b>	<b>284.34</b>	<b>106.43</b>	<b>362.91</b>	<b>3,226.90</b>

### As at March 31, 2022

(₹ in Crores)

Contractual maturities of assets and liabilities	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Cash and cash equivalents	47.92	-	-	-	47.92
Bank balance other than cash and cash equivalents above	19.98	270.53	-	-	290.51
<b>Receivables</b>					
(i) Trade receivables	-	75.36	0.01	-	75.37
(ii) Other receivables	-	0.05	-	-	0.05
Loans	-	0.37	-	-	0.37
Investments	2,469.05	51.55	120.02	301.08	2,941.70
Other financial assets	-	15.36	6.40	1.31	23.07
<b>Total assets</b>	<b>2,536.95</b>	<b>413.22</b>	<b>126.43</b>	<b>302.39</b>	<b>3,378.99</b>
<b>Financial liabilities</b>					
Payables					
<b>Trade payables</b>					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	55.26	0.69	-	55.95
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	122.55	-	-	122.55
<b>Total liabilities</b>	<b>-</b>	<b>177.81</b>	<b>0.69</b>	<b>-</b>	<b>178.50</b>
<b>Net</b>	<b>2,536.95</b>	<b>235.41</b>	<b>125.74</b>	<b>302.39</b>	<b>3,200.49</b>

### 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 Crores)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2023	As at March 31, 2022
NAV - Increase 5%	138.69	140.90
NAV - Decrease 5%	(138.69)	(140.90)

**27. 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	ESOS 2019 - II	ESOS 2019 - III	ESOS 2019 - IV
Date of Grant	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40	278.10	405.35	397.95
Exercise / Strike Price (₹)	204.25	256.10	202.35	223.32	247.60	372.71	389.28

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%	4.37%- 4.88%	5.49%- 5.48%- 5.99%	5.98%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%	1.98%	2.54%	2.01%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50	4.00 to 5.50	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%	16.17%	12.92%	12.92%
Weighted Average Fair Value (₹)	10.82	45.71	38.94	43.06	65.51	85.73	78.29

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, 2023						
	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Date of Grant							
Outstanding at the beginning of the year	7,33,161	24,69,454	73,90,790	1,44,72,483	3,93,347	52,41,572	77,065
Granted during the year	-	-	-	-	-	-	-
Exercised during the year	59,671	1,04,158	4,74,991	4,77,945	10,008	-	-
Forfeited during the year	-	-	-	-	-	-	-
Lapsed /expired during the year	-	93,956	2,39,222	4,16,538	18,968	4,72,710	-
<b>Outstanding at the end of the year</b>	<b>6,73,490</b>	<b>22,71,340</b>	<b>66,76,577</b>	<b>1,35,78,000</b>	<b>3,64,371</b>	<b>47,68,862</b>	<b>77,065</b>
Vested and exercisable	6,73,490	22,71,340	44,47,367	97,17,408	1,72,045.00	11,92,234.00	19,266.00

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	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Expiry date	August 08, 2024	April 25, 2025	April 29, 2026	August 01, 2026	June 10, 2027	July 19, 2028	August 07, 2028
Exercise price	204.25	256.10	202.35	223.32	247.60	372.71	389.28
Outstanding as at March 31, 2023	6,73,490	22,71,340	66,76,577	1,35,78,000	3,64,371	47,68,862	77,065
Outstanding as at March 31, 2022	7,33,161	24,69,454	73,90,790	1,44,72,483	3,93,347	52,41,572	77,065

### 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	ESOS 2019 - II	ESOS 2019 - III	ESOS 2019 - IV
Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%	12.92%	12.92%
Expected dividends	3.09%	3.25%	2.97%	3.22%	1.98%	2.54%	2.01%
Expected term (In years)	4	4	4	4	4	4	4
Risk free rate	6.20%- 6.34%	7.06%- 7.15%	6.32%- 6.55%	6.22%- 6.45%	4.37%- 4.88%	5.49%- 5.99%	5.48%- 5.98%
Exercise price	204.25	256.10	202.35	223.32	247.60	372.71	389.28
Market price	145.10	253.90	202.35	227.40	278.10	405.35	397.95
Grant date	August 08, 2017	April 25, 2018	April 29, 2019	August 01, 2019	June 10, 2020	July 19, 2021	August 07, 2021
Expiry date	August 08, 2024	April 25, 2025	April 29, 2026	August 01, 2026	June 10, 2027	July 19, 2028	August 07, 2028
Fair value of the option at grant date	10.82	45.71	38.94	43.06	65.51	85.73	78.29

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 Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee stock option scheme (equity settled)	<b>21.34</b>	37.36

**28. 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
	<b>I</b>	<b>Holding Company</b>
	1	Nippon Life Insurance Company
	<b>II</b>	<b>Key Managerial Personnel</b>
	<b>A</b>	<b>Executive Director &amp; CEO</b>
	1	Sundeep Sikka
	<b>B</b>	<b>Non-Executive Director</b>
	1	Ameeta Chatterjee
	2	General Ved Prakash Malik (Retd.)
	3	Akira Shibata
	4	Kazuyuki Saigo (up to April 21, 2022)
	5	Ashvin Parekh
	6	Balasubramanyam Sriram
	7	Yutaka Ideguchi (up to March 30, 2022)
	8	Minoru Kimura
	9	Tomohiro Yao (Appointed w.e.f. April 21, 2022)
	<b>III</b>	<b>Subsidiary</b>
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd.
	2	Nippon Life India Asset Management (Mauritius) Ltd.
	3	Nippon Life India AIF Management Limited
	<b>IV</b>	<b>Associate</b>
	1	Reliance Capital Pension Fund Limited
	<b>V</b>	<b>Subsidiary of Investing Company</b>
	1	Nissay Asset Management Corporation
	2	Nippon Life Global Investors Americas, Inc.
	<b>VI</b>	<b>Associate of Holding Company</b>
	1	Reliance Nippon Life Insurance Company Limited
	<b>VII</b>	<b>A Private Company in which a Director or Manager or his relative is a member or Director</b>
		CMS IT Services Private Limited

**(ii) Transactions during the year with related parties:**

Sr. No.	Name of Related Party	Description of Transactions / Categories	2022-2023		2021-2022	
			Transaction for the Year*	Outstanding amount carried to Balance sheet	Transaction for the Year*	Outstanding amount carried to Balance sheet
1	Sundeep Sikka	(i) Remuneration paid to Sundeep Sikka	8.00	-	6.89	-
2	Ameeta Chatterjee	(i) Sitting fees	0.21	-	0.24	-
3	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.22	-	0.23	-
4	Balasubramanyam Sriram	(i) Sitting fees	0.27	-	0.28	-
5	Ashvin Dhirajlal Parekh	(i) Sitting fees	0.29	-	0.27	-
6	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.06	-	0.06	0.02
7	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	5.24	-	5.01	-
		(ii) Reimbursement of expenses paid	0.44	-	0.55	-
		(iii) Payment of funded gratuity	4.09	-	3.00	-
		(iv) Advance towards insurance policies	-	0.24	-	0.31
8	Nissay Asset Management Ltd.	(i) Advisory Fees Income	8.10	-	10.61	-
		(ii) Offshore Advisory fee paid	0.97	-	0.87	-
		(iii) Advisory Fee Receivable	-	0.31	-	0.42
9	CMT IT Services	(i) Charges for IT Related services	0.05	-	0.06	-

\*Note: Above figures are excluding GST

**29. Lease**

**Right to use of asset**

(₹ in Crores)

Particulars	Property	Motor Vehicles	Total
<b>As at April 01, 2021</b>			
Opening	40.82	0.46	41.28
Additions	23.57	-	23.57
Deletion	(7.76)	-	(7.76)
Depreciation expense	(17.76)	(0.18)	(17.94)
<b>As at March 31, 2022</b>	<b>38.87</b>	<b>0.28</b>	<b>39.15</b>
Additions	30.45	-	30.45
Deletion	(1.81)	-	(1.81)
Depreciation expense	(18.70)	(0.18)	(18.88)
<b>As at March 31, 2023</b>	<b>48.81</b>	<b>0.10</b>	<b>48.91</b>

**Lease liability**

(₹ in Crores)

Particulars	Amount
<b>As at April 01, 2021</b>	
Opening (Transition to IND AS 116)	51.47
Additions (net)	13.99
Accretion of interest	3.82
Payments	(22.11)
<b>As at March 31, 2022</b>	<b>47.17</b>
Additions / deletion (net)	28.64
Accretion of interest	3.97
Payments	(23.78)
<b>As at March 31, 2023</b>	<b>56.00</b>

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	18.70	17.93
Interest expense on lease liabilities	3.97	3.82
Expense relating to short-term leases (included in other expenses)	0.39	0.56
<b>Total amount recognised in profit or loss</b>	<b>23.06</b>	<b>22.31</b>

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only.

### 30. Capital Work-in-Progress (CWIP) Ageing Schedule

(₹ in Crores)

As at March 31, 2023	Amount in CWIP for a period of				Total
	0-1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.49	-	-	-	2.49
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.49</b>

(₹ in Crores)

As at March 31, 2022	Amount in CWIP for a period of				Total
	0-1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.05	-	-	-	0.05
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>

### 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, 2023	March 31, 2022
Nippon Life India Asset Management (Singapore) Pte. Ltd.	Singapore	100.00	100.00
Nippon Life India AIF Management Limited	India	100.00	100.00
Nippon Life India Asset Management (Mauritius) Ltd.	Mauritius	-	100.00

### 32. Investment in associate

The group has a 49% interest in Reliance Capital Pension Fund Limited, which was 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 company had withdrawn the certificate of registration vide dated June 04, 2019 and PFRDA approved the de registration vide letter dated July 31, 2019 and November 15, 2019. 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 Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) before tax	0.78	1.57
Profit / (loss) for the year	0.81	1.61
Other comprehensive income	-	(0.01)
<b>Total comprehensive income for the year</b>	<b>0.81</b>	<b>1.60</b>

### 33. Additional Information

March 31, 2023

(₹ in Crores)

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
<b>Parent</b>	<b>96.32%</b>	<b>3,411.51</b>	<b>98.91%</b>	<b>714.94</b>
<b>Subsidiaries</b>				
<b>Indian</b>				
Nippon Life India AIF Management Limited	2.50%	88.77	0.96%	6.97
<b>Foreign</b>				
Nippon Life India Asset Management (Singapore) Pte. Ltd.	1.17%	41.52	0.07%	0.47
Nippon Life India Asset Management (Mauritius) Ltd.	0.00%	0.05	0.01%	0.05
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Reliance Capital Pension Fund Limited	0.00%	-	0.01%	0.40
<b>Total</b>	<b>100.00%</b>	<b>3,541.85</b>	<b>100.00%</b>	<b>722.83</b>

March 31, 2022

(₹ in Crores)

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
<b>Parent</b>	95.84%	3,368.88	95.58%	711.18
<b>Subsidiaries</b>				
<b>Indian</b>				
Nippon Life India AIF Management Limited	2.31%	80.73	3.52%	26.19
<b>Foreign</b>				
Nippon Life India Asset Management (Singapore) Pte. Ltd.	1.07%	37.34	0.79%	5.86
Nippon Life India Asset Management (Mauritius) Ltd.	0.77%	26.64	0.01%	0.06
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Reliance Capital Pension Fund Limited	0.00%	-	0.11%	0.79
<b>Total</b>	<b>100.00%</b>	<b>3,513.58</b>	<b>100.00%</b>	<b>744.08</b>

### 34. Dividend during the year

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Dividend during the year</b>		
Dividends on ordinary shares:		
Final dividend for FY 2020-21: 5 per share	-	-
Interim dividend for FY 2021-22: 3.50 per share	-	-
Final dividend for FY 2021-22: 7.50 per share	466.88	308.90
Interim dividend for FY 2022-23: 4.00 per share	249.23	217.41
<b>Total Dividend paid</b>	<b>716.11</b>	<b>526.31</b>
<b>B. Proposed (not recognised as a liability)</b>		
Dividend on ordinary shares:		
*Final dividend for FY 2022-23: 7.50 per share (FY 2021-22: 7.50 per share)	467.38	466.51

\*Based on the outstanding number of equity share as on the proposed date

**35. Earnings per share (EPS)****a) The basic earnings per share has been calculated based on the following:**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax available for equity Shareholders (₹ in Crores)	722.93	744.16
Weighted average number of equity shares	62,28,10,020	62,00,04,419

**b) The reconciliation between the basic and the diluted earnings per share is as follows:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic earnings per share	11.61	12.00
Effect of outstanding stock options	(0.08)	(0.20)
Diluted earnings per share	11.53	11.80

**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, 2023	Year ended March 31, 2022
Weighted average number of shares for computation of Basic EPS	62,28,10,020	62,00,04,419
Dilutive effect of outstanding stock options	43,53,700	1,04,52,531
Weighted average number of shares for computation of Diluted EPS	62,71,63,720	63,04,56,950

**36. Contingent liabilities**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Claims not acknowledged as debts in respect of:</b>		
- Guarantees to banks and financial institutions	1.31	11.30
- Claims against Company not acknowledged as debt	6.15	3.25

**37. Capital commitments**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	57.96	38.01

**38. Expenditure in foreign currency**

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling Expenses	0.01	0.02
Legal & Professional Fees	4.29	2.02
Salary and benefits	2.74	1.95
Membership and subscription	0.16	0.08
Brokerage	0.54	0.03
Other expenses	4.21	2.99
<b>Total</b>	<b>11.95</b>	<b>7.09</b>

### Earning in foreign currency

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advisory fees	18.09	12.77
<b>Total</b>	<b>18.09</b>	<b>12.77</b>

### 39. The details of utilisation of IPO proceeds ₹ 588.85 Crores (net of IPO related expenses) are as follows

(₹ in Crores)

Particulars	Net Proceeds as per IPO	Utilised up to March 31, 2023	Unutilised amount as of March 31, 2023
Setting up new branches and relocating certain existing branches	38.31	6.73	31.58
Upgrading the IT system	40.65	40.65	-
Advertising, marketing and brand building activities	72.09	72.09	-
Lending to our Subsidiary (Nippon Life India AIF Management Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	100.04	24.96
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	-
<b>Total</b>	<b>588.85</b>	<b>367.31</b>	<b>221.54</b>

Management continues to evaluate market conditions, changing business dynamics and the competitive landscape so as to ensure optimal utilisation of the IPO Proceeds in the subsequent periods, in accordance with the objectives as stated in the IPO Prospectus.

### 40. Key Financial Ratios

Ratio	Numerator	Denominator	31-Mar-23	% Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR *	-	-	-	-
(d) Liquidity Coverage Ratio (Number of times)	2,894.79	196.62	14.72	19.30%
Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)]				
This has increased as Financial liabilities within 12 months from the reporting date have changed.				

Ratio	Numerator	Denominator	31-Mar-22	% Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-
(b) Tier I CRAR*	-	-	-	-
(c) Tier II CRAR *	-	-	-	-
(d) Liquidity Coverage Ratio (Number of times)	2,950.17	239.06	12.34	13.60%
Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)]				

\*Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.



41. Details of transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956:

Name of struck off Company	Nature of transactions	Balance outstanding	Relationship with the Struck off company, if any
No transaction entered with struck off company			

42. The Company has not borrowed any fund from bank or financial Institution or other lender hence disclosure is not applicable.
43. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
44. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
45. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
46. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
47. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
48. The Code on Social Security 2020, relating to employee benefits during employment and post-employment, has been notified in the Official Gazette on September 29, 2020, which could impact the contributions made by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in period of notification of the relevant provisions.
49. As part of the long-term strategy to consolidate offshore operations, during the previous year, the activities undertaken by the Mauritius subsidiary were transferred to Singapore subsidiary and voluntary liquidation process was initiated. The liquidation process of Mauritius subsidiary got completed during the quarter ended June 30, 2022.

**50. Events occurring after the reporting period.**

The Board of Directors have proposed final dividend of ₹ 7.50/- per equity share of ₹ 10/- each for the financial year 2022-23. This is in addition to the interim dividend of ₹ 4.00/- per equity share declared by the Board of Directors on October 19, 2022.

- 51.** The figures for the corresponding previous period have been regrouped / reclassified wherever necessary, to make them comparable.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**  
Partner  
Membership Number : 102102

Mumbai  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**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, 2023

### Part "A": Subsidiaries

₹ in crores

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	The Date since when Subsidiary was acquired	26 <sup>th</sup> Mar 2010	22 <sup>nd</sup> Aug 2005	30 <sup>th</sup> Sep 2013
2	Reporting period for Subsidiary concerned, if different from the holding company's reporting period.	-	-	-
3	Reporting currency	USD	SGD	₹
4	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR 78.94	INR 61.76	-
5	Share / Unit capital	-	35.46	0.51
6	Other Equity	0.05	6.06	88.28
7	Total assets	-	52.48	207.40
8	Total Liabilities	-	10.96	118.60
9	Investments	-	-	115.52
10	Total Income	0.16	40.30	63.33
11	Profit before taxation	0.05	0.47	8.95
12	Provision for taxation	-	-	2.01
13	Profit after taxation	0.05	0.47	6.94
14	Other Comprehensive Income	-	-	(0.02)
15	Total Comprehensive Income	0.05	0.47	6.92
16	Proposed Dividend	-	-	-
17	Extent of shareholding %	0%	100%	100%

Note: Nippon Life India Asset Management (Mauritius) Limited has been liquidated and the liquidation process was completed during the quarter ended June 30, 2022.

### Part "B": Associate

Sr. No.	Name of Associate	Reliance Capital Pension Fund Limited
1	Latest audited Balance Sheet Date	31-Mar-23
2	Date on which the Associate was associated or acquired	24-Apr-09
3	Shares of Associate / Joint Ventures held by the Company on the year end	
i.	Number of shares	12,250,000
ii.	Amount of Investment in Associates/Joint Venture (₹ in Crore)	1.65
iii.	Extend of Holding %	49%
4	Description of how there is significant influence	Refer Note 'I'
5	Reason why the associate/joint venture is not consolidated	-
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	31.10
7	Profit / Loss for the year	
i.	Considered in Consolidation (₹ in Crore)	0.40
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

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Mumbai  
April 25, 2023

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager



**Head Office**

4th Floor, Tower A, Peninsula Business Park,  
Ganapatrao Kadam Marg,  
Lower Parel (W), 400013.