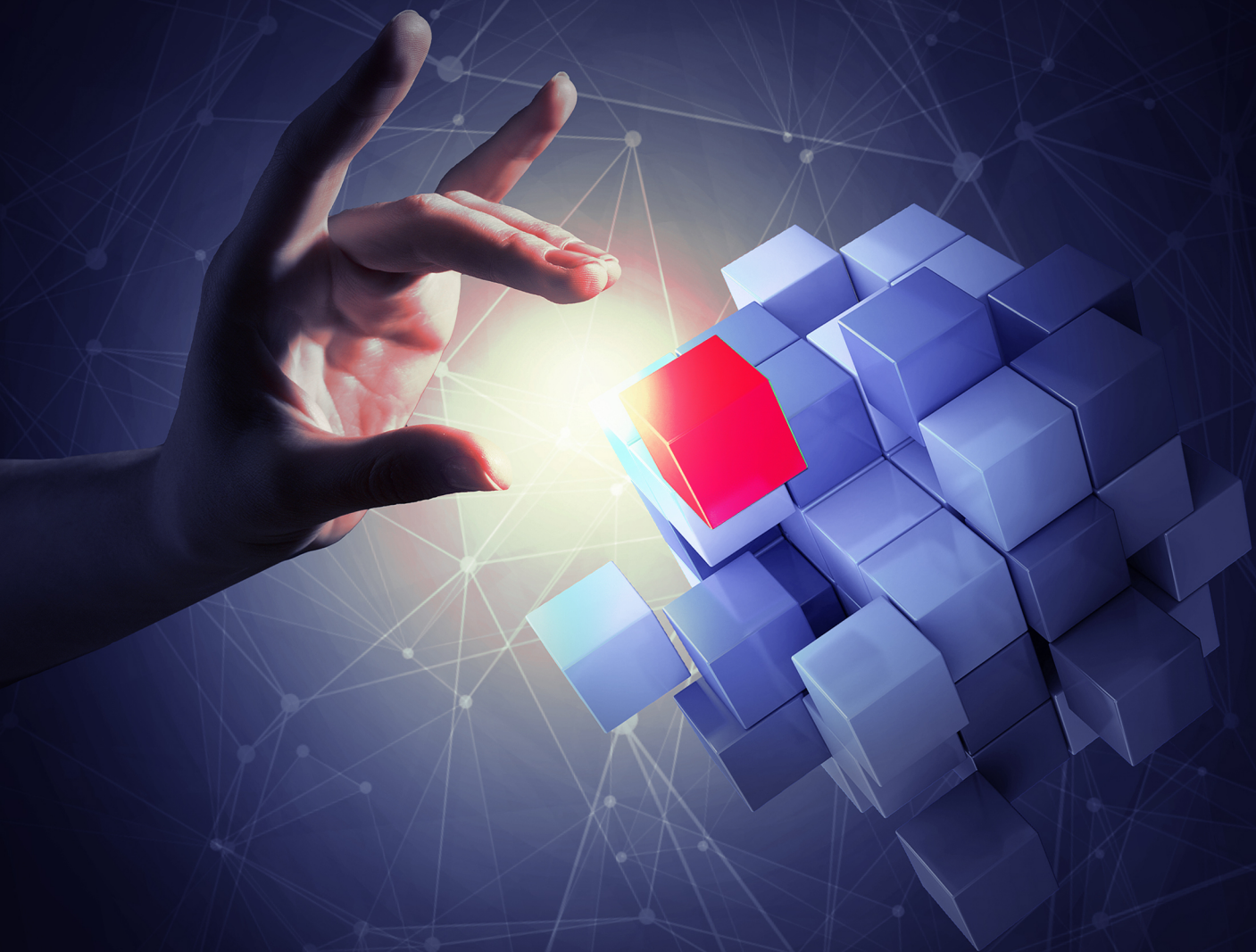


# Orchestrating Tomorrow



**BOARD OF DIRECTORS:**

Gen. Ved Prakash Malik (Retd.)  
Ms. Ameeta Chatterjee  
Mr. Ashvin Parekh (Appointed on 01/08/20)  
Mr. B. Sriram (Appointed on 15/03/21)  
Mr. Kazuyuki Saigo  
Mr. Akira Shibata  
Mr. Yutaka Ideguchi (Appointed on 15/03/21)  
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:**

4th 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  
Website : <https://mf.nipponindiaim.com>

**REGISTRAR AND TRANSFER AGENT:**

KFin Technologies Private Limited  
(Formerly Known as Karvy Fintech Private Limited)  
Unit: Nippon Life India Asset Management Limited  
Selenium Tower – B  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Hyderabad 500 032  
Website: [www.kfintech.com](http://www.kfintech.com)

**INVESTOR HELPDESK:**

Toll free no. (India) : 1800 309 4001  
Tel. : +91 40 6716 1500  
Fax : +91 40 6716 1791  
E-mail : [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)

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**26th Annual General Meeting on Tuesday, June 22, 2021 at 12:00 Noon IST  
through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)**

The Annual Report can be accessed at <https://mf.nipponindiaim.com>

# Letter to Shareholders



**Dear Shareholders,**

Greetings!

Throughout our existence NAM India has been prepared for change well before there was a need. We realised that a crisis is not the best time to charter a new course for an organisation; but to fall back on values, mission, and vision as the lodestar to steer our way out of challenges. So, much before the pandemic unfolded last year, we, at NAM India, were aggressively working towards building Digital Leadership, strengthening our Board, and bringing a sharper focus on environment, societal and governance (ESG) factors to fulfil our commitment to you, our investors: **To consistently create a better future.**

As a testament to your faith and our credibility among domestic and foreign investors, we launched multiple new funds during the year, including the Multi Asset Fund, which grew to be one the largest digital NFOs in FY2021. This wouldn't have been possible without our process-driven approach that enables us to prudently weigh opportunities against risk. In May 2020, NAM India's Board decided that all NIMF schemes will make new investments in only AA and above rated issuers. We will take more such decisions fortified by the insights from our Board. Last year, NAM India inducted new board members – Mr Yutaka Ideguchi, Mr Parekh Ashvin and Mr B Sriram – who bring with them decades of experience in international operations, oversight, credit & risk, and other critical operational aspects. Our professional board will help us in our quest to be India's responsible corporate citizen with the highest principles and strong corporate governance.

They will help us be future ready and capture opportunities as we march ahead to create a more secure world for our investors.

## **A Milestone Year for NAM India**

While the global health crisis made 2020 unprecedented, for us at NAM India, it has been a milestone year for all the right reasons. We, as Nippon Life India Asset Management (NAM India), celebrated the first full year with Nippon Life Insurance (NLI) as the principal shareholder. This relationship is a matter of great pride and a source of strength for us, as it fuses NLI's global dominance with NAM India's deep understanding of the Indian investor market, even beyond big cities. We acquired 350 new institutional investors and over 9 lakh unique investors in just the last year - a huge testament to the acceptance of the new brand. We are also proud to announce that NAM India received the mandate to manage the investments of Post Office Life Insurance Fund and Rural Post Office Life Insurance Fund, becoming the only private AMC in the country to have ever received such a mandate. NAM India manages over INR 1.2 lakh crore on account of government mandates.

## **Orchestrating Tomorrow through technology and a sharper focus on ESG**

Due to our digital preparedness, we quickly brought in 100% operational efficiency ever since the first lockdown. Our digital preparedness and strong roots in the industry enabled us to assuage investor fears and communicate effectively. We conducted over 500 online training sessions for our 78,400 distributors spread across the length and breadth of the country; engaged with our partners to ensure they are fully equipped to guide investors through uncertainties. We have also ensured our leadership stays connected with our employees through the #Connect2Care initiative and portfolio managers stay connected with even offshore investors via the 400+ calls and webinars conducted over the last year.

## **Digital leaders in a Post-COVID World**

In collaboration with our 20+ digital partners, we have built a robust digital ecosystem that allows fast, secure payments and processes across the investor journey.

- Over 50% of our purchases have been executed through digital assets
- New digital SIP purchases grew over 60%

- Enhanced our digital payment ecosystem with automated SMS/email communications
- Improved our platform experience with push notifications on our branded apps, e-KYC process, among other initiatives
- Received multiple awards, including “Most Impactful Project in Digitization / Paperless Initiative” by IBS Intelligence Global FinTech Innovation Award 2020

### **‘Investor First’ philosophy**

Our customer-first focus has always enabled us to get a first-mover advantage; we spotted passive investing as a trend well before it became one, enabling us to become one of the largest players in the ETF space in India, with 72% share of exchange volumes. We introduced a slew of passive investment products to provide our investors with low-cost investment options that cater to different risk appetites and return targets. Our passive products offer options to invest across market caps to capture market as well as industry wisdom.

NIMF has built an industry-best suite of fixed income and equity products in this space and garnered an AUM of over INR 37,000 crore. We gained 14 lakh new ETF folios in 2021 alone. NIMF has 42% market share of the total industry ETF folios.

We have launched the first-of-its-kind ETF, Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity, which has provisions for open-ended target maturity schemes and only invests in AAA-rated CPSE Bonds and State Development Loans.

With robust risk management processes and corporate governance policies already in place, we ensured consistent fund performance across investment categories despite disruptions. Building on the strong base of over 131 years of experience, we leveraged technology to orchestrate true synergy between different teams and departments, reducing dependence on individual fund management styles that have long steered the asset management industry, to a more process-oriented approach. These measures have enabled us to be more customer-centric and strive for greater investor profitability. With the implementation of measures like fund casing and hiring of fund managers with distinctive investment styles, we have seen a positive impact on active funds’ performance.

If the pandemic has taught us anything, it is that India can only progress when all its parts progress together. Our company echoes the same ethos, focusing on small towns

and providing financial inclusivity in B30 cities. By digitising key onboarding, payment, and self-serve processes, we succeeded in driving greater retail investor sector penetration across geographies. We were able to add over 11 lakh new retail folios in the last year, enabling us to emerge as an industry leader in this segment.

Furthermore, we aimed to promote accessible financial literacy by organising learning programmes through our EDGE Learning Academy. These programmes encompass both T30 and B30 locations with a dedicated app for investor education. In addition to these initiatives, our implementation of de-risked distribution strategies also ensures that a large share of our AUM is contributed by a resilient base of MFDs.

In my role as CEO, I’m focused on how our digitally fortified approach to deliver better risk management can further improve fund performance. I believe with our deep understanding of the Indian investment market, strong on-ground presence, and technological readiness we can help build a secure future of our investors.

### **Amplifying Social Impact with CSR**

As an organisation, we have an unwavering commitment to give back to society. We believe in making a positive impact on welfare and ensuring the growth of every life we touch - employees, partners, investors, shareholders, and the larger community. This past year has been a defining period to prove that we are unswerving in fulfilling this cause. We took this opportunity to contribute and make an impact in the areas of healthcare, environmental conservation, women empowerment and creating a supportive work environment.

In 2020, we rebooted the company to strengthen the foundation of a truly digital and inclusive financial ecosystem. With paperless, digital-first modes of transaction, we could conduct nearly 88% of transactions online, enabling our investors the flexibility to build and manage their wealth at their convenience while helping us become an eco-friendlier organisation.

Nearly 70% of customer requests were catered to through a non-face-to-face mode, enabling social distanced yet digitally empowered investment. With much enthusiasm, we launched our self-serve, video-based e-onboarding modules to help first-time investors commence their journey towards greater financial stability.

We are also grateful for the support of our 78,400 distributors and 20+ digital partners, who have empowered us to drive greater financial inclusion through scalable technological solutions with multilingual capabilities across formats.

## ■ Letter to Shareholders

I would like to express my immense gratitude to my leadership team, our Board and our employees who not only helped us stay resilient in the face of the pandemic but also helped shape NAM India into one of the largest asset management companies in the country. It is through your sheer determination and passion that we have come this far.

We are extremely proud of our dedicated workforce, 17% of whom are women holding key positions across the organisation. To create an enabling environment that supports our super women achievers, we provided last trimester travel allowances to mom-to-be employees, creche allowance for two years after completing post-maternity leaves, a Sabbatical Policy to improve work-life balance. We also continue to enable our employees through skill enhancement training so they can be future-ready and always deliver on their promise of excellence.

With our employees' help and generosity, we were able to contribute INR 105 million to the PM CARES Fund and Maharashtra CM Relief Fund for COVID-19 relief. Also, we contributed INR 25 million to the Army Central Welfare Fund to support our beloved army veterans and war widows.

### Striving for Shared Value through Corporate Stewardship

A company can only grow through collaboration and mutual understanding. As one of the largest asset management companies in India, with various stratum of stakeholders, we consider it our duty to contribute to India's financial clout and further its growth.

We strive to offer better deals for our shareholders through proper utilisation of our position in the financial system. This has led us to focus on a relatively new area of corporate stewardship. Under this, we aim to fulfil our fiduciary duties while simultaneously serving our unitholders' interest to the best of our abilities.

### Internal Governance

In line with our fiduciary responsibility, we intend to use our voting rights to enhance value creation for the unitholders and the investee companies. I believe in the value of co-creation between unitholders and investees, and what better way to achieve it than through continuous dialogue with our investee companies.

Your company has utilised Alternative Investment Funds to invest in different sectors and as of March 2021, has raised commitments of over INR 3,700 crore across different funds. Our fundraising initiative is underway for domestic investors as well as offshore institutional investors.

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### External Governance

Our stewardship committee strives to avoid conflicts of interest where possible. In case conflicts arise, we attempt to identify, disclose, and carefully manage them. This policy is followed to respond to any breaches. Through our recently launched AIF scheme – Nippon India Equity Opportunities, your company aims to fund start-ups along with its investment in various financial sectors of India. Through our investment and corporate stewardship policies, we hope to provide support to all sections of the Indian economy – from large scale operations to start ups and small businesses.

As I expressed in my Letter to Shareholders' last year, we are invested in technology and deriving benefits through process and tech-driven investments. And we will continue to orchestrate a tomorrow with digital leadership that will be mutually beneficial to us, and our investors and partners, and set a standard that will prove to be instrumental in the growth and progress of our country.

Lastly, I am grateful for the never-ending trust and confidence that you, our valued stakeholders have always put into us. These are unpredictable times, but we believe our strong corporate governance, Board oversight and continued momentum in ESG will prepare us for the future and help us tap the tremendous opportunities that abound.

Thank you for the faith in us, and I wish you and your families remain safe and in good health.

Sincerely,



(Sundeep Sikka)

# Purpose

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



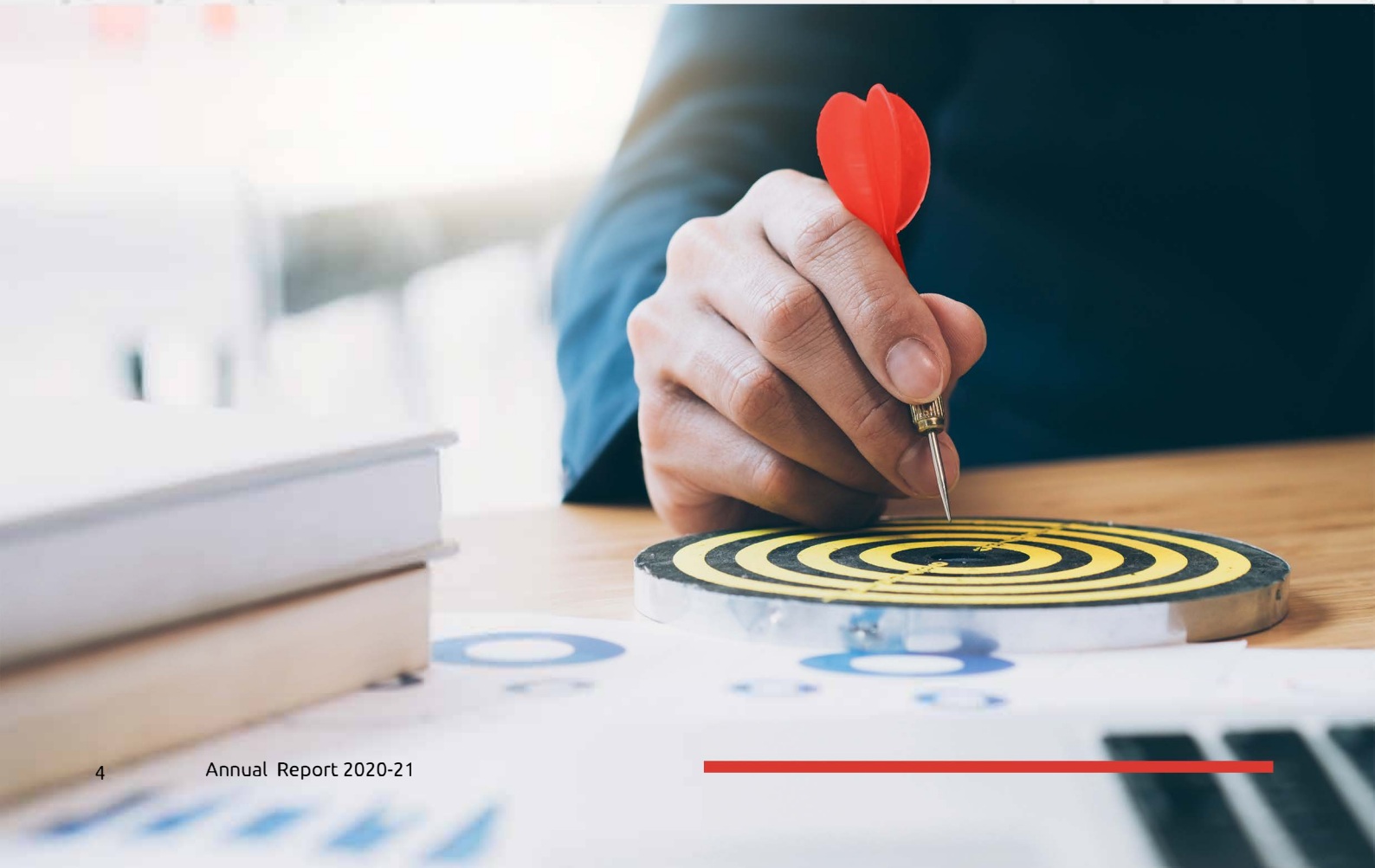
## Mission statement

To create and nurture a 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.



## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Nippon Life India Asset Management Limited (formerly known as Reliance Nippon Life Asset Management Limited) will be held on Tuesday, June 22, 2021 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, 2021 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, 2021 and the report of the Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 3 per Equity Share and to declare a Final Dividend of ₹ 5 per Equity Share for the financial year 2020-21.
- (3) To appoint a director in place of Mr. Kazuyuki Saigo (DIN: 08748422), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

- (4) **Re-appointment of Mr. Ajay Patel as the Manager**

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

**"RESOLVED THAT** in terms of the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the Articles of Association of the Company and subject to all such sanctions, as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ajay Patel as the Manager for a period commencing from July 01, 2021 till January 2, 2024 as per the terms and conditions including remuneration as decided by the Board of Directors from time to time (hereinafter referred to as the Board which

term shall be deemed to include any Committee of Directors constituted to exercise its powers including powers conferred by this resolution) and the Board is authorised to alter and vary the terms and conditions including remuneration, so as not to exceed the limits specified in schedule V to the Act or any amendment thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Ajay Patel as the Manager of the Company, the remuneration and the perquisites be paid or granted to him as minimum remuneration and perquisites, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable limits in terms of Schedule V of the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- (5) **Revision in the terms of Remuneration of Mr. Sundeep Sikka, the Executive Director & CEO**

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

**"RESOLVED THAT** in partial modification of the resolution passed by the Members of the Company on April 17, 2021 vide postal ballot and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 ("Act") (including any amendment thereto or reenactment thereof for the time being in force) read with the applicable Rules framed thereunder and Schedule V to the Act and recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the Company does hereby approve the remuneration payable to Mr. Sundeep Sikka, Executive Director & CEO (DIN:02553654) of the Company, with effect from April 22, 2021 up to the remainder of his term i.e. until April 21, 2026, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with an authority to the Board of Directors or a Committee thereof to alter and vary the terms and conditions of his remuneration in such manner, as may be agreed to

between the Directors and Mr. Sikka from time to time, provided that his aggregate remuneration does not exceed the limits specified under Section 197 of the Companies Act, 2013, or any amendment thereto.

**RESOLVED FURTHER THAT** all other terms and conditions of appointment of Mr. Sundeep Sikka as the Executive Director & CEO of the Company shall continue and remain unchanged.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Sundeep Sikka as the Executive Director & CEO of the Company, the remuneration and the perquisites be paid or granted to him as minimum remuneration and perquisites, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable limits in terms of Schedule V of the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

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

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

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

**Registered Office**

4th 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 27, 2021**

**Notes:**

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), relating to the special business to be transacted at the Annual General Meeting (the "AGM") is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer by email through its registered email address to [siroyam@gmail.com](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, Notice of the AGM along with the Annual Report 2020-21 is 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 2020-21.

Members may note that the Notice and Annual Report 2020-21 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. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts.
7. Members holding shares in physical form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent i.e. KFin Technologies Private Limited (Kfintech), by sending an email to [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)
8. Process for registration of e-mail address for obtaining Annual Report and all future correspondence and update the bank account details, please follow the below process:

Physical Holding	<p>Send a request to RTA of the Company, Kfintech, at e-mail ID <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) for registering e-mail address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p>
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	<ol style="list-style-type: none"> <li>1. Name and Branch of the Bank,</li> <li>2. The Bank Account type,</li> <li>3. Bank Account Number allotted by their banks after implementation of Core Banking Solutions,</li> <li>4. 9 digit MICR Code Number,</li> <li>5. 11 digit IFSC Code, and</li> <li>6. A scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
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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.
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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 authorized 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 Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection through electronic mode. The Register

of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [investorrelation@nipponindiam.com](mailto:investorrelation@nipponindiam.com).

14. Re-appointment of Director

At the ensuing AGM, Mr. Kazuyuki Saigo (DIN: 08748422), is liable to retire by rotation in terms of section 152(6) of the Act, and, being eligible, has offered himself for re-appointment. The details of Mr. Kazuyuki Saigo sought to be re-appointed as Director are set out in the Annexure to the Notice.

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 which are required to be transferred to the Investor Education and Protection Fund (IEPF).

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

Pursuant to Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on March 31, 2020 on its website at <https://mf.nipponindiam.com/InvestorServices/pdfDocuments/Particulars-related-to-the-unclaimed-and-unpaid-amount-as-on-March-31-2020.pdf> and also on the website of the Ministry of Corporate Affairs.

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 11, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM. The final dividend, once approved by the members in the ensuing AGM will be paid on and from June 29, 2021, subject to deduction of tax at source, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

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 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the following documents in accordance with the provisions of the IT Act.

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

Shareholders having valid PAN	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 2021-

22 does not exceed Rs. 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, nonresident 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 2021-22 obtained from the revenue authorities of the country of tax residence,
- Duly attested self-declaration by member in Form 10F,
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty and Self-declaration of beneficial ownership by the non-resident shareholder,
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by member.

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

Kindly note that the aforesaid documents, as applicable, should be uploaded with the Registrar

and Transfer Agent (Kfintech) at <https://ris.kfintech.com/form15> on or before June 15, 2021 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 June 15, 2021 6:00 PM IST. The Company will arrange a separate communication to download a soft copy of the TDS certificate from Kfintech 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 a tax advice from the Company or its affiliates or Kfintech. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

20. SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company/ its registrar and transfer agent, the details of their valid PAN and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to Kfintech, the Company's Registrar and Transfer Agent.
21. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Kfintech.
22. Members can avail the facility of nomination in respect of shares held by them in physical form

pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to KFin Technologies Private Limited, Selenium Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032 or call on Tel.: +91 40 6716 1500; Fax: +91 40 6716 1791/ E-mail: [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com). The said form can be downloaded from the Company's website. The prescribed form in this regard may also be obtained from Kfintech at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.

23. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM .
24. 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 June 21,2021 through email on [investorrelation@nipponindiaim.com](mailto:investorrelation@nipponindiaim.com). The same will be replied by the Company suitably.
25. 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 Friday, June 18, 2021 (9:00 a.m. IST) and ends on Monday, June 21, 2021 (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 Tuesday, June 15, 2021, 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 through VC/OAVM but shall not be entitled to cast their vote again.
- (v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (vi) Any person 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**

**Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.**

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

**A. Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/

CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and email Id with their DPs 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
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> </ol> <p><b>If the user is not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>2. 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></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. 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</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. 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.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - 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; e-voting during the meeting.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</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 portal. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. 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>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<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>Once logged-in, you will be able to see e-Voting option. Once you 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 options available against company name or e-Voting service provider- 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; e-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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

**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?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.
4. 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***
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6. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you 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.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) In case you have not registered your e-mail address 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:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](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, click 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?**

1. 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.
2. 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 General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [siroyam@gmail.com](mailto:siroyam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager- 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, 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.

**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 26th 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 General 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 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, June 16, 2021 (9:00 a.m.) to Saturday, June 19, 2021 (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 Mr. Amit Vishal, Senior Manager- NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no: 1800 1020 990 and 1800 22 44 30

## 26. 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. Tuesday, June 22, 2021.
- 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.

27. 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>.

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## **Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 to the accompanying notice dated April 27, 2021**

### **Item No. 4: Re-appointment of Mr. Ajay Patel as the Manager**

Mr. Ajay Patel aged 55 years has been associated with our Company since April 05, 2001, and in his capacity as Manager since July 01, 2012. He is a Chartered Accountant by qualification and has over 35 years of professional experience. He has worked in Chartered Accountant Firms, Hospitality sectors, NBFCs and Mutual Fund Industry. Before joining the Company, he was associated with BOB Mutual Fund, where he was heading overall Operations and Audit department.

Mr. Patel, has recently completed 20 years of service in the Company.

Mr. Patel has handled various roles in his current tenure in the Company which includes, Operations, Information Technology, PMS and AIF Operations and now Banking Operations. In his current role as Head – Banking Operations, he is responsible for all Banking relationships, Fund Administration, Securities Settlement, Audits & SEBI Inspections for Operations. He is known for having an acumen for building scalable operations through extensive automation both internally and with service providers. He is the key to introduction of a robust Operating System, Host to Host integration with major Banks and Custodians and Robotic Process Automation to name a few. He has also been part of various industry sub-groups on Segregated Portfolio ; Offsite Inspection Data etc.

In terms of the requirements of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 ("the Act") read along with rules made in this regard, Mr. Ajay Patel was re-appointed as the Manager of the Company for a period commencing from July 01, 2018 to June 30, 2021. The term of his appointment would expire on June 30, 2021. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on April 27, 2021 have, subject to the approval of the Members at the general meeting, re-appointed Mr. Ajay Patel as the Manager of the Company for a period commencing from July 01, 2021 to January 2, 2024 and remuneration payable to Mr. Ajay Patel during his tenure, as such, will comprise the following:

- a. A salary of Rs. 68,00,000 per annum (including retiral benefits such as provident fund, gratuity etc.);
- b. Value of perquisites arising out of Company provided benefits as listed in the paragraph below;
- c. Payment of Ex-Gratia as determined by the Board from time to time;
- d. Discretionary Bonus as determined by the Board, from time to time; and
- e. Stock options or its equivalent (by whatever name called), as determined by the Board from time to time.

The perquisites and allowances payable to Mr. Ajay Patel may include Company owned/ Leased Accommodation (furnished or otherwise) or House Rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursements, value of perquisite on exercise of ESOPs, leave travel concession for self and his family including dependents; medical insurance and such other perquisites and/or allowances as deemed appropriate by the Company from time to time. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). Additionally, Mr. Ajay Patel shall also be eligible to an annual increment as may be decided by the Board from time to time, provided that after the increment, the overall remuneration of Mr. Patel shall not exceed the limits mentioned in Section 197 of the Act and rules made thereunder. In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Ajay Patel as the Manager of the Company, the remuneration and the perquisites be paid or granted to him as minimum remuneration and perquisites, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable ceiling limits in terms of Schedule V of the Act as may be amended from time to

time or any equivalent statutory re-enactment thereof for the time being in force.

Mr. Ajay Patel fulfils the conditions for eligibility contained in Part I of Schedule V of the Act.

The terms and conditions for appointment including payment of remuneration may be altered and varied from time to time by the Board / Nomination and Remuneration Committee as it may, at its discretion, deem fit within the overall ceiling fixed herein.

The last drawn remuneration of Mr. Patel for FY 20-21 is Rs. 79 lakhs. Mr. Ajay Patel does not hold any shares in the Company. He does not hold Directorship in any other Company.

Approval of the members is accordingly sought for the re-appointment of Mr. Ajay Patel as Manager of the Company for a period commencing from July 01, 2021 to January 2, 2024, as set out in the Item No. 4 of the accompanying Notice.

The terms and conditions of appointment of Mr. Ajay Patel shall be open for inspection by the Members through electronic mode and any member interested in obtaining the same may write to the Company Secretary.

The terms and conditions mentioned herein may also be treated as an abstract under Section 190 of the Act.

Mr. Ajay Patel is interested in the resolution set out at Item No. 4 of the Notice in regard to his appointment.

Save and except Mr. Ajay Patel and his relatives, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

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

**Item No. 5: Revision in terms of Remuneration of Mr. Sundeep Sikka, the Executive Director & CEO**

Mr. Sundeep Sikka aged 48 years is a Commerce Graduate and MBA with majors in Finance from Pune University. He has rich experience in the Financial services sector, especially in the Asset Management space. He became the youngest CEO in the Asset Management Industry of India when he was designated as President & CEO of Nippon Life India Asset Management Limited. 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 recognized 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 (FICCI)
- Member of Capital Markets Committee
- Chairperson of Asset Management Sub-Group of FICCI’s Capital Markets Committee
- Chairman of Confederation of Indian Industry 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.

Mr. Sundeep Sikka was first appointed as Executive Director & CEO of the Company for a term of 5 years w.e.f. April 22, 2016. The Shareholders of the Company have vide

special resolution passed on April 17, 2021, re-appointed Mr. Sundeep Sikka as the Executive Director & CEO of the Company for a term of 5 years commencing from April 22, 2021. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on April 27, 2021, have, subject to the approval of the Members at the general meeting, have revised the terms and conditions pertaining to the remuneration of Mr. Sundeep Sikka as a Whole-time Director (designated as Executive Director & CEO) of the Company effective from April 22, 2021.

Accordingly effective from April 22, 2021, the remuneration payable to Mr. Sundeep Sikka as Whole-time Director of the Company during the remaining tenure of his appointment (i.e. till April 21, 2026) will comprise the following:

- a) A salary of Rs. 3,86,00,000/- per annum (including retrials benefits such as provident fund, gratuity etc.);\*
- b) Value of perquisites arising out of Company provided benefits as listed in the paragraph below;
- c) Payment of Ex-Gratia as determined by the Board from time to time;
- d) Discretionary Bonus as determined by the Board, from time to time not exceeding in any year the Annual Remuneration for the year; and
- e) Stock options or its equivalent (by whatever name called), as determined by the Board from time to time.

*\*(Increase in Fixed Salary from Rs. 3,51,00,000 p.a. to Rs. 3,86,00,000 p.a.)*

The perquisites and allowances payable to Mr. Sikka may include Company owned/Leased Accommodation (furnished or otherwise) or House Rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, Company provided and maintained car (including fuel expenses & driver’s salary), club membership, value of perquisite on exercise of ESOPs, medical reimbursements, leave travel concession for self and his family including dependants; medical insurance and such other perquisites and/or allowances as deemed appropriate by the Company from time to time. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force).

In addition to the above, Mr. Sikka shall also be eligible to

## ■ 2 Statutory Report | Notice

an annual increment, not exceeding 25 per cent on the last drawn salary, as determined by the Board of Directors, during his tenure as the Whole-time Director.

The Board or any Committee thereof, subject to requisite approval(s), if necessary, is entitled and authorized to revise at any time, the salary, allowances and perquisites payable to the Executive Director & CEO of the Company such that the overall remuneration payable to Mr. Sikka shall not exceed the limits specified above and the ceilings mentioned in Section 197 of the Companies Act, 2013 and the rules made thereunder. In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Sundeep Sikka as the whole-time Director of the Company, the remuneration and the perquisites be paid or granted to him as minimum remuneration and perquisites, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable ceiling limits in terms of Schedule V of the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

For details pertaining to remuneration last drawn by Mr. Sikka, shareholding held on March 31, 2021, No. of Board meetings attended during the year, Board/Committee positions held in other Companies, please refer to the Corporate Governance Report which is part of this Annual Report.

Approval of the members is accordingly sought for the variation in the terms of re- appointment pertaining to remuneration of Mr. Sundeep Sikka as a Whole-time Director of the Company.

The terms and conditions of re- appointment of Mr. Sundeep Sikka shall be open for inspection by the Members through electronic mode and any member interested in obtaining the same may write to the Company Secretary.

The terms and conditions mentioned herein may also be treated as an abstract under Section 190 of the Act.

Mr. Sundeep Sikka is interested in the resolution set out at Item No. 5 of the Notice in regard to revision of his remuneration.

Save and except Mr. Sundeep Sikka and his relatives, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the

approval of the Members.

Mr. Sikka 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**  
(formerly known as Reliance Nippon Life Asset Management Limited)

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

**Registered Office**  
4th 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 27, 2021

## 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 proposed to be re-appointed at the Annual General Meeting:**

<b>Name of the Director</b>	<b>Mr. Kazuyuki Saigo</b>
Brief details and Nature of Expertise in specific functional areas	<p>Mr. Kazuyuki Saigo, aged 56 years is Managing Executive Officer, Regional CEO for Asia Pacific Head of India, and is responsible for operations in the Asia Pacific.</p> <p>He joined Nippon Life in 1988 and since then has held several leadership positions in the Nippon Life Group, including General Manager of Global Business Planning and Global Insurance Business, General Manager – Personnel Dept. and Sales Manager Personnel Department. Also, in the last ten years, Mr. Kazuyuki has engaged not only in designing and executing overseas business, but also managing insurance sales branch, and so on.</p> <p>Mr. Kazuyuki has more than 30 years' experience in the life insurance sector.</p> <p>Mr. Kazuyuki Saigo holds a Bachelor of Laws, The University of Tokyo, as well as LL.M., University of Michigan Law School, 1995.</p>
Date of Birth	July 31, 1964
First Appointment on the Board	June 08, 2020
Date up to which the Director shall hold office	-
Directorships in other companies	<ul style="list-style-type: none"> <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>• Reliance Nippon Life Insurance Company Limited</li> <li>• PT Asuransi Jiwa Sequis Life</li> <li>• Nippon Life Global Investors Singapore 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
Terms & Conditions of Re-appointment	Liable to retire by rotation
Shareholding in the Company as at March 31, 2021	NIL
Sitting fees paid during F.Y. 2020- 21*	N.A.

\*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 and relationship with other directors and key managerial personnel in respect of Mr. Kazuyuki Saigo, 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 26th Annual Report on the business and operations of your Company, together with the audited financial statements, for the year ended March 31, 2021.

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

Your Company is a subsidiary Company of Nippon Life Insurance Company ("NLI"). NLI, a fortune 500 Company and which is one of the largest life insurers in the world managing assets of over USD 700 bn. NLI has a large global network with presence across US, Europe, Asia, and Australia along with a 130-year track record in Life Insurance business as well as global investments across Asset Management companies. This pedigree brings strong synergistic benefits that very well complements your Company's domestic expertise in 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.

Your Company acts as the Asset Management Company of Nippon India Mutual Fund and it happens to be the largest foreign owned Asset Management Company in India.

## FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, 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, 2021 are as follows:

(₹ Crores)

Description	Consolidated		Standalone	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Gross Income	1419.34	1193.21	1325.66	1134.29
Profit before exceptional item and tax	877.03	559.81	842.92	561.39
Exceptional Items	-	-	-	-
<b>Profit Before tax</b>	<b>877.03</b>	<b>559.81</b>	<b>842.92</b>	<b>561.39</b>
Current Tax	157.41	142.36	151.51	142.73
Deferred Tax	40.22	1.69	42.02	6.36
Profit for the year	679.40	415.76	649.39	412.30
Share of Profit from Associates	0.94	(0.51)	-	-
Profit attributable to non-controlling interest	-	-	-	-
Other Comprehensive Income	0.72	(2.40)	0.72	(2.34)
Balance carried to Balance Sheet	681.06	412.85	650.11	409.96
<b>Basic EPS of ₹ 10 each</b>	<b>11.04</b>	<b>6.78</b>	<b>10.53</b>	<b>6.74</b>
<b>Diluted EPS of ₹ 10 each</b>	<b>10.90</b>	<b>6.69</b>	<b>10.41</b>	<b>6.65</b>

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

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



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

There are no material changes and commitments affecting the financial position of the Company since the date of the financial statements i.e. March 31, 2021.

### **DIVIDEND**

During the year, the Company had declared and paid an interim dividend of ₹ 3 per equity share (30%) amounting to ₹ 183.90 Crore. The Board has also recommended a final dividend of ₹ 5/- per Equity Share (50%) of ₹ 10/- each for the financial year ended March 31, 2021, for the approval of the Shareholders at the ensuing Annual General meeting. With this the total dividend for the financial year 2020-21 would be approximately ₹ 492.16 crores, including the interim dividend of ₹ 3 per equity share distributed in February 2021. The Final dividend, if declared, will be paid after the Annual General Meeting.

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

### **AMOUNT TO BE CARRIED TO RESERVES**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT**

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

### **DEPOSITS**

The Company has neither accepted nor renewed any fixed deposits during the year. There are no outstanding or unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2021.

### **EMPLOYEES STOCK OPTION SCHEME**

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

Stock Option Plan 2019' ("ESOP 2019" / "Plan") as its stock option scheme, which was launched in July 2019. The Nomination and Remuneration Committee of the Board monitors 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 proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection through electronic mode. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <https://mf.nipponindiaim.com/investor-service/customer-service/nam-india-shareholders-investors>

### **COMPLIANCE CULTURE & RISK MANAGEMENT**

Your Company is essentially Compliance centric and has a huge focus in this direction. The Compliance function is manned by a dedicated and experienced team of professionals. The Compliance team regularly conducts various educative training programs for various segments within the organization. Your Company thrives towards a culture of 'Total Compliance' and it has a 'Zero Tolerance' policy for non-compliances. There exists a comprehensive Compliance Manual, which is reviewed by your Board of Directors from time to time and it facilitates Company's Compliance team to monitor various compliance requirements effectively & comprehensively. Your Board of Directors have also constituted a Compliance Committee, which is chaired by the CEO & Executive Director of the Company and which has the Compliance Officer and other senior & relevant functionaries as its members. This committee meets at least once in a quarter to discuss and deliberate issues pertaining to compliance and other regulatory developments.

Your Company also has a comprehensive Risk Management Policy that envisages a structured and consistent enterprise-wide risk management framework, based on The Three Line of Defense model, to ensure that risk management processes are consistently applied across the organization and provide reasonable assurance regarding achievement of organization's objectives. The risk management policy clearly sets out the objectives & elements of risk management within the organization, including the constitution of Risk Management department headed by Chief Risk Officer (reporting directly to the CEO and to the Board of Directors), Risk Management Committee (RMC) and the underlying mechanisms & processes to be used for identification,

analysis, evaluation, control, monitoring and reporting of various categories of risks including business, credit, market, liquidity and operational risks. Your Company promotes risk awareness culture throughout the organization and risk management is an integral part of decision making and day-to-day operations of all activities at all levels across the organization. There are well documented & Board approved policies & processes which are in place. In addition, proper & adequate Insurance Policies and business continuity planning have also been adequately put into place.

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

### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

### **CORPORATE GOVERNANCE**

Your Directors wish to reiterate your Company's commitment to the highest standards of corporate governance in order to enhance 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 separate section forming part of this Annual Report.

A Certificate from the auditors of the Company i.e. M/s. S.

R. Batliboi & Co. LLP, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

### **VIGIL MECHANISM**

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

### **SUBSIDIARIES & ASSOCIATE COMPANY**

As of March 31, 2021, your Company had three (3) subsidiaries. Two of such subsidiaries are overseas, being one each in Singapore and Mauritius and one subsidiary is in India. All the subsidiaries of the Company are engaged in financial services and related activities. In addition, the Company also has an Associate company in India, which has already surrendered its business license/ regulatory approval to act as a Pension Fund Manager. This particular company currently has no business operations and it is therefore proposed to wind it up, in accordance with the applicable laws.

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

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

### **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.

During the year, Mr. Sundeep Sikka has been re-appointed as the Executive Director & CEO of the Company for a term of 5 years commencing from April 22, 2021.

### DIRECTORS

During the year, Mr. Minoru Kimura [Nominee Director of NLI] resigned from the directorship w.e.f. June 8, 2020 and Mr. Mahadevan Veeramony, Independent Director resigned w.e.f. August 1, 2020.

During the year, Mr. Ashvin Parekh and Mr. B. Sriram were appointed as Independent Directors of the Company on August 1, 2020 and March 15, 2021, respectively. Also, during the year, Mr. Kazuyuki Saigo and Mr. Yutaka Ideguchi, Nominees of NLI were appointed as Directors of the Company on June 8, 2020 and March 15, 2021, respectively.

General Ved Prakash Malik (Retd.), has been re-appointed as the Non-executive Independent Director of the Company for a second term of upto 5 years commencing from April 22, 2021 till April 21, 2026.

Mr. Sundeep Sikka has been re-appointed as the Executive Director & CEO of the Company for a further term of 5 years effective from April 22, 2021.

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 persons 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 inputs received from the Board members after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. In terms of the requirements of the Act, a separate meeting of the Independent Directors was also held during the year.

### BOARD AND COMMITTEE MEETINGS

During the year under review, 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 highest levels of corporate governance are followed and practiced. The minutes of the meetings of each of these Committees are duly placed before the Board for noting and confirmation.

### AUDIT COMMITTEE

In terms of the requirements of Section 177 of the Act, the Audit Committee of the Company consists of majority of Independent Directors. As on date of this report, it comprises Mr. Ashvin Parekh [Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. B. Sriram [Independent Director] and Mr. Akira Shibata and Mr. Yutaka Ideguchi [Non-Independent Directors]. Mr. Ashvin Parekh acts as the Chairperson of this Committee.

During the year, five (5) meetings of the Audit Committee were held. Other relevant details in this regard have been provided in the Corporate Governance Report.

### NOMINATION & REMUNERATION COMMITTEE

In terms of the requirements of Section 178 of the Act, the Nomination & Remuneration Committee of the Company consists of majority of Independent Directors. As on date of this report, it comprises, Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director], Mr. Yutaka Ideguchi [Non-Independent Director] and Mr. Kazuyuki Saigo [Non-Independent Director]. General Ved Prakash Malik (Retd.) acts as the Chairman 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 members. As on date of this report, it comprises Mr. Kazuyuki Saigo [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. Akira Shibata [Non-Independent Director] and Mr. Yutaka Ideguchi [Non-Independent Director]. Mr. Kazuyuki Saigo acts as the Chairman of this Committee.

During the year 2020-21, 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. Kazuyuki Saigo [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. Kazuyuki Saigo [Non-Independent Director] as the Chairperson, Mr. Akira Shibata [Non-Independent Director], Mr. Sundeep Sikka [CEO & Executive Director], Mr. Ashvin Parekh [Independent Director], Mr. B. Sriram [Independent Director] and Mr. Milind Nesarikar [Chief Risk Officer] as its members. During the year, Mr. Mahadevan Veeramony and Mr. Minoru Kimura, who were also members of this Committee, ceased to remain as such, after they ceased to be Directors of the Company effective August 1, 2020 and June 8, 2020, respectively.

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

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## **AUDITORS' OF THE COMPANY - STATUTORY AND INTERNAL**

### **Statutory Auditors:**

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

### **Internal Auditors:**

JHS & Associates LLP, Chartered Accountants were appointed as the Internal Auditors' of your Company for the financial year 2020-21. Your Directors have also approved their re-appointment as such for the financial Year 2021-22

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

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

### **STATUTORY AUDITORS:**

M/s. Walker Chandio & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Schemes of Nippon India Mutual Fund for the financial year 2020-21.

### **INTERNAL AUDITORS:**

During the year, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Internal Auditors of the Scheme of Nippon India Mutual Fund and the portfolio management services division of the Company, for the financial year 2020-21. Your Directors have also approved their re-appointment as such for the financial Year 2021-22.

## **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 2020-21. In this regard, the Report submitted by the Secretarial Auditor is annexed as Annexure C.

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

### 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 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:

##### ➤ Game changing initiatives:

- **New Digital Channel – WhatsApp:** Pursuing the philosophy of building our Digital presence in line with the preference of our investors, we extended our Digital footprint to WhatsApp, the largest social chat application. We have developed an innovative solution on WhatsApp for Business where our retail investors are provided with the ease of initiating and completing Liquid Fund purchase transactions on WhatsApp itself, without any re-directions. They can also check their KYC status and can explore other digital platforms.

This move has helped us unlock broader opportunities for future and our endeavor going forward is to provide wide-ranging transaction and servicing capabilities with best-in-class transaction experience to create an independent, full-scale Digital Channel for masses.

- **Corporate Solutions Suite:** We have commissioned a full spectrum Digital asset for the Institutional Business segment. The new asset gives us the capability to run Digital campaigns, generate leads, drive conversions as well as onboarding for online services, transactions and servicing. The asset is built on a Mobile-first approach with cross device compatibility and automated self-serve processes for facilitating transition to digital transactions and online services.

- **Investor Segment expansion:** We extended online purchase for a new investor segment – Hindu Undivided Family & Sole Proprietorship – to bring in newer business opportunities digitally and addressing the investment needs of a strong segment which could have been left under-served due to restrictions of in-person investor engagement amidst COVID-19.
- **New Fund Offer :** Digital Launches: The Nippon India Multi Asset Fund was the first ever Digital NFO for the organisation and was enabled for investors & partners across all Digital assets. The NIFTY Small Cap 250 Index Fund and ETF Nifty CPSE Bond Plus SDL 2020 were the other NFOs to be launched during the COVID-19 pandemic.
- **System driven, do it yourself (DIY) intelligent measures:** We have created smart interventions on our platforms across various customer journeys with the objective of creating business impact. Here is a quick overview:
  - Retention nudge -** Switch to Liquid option at the time of Redemption which guides investors to switch their investments into Liquid Fund instead of redeeming from Non-Liquid schemes.
  - SIP Pause Intervention:** AUM retention initiative developed to counter AUM withdrawals in view of challenges due to COVID pandemic where Intelligent nudges guide investors to pause their SIP instead of cancelling it.
  - Smart Payment Retry:** Automated Payment Retry option for investors who encounter payment related errors or failures during online purchase. The feature is designed to prevent potential drop-offs during transactions, thereby reducing business leakage.
- **Conversational Commerce:** This one of its kind initiatives in the financial services space in APAC has seen consistent growth and investor traction. The voice-based interface, which has been co-created with Google and which facilitates financial transactions in our Liquid Fund, has brought many awards and accolades for the organisation. The Simply Save app, which hosts the Conversational Commerce interface has seen 1.5 Lac+ new downloads since launch and has one conversation invoked every 5 minutes!
- **Business Easy 2.0:** Our industry first, Business Easy 2.0 (B.E 2.0) app is a full spectrum, business enabling digital solutions suite that acts as a complete Customer Relationship Management tool using which Mutual Fund Distributors (MFDs) can manage their business virtually. Devoid of in-person meetings due to country-wide lockdown, the B.E

2.0 app became the mainstay of business for MFDs. The app gave them a complete dashboard view of their business, with intelligent insights about their audience and the relevant investment options. They used the app to run segmented campaigns (email & SMS) and reach out to investors with personalised transaction links with pre-embedded details that their customers had to merely authorise. They also handled the service-related needs of investors with the fully integrated Services module. Moreover, the Distributors could also onboard new investors using the completely paperless e-KYC module.

- **Strengthening our Digital Distribution through Strategic Alliances and Enhanced Support to Partners:** We added another key partner in the form of PhonePe to our network which already has key names like Paytm, ETMoney, Groww, Kuvera, Tarrakki, etc., to bolster our executional leadership and expansive reach. With our immense expertise in the core business of Asset Management and prowess in Digital Business, we engaged with our Partners at an even deeper level and helped them navigate through the tough COVID-19 times. Our expertise and knowledge were shared with the Partners and their customers, advocating investment best practices and providing guidance on how to steer through volatile markets. Our Fund Managers and Investment Experts conducted exclusive webinars for these Partner platforms with the intent of educating the investors and helping them take the right decisions. Also, co-branded content on similar lines was created and disseminated to investors using these Partner platforms. We also extended ETFs to the bouquet of our offerings across Partner platforms. These measures not only arrested attrition but also helped us to grow business volumes on such platforms, thereby benefitting both us and the Partners.

➤ **Key Results of 2020-2021:**

- Digital Business touched a record 1.7+ million purchase transactions till FYTD February 2020-21, which is essentially 5 purchases every minute! This increase is a ~32 % YOY growth.
- Contribution of Digital Business to overall NIMF business stands at 52%, which is a growth of 22% over last FY where Digital contribution was at 43%.
- Digital Business share in lumpsum and SIP purchase transactions stands at 49% and 59% respectively vis-a-vis total purchase transactions. The same metric stood at 46% and 35% in FY 2019-20.
- Long term assets focus resulted in 76% non-Liquid acquisitions compared to 25% in FY2019-2020.
- 28% of investors transacting with us through digital

channels were new customers.

- Conversational Commerce interface (hosted on the Simply Save App) has ~1.5 Lac new downloads since launch and has seen one conversation invoked every 5 minutes.

➤ **Awards & Accolades.:**

Our pathbreaking innovations won the following awards this year:

- Asia Asset Management Best of the Best Awards, 2021 – FinTech Innovation.
- IBS Intelligence Global FinTech Innovation Awards, 2020 – Most Impactful Project in Digitization / Paperless Initiative for Online Purchase Web & M-site.
- CII Center for Digital Transformation of Confederation of Indian Industries DX Awards, 2020 – Customer Experience for Conversational Commerce.
- Internet and Mobile Association of India (IAMA) India Digital Awards, 2020 (11th Edition); Technology Solutions – Best use of Bots (Chat & Voice) for Conversational Commerce.
- Kamikaze B2B Media Payments & Cards Awards, 2020 – Best Contactless Innovation of the Year and Best Contactless Payments Project of the Year for Conversational Commerce.
- CII Center for Digital Transformation of Confederation of Indian Industries DX Awards, 2020 – Service Distribution Excellence for Business Easy 2.0.
- Adobe Campaign India Champion Award 2021 – 2nd Runner Up.
- BFSI Digital Stallions Awards 2021 – Best use of Facebook in Mutual Funds.

**RESEARCH AND DEVELOPMENT:**

- **DIGITAL ADOPTION AND INNOVATION:** We, at Nippon India Mutual Fund, have always taken pride in our Digital prowess and technological innovations, constantly setting benchmarks for others to follow.
- Our repute as a Digital leader is recognized within the Industry and beyond. This leadership has come on the back of years of relentless hard work we have put in to not just lay a sturdy foundation but also create a robust business-centric structure cemented by Digital Technology.
- Having acknowledged long ago that we are not only a Mutual Funds & Asset Management company but also as a new age Digitech enterprise that helps

individuals, entities and intermediaries achieve their financial and business goals, we were always at the forefront of adopting technology and embracing a perpetual state of digital transformation. And, in times of COVID-19, it is this constant pursuit spanning many years that has paid off and made us #FutureReady

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the Company earned foreign exchange equivalent to ₹ 21.79 Cr (Previous Year: ₹ 28.97 Cr). The Company spent foreign exchange equivalent to ₹ 6.49 Cr (Previous Year: ₹ 7.24 Cr).

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 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 arm's length basis and in the ordinary

course of business. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

<https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

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

### **PARTICULARS OF FRAUDS REPORTED BY THE AUDITORS'**

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

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **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 invests in various debt market instruments (non-convertible debentures) issued by various issuers. In order to realize the debenture outstandings 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 currently at pre-admission hearings stage; and (b) a claim under the CIRP process against Dewan Housing Finance Corporation Limited before the Hon'ble NCLT, Mumbai in December 2019. 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) three IBC proceedings against three Fortuna Group companies (Fortuna Buildcon India Private Limited, Fortuna Projects India Private Limited and Fortuna Urbanscape Private Limited) in November 2017 before the Hon'ble NCLT, Bangalore. Fortuna Buildcon India Private Limited and Fortuna Urbanscape Private Limited are currently under CIRP and Fortuna Projects India Private Limited is currently under liquidation; (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) in December 2017 before the Hon'ble NCLT, Bangalore. BCIL Zed Ria Properties Private Limited, BCIL Red Earth developers India Pvt Ltd are currently under CIRP and Biodiversity Conservation India Private Limited is currently under liquidation; (c) an IBC proceeding has been filed against the promoters of Biodiversity Conservation India Private Limited in November 2020 before the Hon'ble NCLT, Bangalore which is currently at pre-admission hearings stage; (d) an IBC proceeding has been filed against Green Valley Shelters Private Limited in December 2019 before the Hon'ble NCLT, Chennai, which is currently at pre-admission hearings stage; (e) an IBC proceeding has been filed against the promoters of Green Valley Shelters Private Limited in October 2020 before the Hon'ble NCLT, Chennai which is currently at pre-admission hearings stage; (f) an IBC proceeding has been 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, which is currently at pre-admission hearings stage; (g) a claim under the CIRP process against Unishire Regency Park LLP before the Hon'ble NCLT, Bangalore in July 2020.

## **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 of: 0

## **BUSINESS RESPONSIBILITY REPORT**

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

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation for the co-operation received from various regulatory and governmental authorities including SEBI, RBI, Registrar of Companies, Maharashtra at Mumbai, PFRDA, NPS Trust, EPFO, CMPFO, Stock Exchanges, Depositories, Custodians, Bankers, 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  
(FORMERLY KNOWN AS RELIANCE NIPPON LIFE ASSET  
MANAGEMENT LIMITED)

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

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

Place : Mumbai

Dated : April 27, 2021



# ANNEXURE - A

## ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21

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

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the web link for the same is: <https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

### (i) 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	Kazuyuki Saigo – 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	1	1
7	B. Sriram§	Independent Director	NA	NA
8	Yutaka Ideguchi§	Non-Independent Director	NA	NA

@Appointed as a Director of the Company w.e.f. June 08, 2020.

^ Appointed as a Director of the Company w.e.f. August 01, 2020.

§ Appointed as Director of the Company w.e.f. March 15, 2021.

(ii) Provide the web-link 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 shared above and is available on the Company's website on

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

CSR policy - <https://mf.nipponindiaim.com/InvestorServices/pdfDocuments/CSR-Policy.pdf>

CSR Projects - <https://mf.nipponindiaim.com/InvestorServices/pdfDocuments/CSR-Projects-FY-2020-21.pdf>

(iii) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – None

(iv) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Nil

(v) Average net profit of the company as per section 135(5) – ₹ 663.93 Crore

(vi) Details of:

1. Two percent of average net profit of the company as per section 135(5)- ₹ 13.28 Crore

2. Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

3. Amount required to be set off for the financial year- Nil

4. Total CSR Obligation for Financial Year (1+2+3) - ₹ 13.28 Crore

**(vii) A) CSR amount spent or unspent for financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 13.30 Crores	NA	NA	NA	NA	NA

**B) Details of CSR amount spent against ongoing projects for the financial year - Nil;**
**C) Details of CSR amount spent against other than ongoing projects for the financial year:**

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Amount spent for the project (in ₹)	7 Mode of implementation on-Direct (Yes/No)	8 Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1.	PM Cares Fund	Towards Funds Set up by central Government	Pan India	Pan India	Pan India	₹ 9.5 Crore	Yes	NA	NA
2.	Army Central Welfare Fund	Measures for the benefit of armed forces veterans, war widows and their dependents	Pan India	Pan India	Pan India	₹ 2.5 Crore	Yes	NA	NA
3.	OGQ (Foundation for Sports)	Providing training / infrastructure to Indian athletes	Pan India	Pan India	Pan India	₹ 1.30 Crore	No	OGQ (Foundation for Sports)	NA
Total						₹ 13.30 Crore			

D) Amount spent in Administrative Overheads - Nil

E) Amount spent on Impact assessment - Nil

F) Total amount spent for financial year – ₹ 13.30 Crores

G) Excess Amount for Set off, if any - ₹ 0.02 Crores

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 13.28 Crores
(ii)	Total amount spent for the Financial Year	₹ 13.30 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.02 Crores
(iv)	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)]	₹ 0.02 Crores

(viii) A. Details of Unspent CSR amount for the preceding three financial years - Nil

B. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) - Nil

(ix) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- Date of creation or acquisition of the capital asset(s) - NA
- Amount of CSR spent for creation or acquisition of capital asset - Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - NA

(x) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

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

**Kazuyuki Saigo**  
Chairman-CSR Committee  
(DIN: 08748422)

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

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

# ANNEXURE – B

## NOMINATION AND REMUNERATION POLICY

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

### 1. Objective

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

### 2. Scope

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

### 3. Definitions

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

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

### 4. Performance Management Process

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

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

### 5. Appointment

#### 5.1. Appointment of the CEO

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

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

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

### 6 Remuneration

#### 6.1. Remuneration of the CEO - Fixed Cost & PLI

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

**CEO's ESOP**

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

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

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

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

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

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

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

**ESOPs to all Other Employees**

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

**7. Nomination & Remuneration of the Directors**

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

- b. The remuneration of Directors / Managing Directors / Whole-time Directors shall be governed by the provisions of the Companies Act, 2013 and the rules made thereunder, from time to time and the Listing Regulations.
- c. Non-Executive Directors shall be entitled to receive the Sitting Fees for attending the meetings of the Board and the Committees thereof, as approved by the 'Board of Directors' from time to time. The Board upon the recommendation of the Nomination Committee, shall review the Sitting Fees, from time to time, subject to the limits, as specified under the Companies Act, 2013 or rules made thereunder.
- d. Upon the recommendation of the NRC, the Board shall review and approve the other components of the remuneration payable to the Directors (including Non-Executive Directors) of the Company, within the overall limits as specified under the Companies Act, 2013 (including rules made thereunder) and the Listing Regulations and if required, the same shall be placed for the consideration and approval of the Shareholders.

**8. Remuneration Structure for all employees**

The Remuneration structure shall include the following components:

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

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

**9. Retention Features as part of Compensation Package:**

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

**10. Modification and Amendment:**

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

# ANNEXURE – C

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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  
(Formerly known as Reliance Nippon Life Asset Management Limited)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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, 2021 according to the relevant and applicable provisions of:

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

1992 ('SEBI Act'):-

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

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. As per the requirement of Section 90(1), any significant beneficial owner(s) in respect of the shareholding of the erstwhile promoter M/s. Reliance Capital Limited ("RCAP") was required to file Form BEN 1 with the Company within the time prescribed therein and upon the expiry of the given time, pursuant to Section 90(7) of the Act, the Company has made requisite application to the National Company Law Tribunal ("Tribunal") seeking directions from the Hon'ble Tribunal under Section 90(8) of the Act and an extension of time, under Rule 15(1) of the National Company Law Tribunal Rules, 2016, in filing the said Application. The same is pending before the Hon'ble Tribunal.

## ■ 2 Statutory Report | Board's Report

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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year, (i) Mr. Minoru Kimura, Associate Director had resigned from the directorship of the Company w.e.f. June 8, 2020, (ii) Mr. Kazuyuki Saigo was appointed as an Associate Director w.e.f. June 8, 2020, (iii) Mr. Ashvin Parekh was appointed as an Independent Director to hold office for a term of 5 (five) years w.e.f. August 1, 2020, and (iv) Mr. Mahadevan Veeramony, Independent Director, had resigned from the directorship of the Company w.e.f. August 1, 2020.

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

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

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

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

- (i) The Members of the Company vide their ordinary resolution passed by way of postal ballot on October 27, 2020 approved re-classification of Reliance Capital Limited's shareholding from Promoter and Promoter Group' to 'Public' Category.

- (ii) The Board of Directors at their meeting held on March 15, 2021 approved the following subject to the approval of members by postal ballot:

- (a) Re-appointment of General Ved Prakash Malik as a Non-executive Independent Director;
- (b) Appointment of Mr. Ashvin Parekh as a Non-executive Independent Director;
- (c) Appointment of Mr. B. Sriram as a Non-executive Independent Director;
- (d) Appointment of Mr. Yutaka Ideguchi as the Non-executive Non-independent Director;
- (e) Remuneration of Managerial Personnel; and
- (f) Re-appointment of Mr. Sundeep Sikka as the Executive Director & CEO.

Subsequently, the members have approved the aforesaid businesses with requisite majority on April 17, 2021 through postal ballot resolutions.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya  
Proprietor**

**FCS No.: 5682**

**CP No.: 4157**

**UDIN.: F005682C000186192**

Date: April 27, 2021

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.
7. In view of the ongoing restrictions/advisories issued by the Government of India/Maharashtra to contain the spread of Covid-19 pandemic on the movement of people, we have relied on electronic data for verification of the Company books, papers, minute books, forms and returns filed, and other records maintained by the Company.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya**  
**Proprietor**  
**FCS No.:** 5682  
**CP No.:** 4157  
**UDIN.:** F005682C000186192

**Date:** April 27,2021

**Place:** Mumbai



# MANAGEMENT DISCUSSION AND ANALYSIS

## I. INDIAN ECONOMIC OVERVIEW

FY21 began on an uncertain note, under the shadow of an unprecedented health crisis. The onslaught of the pandemic led to extended lockdowns worldwide, disrupting normal life and work. The global health crisis soon became an economic one as well. Most countries went into full or partial lockdown to control the spread of the virus and minimise the loss of human lives. The lockdown restrictions had a grave adverse impact on people and economies in the initial months of the fiscal year. Post July 2020, most countries saw a gradual recovery driven by relaxation in restrictions as well as the various stimulus measures undertaken by the different governments across the world.

India managed this challenging situation better than most of its global peers, and the recent vaccination drive has given a renewed hope of a quicker recovery. To support the economy, the RBI and the Indian government undertook a range of measures early on, aimed at providing the requisite support through injection of liquidity into the system and relief to businesses. Some of the measures included cheap credit to the poor and MSMEs, deferment of loan repayments, production-linked incentive scheme to boost local manufacturing, labour / land reforms, higher budgetary allocations for capital expenditure, and elongating the fiscal consolidation path to 2026. These policy measures, which initially focused on 'lives over livelihood' and consequently on 'lives as well as livelihoods', showed positive results. The advanced structural reforms led to expansion in demand and supply in the medium term, largely avoiding long term damage to production capacities. After declining by 24.4% and 7.3% in Q1 FY21 and Q2 FY21 respectively, the domestic economy rose by 0.4% in Q3 FY21, thereby exiting the technical recession phase. The recovery in business activities has been visible with GST collections rising from low of ~₹ 32,200 crore in April 2020 to ~₹ 1,12,000 crore and ~₹ 1,13,000 crore in January 2021 and February 2021 respectively. Also, bank credit growth, which had slowed down to 5.1% in September 2020, rose by 6.6% in mid-February 2021.

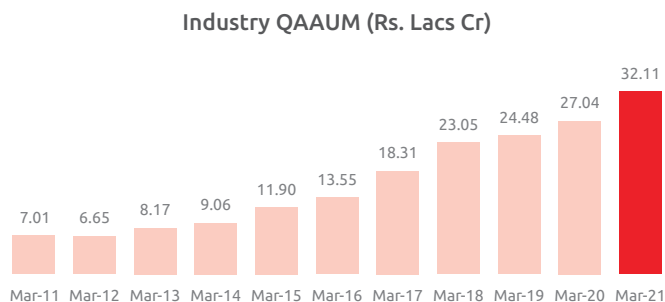
INR hit a record low of ₹ 76.92 against USD in April 2020 before recovering some lost ground. As the yields rise in the USA, money will favour the USD leading to its strengthening and weakness in INR. However, with higher forex reserves, RBI is well equipped to manage any unwanted volatility in currency. WPI inflation stood at 7.4% as against 4.2% in the corresponding period last year. Cumulative CPI inflation increased to 6.2% in March - April 2021 compared with 4.8% in the corresponding previous period. The 2021 Union Budget also gave a much-needed impetus to the markets - from increasing FDI in insurance from 49% to 74%, to a proposal to privatise two nationalised banks and one general insurance company, to the proposed asset reconstruction and management company to clean up banks' balance sheets.

IMF forecasts Indian economy to grow by 11.5% in FY22 and 6.8% in FY23 as it expects the monetary policy stance to remain accommodative and fiscal policy to support demand. These are one of the most upbeat forecasts as compared to other developed or emerging nations. Key drivers include a large working population, increasing financial literacy, high adoption of financial technologies, and a resilient rural economy, amongst others. A resurgence in Covid cases, resulting restrictions and any delays in vaccination drive, can act as potential deterrent to the growth forecasts. Given the current government vaccination initiatives and efforts taken to avoid further economic loss, we expect the economic growth to sustain in the coming years.

## II. MUTUAL FUND SECTOR

### Industry Overview

Over the last decade, the Indian MF Industry has grown at a steady pace from ₹ 7.0 lakh crore to ₹ 32.1 lakh crore, an approximately 4 times increase in a span of 10 years. Further, during the year Industry saw a healthy growth of 9% in total folios largely due to increasing awareness and higher retail participation.



Source: AMFI

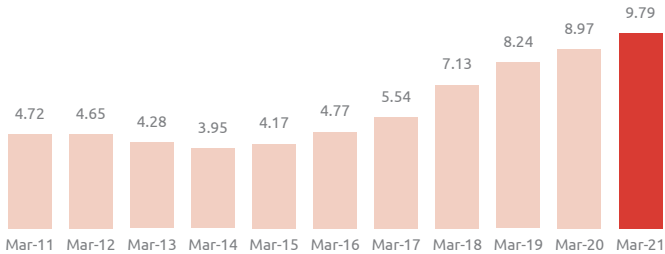
The industry assets witnessed 19% growth from ₹ 27.0 lakh crore for the quarter ended March 31, 2020, to touch ₹ 32.1 lakh crore for the quarter ended March 31, 2021, adding AUM of approx. ₹ 5.1 lakh crore during this financial year. Equities and debt assets accounted for most of these inflows during the year, reflecting the increasing risk appetite and confidence of the retail investors despite high volatility. Debt assets and equities contributed 92% of the total industry growth and increased by ₹ 2.4 lakh crore and ₹ 2.3 lakh crore respectively. The year was also significant for the ETF segment, which grew by ₹ 1.1 lakh crore to ₹ 2.9 lakh crore.

### Increasing Participation from Individual Investors

This year has seen continued growth in participation, especially from retail investors in equity funds. The MF industry added 81 lakh folios during FY 2020-21. The rise in folios was driven by higher folios in the passive and fixed

income categories, taking the total number of folios to 9.79 crore. Folios in the passive category grew by a strong 130% from 32 lakh in March 2020 to 73 lakh crore in March 2021.

**No. of Folios (crore)**

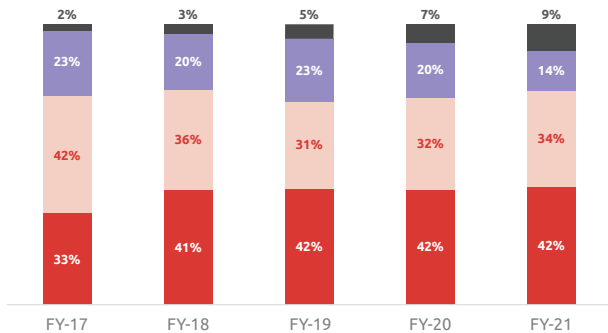


Source: AMFI

**Asset Mix**

Equity AUM, as a proportion of total AUM, rose from 33% in FY17 to 42% in FY21, which can be attributed to increasing awareness, financialization of savings, rise in SIP etc. The share of debt-oriented schemes decreased from 42% in FY17 to 34% in FY21, which can be attributed to rising in yield curve, adverse credit events, etc.

**Industry QAAUM**



Source: QAAUM, AMFI

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

Equity AUM contributes 42% to total Industry assets and grew by 21%.

**Debt:** Debt Fund/Fixed Income Funds invest predominantly

in rated debt or fixed income securities i.e. corporate bonds, debentures, government securities, commercial papers and other money market instruments.

Debt AUM contributes 34% to total Industry assets and grew by 27%.

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

Liquid AUM contributes 14% to total Industry assets and declined by 13%.

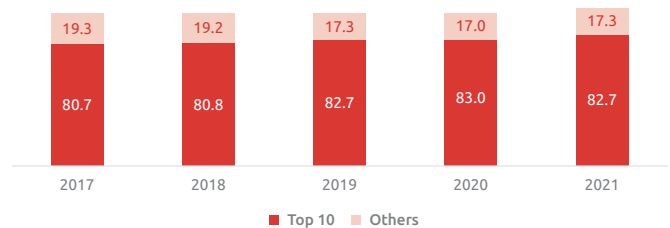
**ETF:** Exchange Traded Funds track an index, a commodity or a basket of assets as closely as possible, but trade like shares on the stock exchanges. They are backed by physical holdings of the commodity, and invest in stocks of companies, precious metals etc.

ETF AUM contributes 9% to total Industry assets and grew by 60%.

**Top 10 AMCs AUM trends:**

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

**Market Share of Top 10**



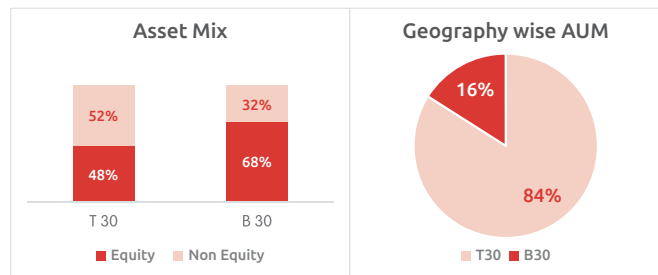
Source: QAAUM, AMFI

The Indian MF industry remains largely consolidated in top 10 AMCs, which account for >80% of the industry's total AUM. Currently, Top 10 players manage ₹ 26.6 lakh crore, which accounts for 82.7% of the industry AUM.

**Geographic Mix:**

Historically, AUM has been concentrated in the Top 30 (T-30) cities due to presence of Institutional Investors and they have higher concentration of assets in non-equity schemes. The T-30 cities hold the majority of MF assets with a share of 84%, whereas beyond the Top-30 or B-30 cities held 16% of assets as of March 2021. AUM from B-30 has higher composition of equity assets compared to T-30 cities. Further, B-30 cities gaining significance in the industry AUM mix as the SEBI

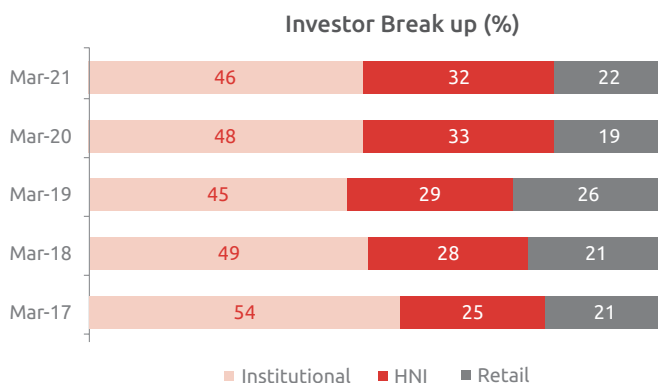
provides impetus to MF penetration beyond the top 30 cities by allowing additional TER.



Source: AMFI

### Investor wise break-up of AUM

Industry’s investors base can be broadly categorized as Retail, High Net worth Individual (HNI) and Institutional investors. Over last 3 years Retail, HNI & Institutional AUM has grown at a CAGR of 10%, 17% and 11% respectively. The contribution of HNI investors to Industry AUM has increased from 25% in March 2017 to 32% in March 2021.



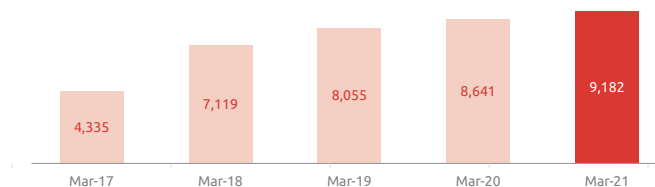
Source: AMFI

The HNI investor MAAUM increased from ₹ 8.2 lakh crore in March 2020 to ₹ 10.2 lakh crore in March 2021, registering a growth of 25%, whereas institutional investors MAAUM increased by 26% from ₹ 11.8 lakh crore in March 2020 to ₹ 14.9 lakh crore in March 2021. Retail investors MAAUM increased by 50% from ₹ 4.7 lakh crore to ₹ 7.0 lakh crore, on account of the strong recovery in equity markets in FY21, after the unprecedented decline in March 2020. Majority of the retail investors assets are invested in equities.

### SIP Inflow continues to grow

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

SIP Book (Rs.Crore)



Source: AMFI

Due to the highly volatile markets and impact of the global pandemic, Systematic Investment Plans (SIP) inflows reduced in the initial months of the year. However, inflows began to rise post October 2020, and have stabilised since then, indicating evolving behaviour and long-term investment horizon of retail investors. According to AMFI, the total inflows through SIPs in FY21 decreased by 4% to ₹ 96,080 crore. However, the breadth of the investor base continued to expand, with total number of SIP accounts at 3.72 crore as on March 31, 2021, with an addition of 61 lakh accounts during the year. In addition to a gradual increase in participation from the retail segment, the rising prominence of SIPs also lends stability to industry inflows.

### Outlook

Over the last few years, there has been a gradual increase in net financial savings and its share in the overall household savings in India has stabilised with an upwards bias. Also, share of mutual fund assets in gross financial household assets in India rose in the last few years, except as on March 31, 2020, as a result of the pandemic. Given the rebound in markets and MF assets in FY21, the share is expected to increase in this fiscal. Although, India’s mutual fund penetration (AUM to GDP) rose to 12.1%, is still much lower than the world average of 63%. It is also lower than many developed economies such as the United States (120%), Canada (81%), France (80%) and UK (67%), and emerging economies such as Brazil (68%) and South Africa (48%). India’s equity mutual fund AUM to GDP ratio is at 5%, vis-à-vis 75% in US, 55% in Canada and 40% in UK. Going forward, favourable demographic dividend, formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor awareness, investor friendly regulations, 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, are expected to be key drivers for the growth of the Mutual Fund industry.

### III. ALTERNATIVE INVESTMENT FUNDS

Alternative Investment Fund or AIFs are pooled investment vehicles, which collects funds from sophisticated investors (both domestic as well as overseas) for investing 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:** Includes funds which have positive spill over effects on the economy for which certain incentives / concessions might be considered, e.g. venture capital funds, Angel Funds, SME Funds, social venture funds, infrastructure funds etc.

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

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

With the growing popularity of the Alternative Investment Funds in recent times, SEBI has not only come up with various purposeful amendments to the regulations to further strengthen and enhance transparency but have also worked working tirelessly to implement global best practices for the industry. The year 2020 has seen a stream of such changes in the regulatory framework governing AIFs in India. Changes such as introduction of performance benchmarking, template for offer documents, clarity on the role and duties of investment committee, etc. will go a long way in boosting investors' confidence. The regulatory environment continues to be conducive to the growth of the AIF industry.

As on December 2020, commitments raised is approx. ₹ 4.4 lakh crore of which funds raised is approx. 48% i.e. ₹ 2.1 lakh crore. Within funds raised, Category II (70%) represent the largest segment, followed by Category III (20%). Since 2012, SEBI has permitted more than 600 AIFs to be set up. Participants include AMCs, Private Equity, Venture Capital firms, Hedge Funds, Corporates, Boutique Investment Funds, Individuals etc.

**IV. PORTFOLIO MANAGEMENT SERVICES (PMS)**

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

The PMS industry has seen a growth of 14.1% CAGR in the last five years between October 2015 to October 2020, with asset under management rising from ₹ 9.9 lakh crore to ₹ 19.2 lakh crore.

**VI. COMPANY OVERVIEW**

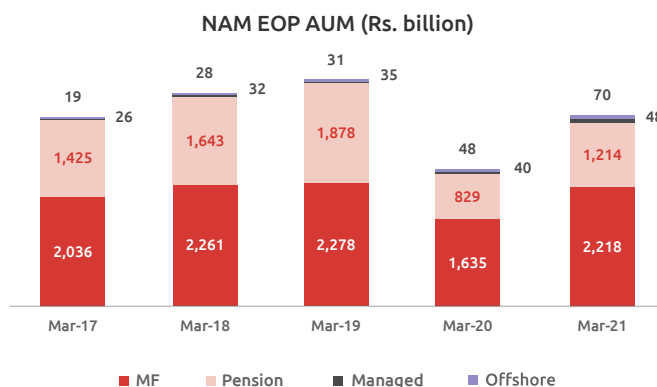
**True Blue Asset Management Player**

Nippon Life India Asset Management Limited (NAM India or the Company) is one of the largest asset management companies in India with over 25 years of track record, and a total AUM of ₹ 3.6 lakh crore as of March 31, 2021. 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 US\$ 723 bn as of March 31, 2020.

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

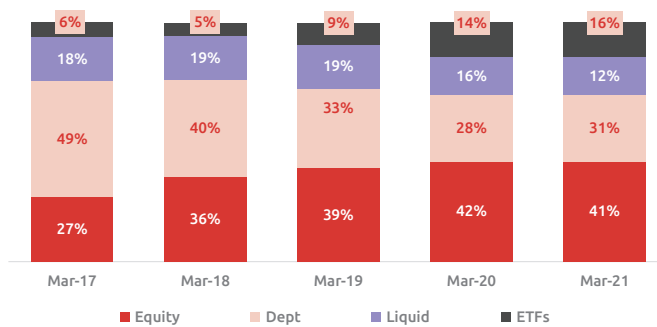


Source: Company

**Mutual Fund:**

Nippon India Mutual Fund (NIMF) offers a well-rounded portfolio of products i.e. Equity, Debt, Liquid as well as ETF for investors to meet varying requirements. It constantly endeavours to launch innovative products and customer service initiatives to increase value to investors. The Company started mutual fund operations in 1995 as the asset manager for Reliance Mutual Fund. As of March 31, 2021, the Company managed QAAUM of ₹ 2,28,586 crore. The Company caters to one of the largest investor folios in the industry at 99.8 lakh investor folios. As on March 31, 2021, Nippon India Mutual Fund (NIMF) manages 68 open ended schemes (including 21 ETFs) and 81 close ended and interval schemes.

### NIMF QAAUM



Source: Company

### Business Strengths:

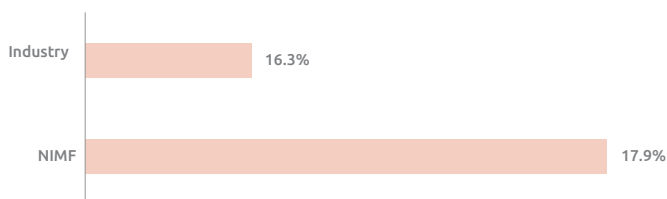
#### Strong base of Retail investors and assets

NIMF has always been known for its strength in the Retail segment. Over the last 2 decades, the Company has meticulously built its assets in this category and created long-term wealth its retail investors. It will continue to focus and enhance these offerings to expand its investor base even further. NIMF's retail AAUM contribution to total AAUM is amongst the highest in the industry at 28%. The Company plans to continue to build on its efforts in this segment with a mix of on-ground presence in smaller locations as well as continuously evolving digital assets to improve experience and on-board new investors.

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

NIMF continues to be amongst the leaders in 'Beyond Top 30 cities' segment or B 30 locations. B-30 locations have higher share of equity assets compared to non-equity assets. This segment contributed AUM of ₹ 41,260 crore, out of which 75% were equity assets. 18% of total assets are sourced from beyond top 30 cities, higher than the industry average. In smaller locations, there is particular need for face-to-face communication to get new investors into the MF Industry. NIMF holds one of the largest on-ground presences at 287 locations pan India and we endeavour to provide an all-round interface for our investors – both online and offline.

#### AUM from B 30 Locations

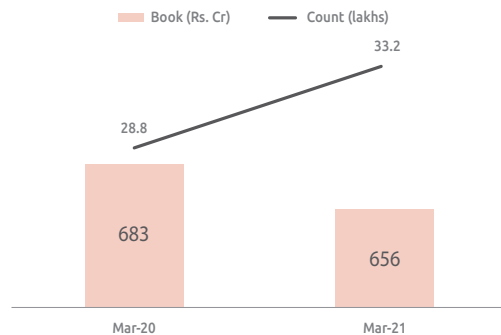


Source: Company, AMFI

#### SIP and STP - Long Term & stable Inflows

SIP and STP are one of the strong pillars of the Industry and

provides long-term sustainable inflows. It also inculcates a 'savings habit' among investors and ensures steady disciplined approach to investing rather than ad-hoc. NIMF received ₹ 656 crore in inflows from systematic transactions in March 2021, which is a recurring monthly inflow, resulting in annualized inflows of approx. ₹ 7,900 crore. The book is contributed by over 33 lakh SIP and STP folios. The folios have grown by 15% in FY21. The overall inflows were over ₹ 7,300 crore in FY21.

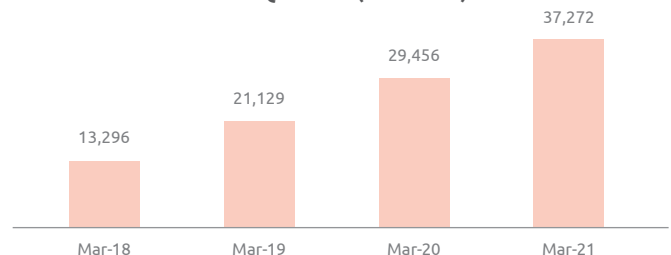


Source: Company; based on Systematic book and Count

#### Leadership position in the Passive category

The Company has one of the largest market share in the ETF segment with assets of ₹ 37,272 crore. The Company has the largest suite of passive products in the Industry, with 22 ETF schemes and 5 Index funds. NIMF successfully launched 8 new funds in this fiscal, indicating its strong commitment to the 'Investor First' philosophy. With over 23 lakh folios, NIMF has 42% of the industry's folio market share. NIMF added approx. 14 lakh folios in FY21 as compared to approx. 98,000 in FY20. Approx. 72% 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 (Rs. crore)

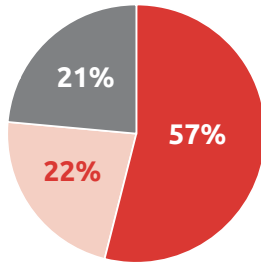


Source: Company

**De-risked distribution Model**

The Company has multi-channel distribution network comprising of Mutual Fund Distributors (MFDs), foreign banks, Indian private and public sector banks, national distributors and digital platforms. It has approx. 78,400 empanelled distributors pan India as of March 31, 2021, amongst the highest in the Industry.

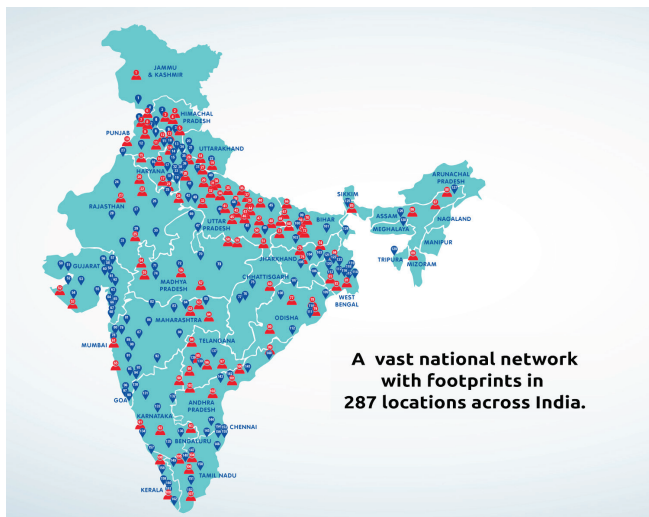
■ Mutual Fund Distributors ■ Banking distributors ■ National Distributors



Source: Company; excluding Direct AUM

**Penetrating Deeper into India**

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



Source: Company

**Managed Accounts:**

**AIF**

Our Subsidiary, Nippon Life India AIF Management Limited (NIAIF), manages 15 schemes of Alternative Investment Funds (AIFs) across Category II & Category III. NIAIF offers various strategies under Listed Equity, High Yield Real Estate Debt, Credit and Tech / VC FoF, which are privately pooled investment vehicles registered with SEBI.

The ongoing Covid-19 pandemic has impacted business activities across sectors. FY21 was most challenging for HNI / lumpsum fund raising (given that minimum investment ticket size is ₹ 1 crore). For sectors like real estate and credit, fund raising proved to be very difficult for most of the year. However, despite this challenging environment, NIAIF delivered strong performance during the year.

- Undertaken two closure of Nippon India Digital Innovation Fund (FoF)
  - o LOIs and Commitments raised ~USD 100 million
  - o The fund began its investment activities and made commitments in two underlying VC funds
  - o Approval in place for two additional investments
  - o The scheme also conducted the 1st bi-annual meet for its investors
- Launch and initial closure of second offshore Real Estate fund with key marquee Japanese investor completed
- Launch and initial closure of the 6th Equity scheme with the theme “Champions of 21st Century” completed
- Made 3 and 2 exits in the real estate and credit portfolios, respectively, during the year
- Delivered consistent long-term investment performance across asset classes. Equity funds continue to outperform their benchmarks and peer groups over long term

The total commitments raised across all schemes is over ₹ 3,700 crore as on March 31, 2021. With business activities gradually picking up, we expect to grow this business further.

**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. During the year, the company won the prestigious Post Office Life Insurance mandate. At present, the company manages two prestigious government mandates i.e. Postal Life Insurance and Employee State Insurance Corporation (ESIC). Currently, the company offers four equity strategies

to its investors. All investment strategies under PMS continue to outperform their benchmarks and peer groups over the long term. As on March 31, 2021, the Company's AUM, including government mandates, is over ₹ 1,22,500 crore in this segment.

### Offshore funds and advisory mandates

The Company manages offshore funds & distribution through its subsidiaries in Singapore and Mauritius and has a representative office at Dubai. The overseas subsidiaries help to cater to institutional and high net worth investors across Asia, Australia, Middle East, UK, US, and Europe. In line with the objective to consolidate overseas operations, NAM India plans to further grow the business in Singapore, and cease operations in Mauritius in the near future.

As of March 31, 2021, the Company had a total AUM of ₹ 6,953 crore as part of its international offshore managed portfolio. The Company also acts as an Investment Advisor for India-focused Equity and Fixed Income funds in Japan and for a Nifty 50 ETF in Australia.

Further, as on March 31, 2021, the Company had a total AUM of ₹ 3,347 crore as international advisory mandates. NAM India, in collaboration with BBL Asset Management Company Ltd., an affiliated company of Bangkok Bank (BBL), the largest Thai commercial bank, has launched Bualuang Bharata Fund in Thailand for institutional investors and high net worth investors.

## VII. OPPORTUNITIES & THREATS

### Opportunities

- Under-penetration of mutual funds in India
- Ongoing financialization of savings in India
- Increasing per capita GDP
- Increase in investors for Systematic Investment Plans
- 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, international markets

### Threats

- Slowdown in the economy
- Financial impact due to COVID-19 virus (global

pandemic)

- Sustained weak flows into active schemes
- Intense competition amongst MFs to garner higher AUMs can increase pressure on commissions
- Impact of regulatory intervention on fees, charges, reduction of exit loads
- Credit events impacting confidence of MF investors

## VIII. FINANCIAL PERFORMANCE

The financials statements of the Company for the year ended March 31, 2021, have been prepared in compliance with the Companies Act, 2013 and Indian Accounting Standards, Rules 2015. The Company has adopted Indian Accounting Standards (Ind AS) - IFRS Converged Standards with effect from April 1, 2018. (April 1, 2017 being the transition date).

### Consolidated Financial Performance

#### Revenue

The Company's consolidated total revenue stood at ₹ 1,419 crore compared to ₹ 1,193 crore in the previous year. Other income stood at ₹ 357 crore as against a loss of ₹ (10) crore in the previous year.

#### Expenditure

Total consolidated total expenditure for the year decreased by 14% to ₹ 542 crore, as against ₹ 633 crore in the previous year. Fee and Commission expenses for the year were ₹ 43 crore against ₹ 70 crore in the previous year - a decrease of 39%. Employee benefit expenses for the year were ₹ 271 crore against ₹ 302 crore in the previous year - a decrease of 10%.

Depreciation for the year remained at ₹ 33 crore as against the previous year. Other expenses for the year were ₹ 190 crore as against ₹ 222 crore in the previous year - a decrease of 14%.

The Profit for the year stood at ₹ 680 crore as against ₹ 415 crore in the previous year - an increase of 64%. Total Comprehensive Income for the year stood at ₹ 681 crore as against ₹ 413 crore in the previous year - an increase of 65%.

#### Utilisation of IPO Proceeds

As part of the IPO conducted in October 2017, NAM India had raised ₹ 589 crore from fresh issue of equity shares. These funds were intended 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 ₹ 307 crore out of these proceeds by March 31, 2021, in line with the specified objectives. The amounts raised, utilised till date and pending utilisation, is detailed at Note no. 36 in the Notes to the Accounts of the Standalone Financial statements.

Due to the dynamic and evolving nature of the industry, continuously evolving digital ecosystem, transition to Nippon Life being the sole promoter, other scheme-specific issues, and more recently, the extensive impact of the ongoing pandemic and meltdown in global capital markets, NAM India not only turned conservative in utilisation of its IPO Proceeds, but also the avenues for inorganic growth and strategic initiatives have shrunk. Due to the exponential surge in digital transactions after the IPO, the need for rapid expansion in physical presence and opening of new branch offices has shrunk considerably. Hence, the Company went slow on branch expansion in Tier 3 and Tier 4 cities.

Further, due to scheme specific issues, becoming a constituent of the Nippon Life Group and the ongoing pandemic, the Company is conservative in spending money on brand building activities.

The AIF subsidiary launched fewer schemes than what was envisaged at the time of IPO due to the lacklustre market in the last few years, heightened by slower economic growth and the pandemic. These factors resulted in underutilisation of the proceeds earmarked for seed investment in new AIF and MF schemes.

Due to non-availability of inorganic opportunities at appropriate valuation and which could complement NAM India's existing business, while the Company has constantly evaluated multiple opportunities for potential synergies, no actual acquisitions have fructified. 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, the Company will not rush into expending the available resources. For example, the acquisition of the ETF schemes of Goldman Sachs in 2016, had helped the Company create a very strong foundation in the ETF space, and transactions of that nature will be actively pursued. NAM India will review the strategy on 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.

## **IX. COMPLIANCE**

The Company continues to aspire to be a one hundred

percent compliant corporate citizen by choice with a non-withering focus on strong compliance & robust corporate governance principle & processes. Company's management is not only committed but is also fully geared up to comply with the applicable laws (in letter & spirit) and strictly follow the ethical principles that govern business. The Company is fully seized of the stated regulatory requirements and it thus endeavours and strives to remain ahead of the curve in so far as matters of compliance and governance are concerned. Interests of its unit holders, shareholders and other relevant stakeholders are always kept at the forefront while taking decisions with respect to 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. Matters of compliance and governance are given undivided and focussed attention at the meetings of the Board. In addition to this, the Company continues to keep improving upon its underlying policies, documentation and internal processes through a seasoned and experienced in-house Compliance Team, which has an independent line of reporting to the Board.

## **X. RISKS AND CONCERNS**

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

### **Competition risk**

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

### **Market risk**

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

### **Credit Risk**

The Company has quoted and unquoted investments in bonds and debt oriented mutual funds; thus the risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of principal



and interest exists. Hence, credit risk is a loss as a result of non-recovery of funds both on principal and interest counts. This risk is comprehensively addressed by spreading the investments into multiple bonds and mutual funds spread across multiple issuers.

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

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

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

### **Human Resource Risk**

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

### **Operational risk**

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

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

### **Information & Cyber security risk**

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

### **Regulatory risk**

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

### **Pandemic risk**

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

## **XI. TRAINING AND INVESTOR EDUCATION**

The Company has been at the forefront of spreading awareness on mutual funds through its Investor Awareness / Education Programs. The objective of these programs is to create awareness about mutual funds across the country to attract new investors into mutual funds. Due to lockdown, all class room trainings were put on hold. While none of us had faced such situation in the past, and as they say every cloud has a silver lining, EDGE converted this into an opportunity and moved to 100% digital training as the new way of engaging Investors. NIMF has adopted 19 districts across the country as part of the SEBI adopted districts program and conducted Investor Awareness Programs at these districts. During FY21, the Company conducted 115 Investor Awareness & Engagement Program covering over 5,600 investors across India. NIMF launched a mobile app - MFx exclusively for Investor education. The app provides all

relevant information in a simple audio video format related to MF. which can be accessed any time by the prospective investor.

## XII. DIGITAL TRANSFORMATION - A PERPETUAL BETA

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

### Game-changing Initiatives:

- **New digital channel - WhatsApp:** Pursuing the philosophy of building a digital presence in line with the preference of the investors, NIMF extended its digital footprint to WhatsApp, the largest social chat application. An innovative solution has been developed on WhatsApp for Business where retail investors are provided with the ease of initiating and completing Liquid Fund purchase transactions on WhatsApp itself, without any re-directions. They can also check their KYC status and explore other digital platforms. This move has helped NIMF unlock broader opportunities for future. The endeavour is to provide wide-ranging transaction and servicing capabilities with best-in-class transaction experience to create an independent, full-scale Digital Channel for masses
- **Corporate Solutions suite:** A Full spectrum Digital asset has been commissioned for the Institutional business segment. The new asset gives the capability to run digital campaigns, generate leads, drive conversions as well as complete onboarding for online services, transactions and servicing. The asset is built on a Mobile-first approach with cross device compatibility and automated self-serve processes for facilitating transition to digital transactions and online services
- **Investor segment expansion:** Online purchases have been extended for a new investor segment viz. Hindu Undivided Family and Sole Proprietorship, to bring in newer business opportunities digitally and address the investment needs of a strong segment which could have been left under-served due to restrictions of in-person investor engagement amidst COVID-19
- **Digital Launches:** Nippon India Multi Asset Fund was the first ever digital NFO for the Company and, was enabled for investors and partners across all digital assets. The NIFTY Small Cap 250 Index Fund and ETF Nifty CPSE Bond Plus SDL 2020 were the other NFOs to be launched during the COVID-19 pandemic
- **System driven, do-it-yourself (DIY) intelligent**
  - **Retention nudge:** Switch to Liquid option at the time of redemption which guides investors to switch their investments into Liquid Fund instead of redeeming from non-Liquid schemes
  - **SIP Pause Intervention:** AUM retention initiative developed to counter AUM withdrawals in view of challenges due to COVID pandemic where Intelligent nudges guide investors to pause their SIP instead of cancelling it
  - **Smart Payment Retry:** Automated Payment Retry option for investors who encounter payment related errors or failures during online purchase. The feature is designed to prevent potential drop-offs during transactions, thereby reducing business leakage
- **Conversational Commerce:** This one-of-its-kind initiative in the financial services space has seen consistent growth and investor traction. The voice-based interface, which has been co-created with Google and which facilitates financial transactions in NIMF's Liquid Fund, has brought many awards and accolades for the organisation. The Simply Save app, which hosts the Conversational Commerce interface has seen over 1.5 lakh new downloads since launch, and has one conversation invoked every 5 minutes
- **Business Easy 2.0:** The industry-first Business Easy 2.0 (B.E 2.0) app is a full spectrum, business enabling digital solutions suite that acts as a complete Customer Relationship Management tool using which Mutual Fund Distributors (MFDs) can manage their business virtually. Devoid of in-person meetings due to country-wide lockdown, the B.E 2.0 app became the mainstay of business for MFDs. The app gave them a complete dashboard view of their business, with intelligent insights about their audience and the relevant investment options. They used the app to run segmented campaigns (email & SMS) and reach out to investors with personalised transaction links with pre-embedded details that their customers had to merely authorise. They also handled the service-related needs of investors with the fully integrated Services module. Moreover, the distributors could also onboard new investors using the completely paperless e-KYC module
- **Strengthening our digital distribution through strategic alliances and enhanced support to partners:** Another key partner in the form of PhonePe has been added to NIMF's network which already has key names like Paytm, ETMoney, Groww, Kuvera, Tarrakki, etc., to bolster the executional leadership and expansive reach. With the immense expertise in the core business of asset management and prowess in digital business, NIMF engaged with its partners at an even deeper level and helped them navigate through the tough COVID-19

times. Expertise and knowledge were shared with the partners and their customers, advocating investment best practices and providing guidance on how to steer through volatile markets. NIMF's fund managers and investment experts conducted exclusive webinars for these partner platforms with the intent of educating the investors and helping them take the right decisions. Also, co-branded content on similar lines was created and disseminated to investors using these Partner platforms. NIMF also extended ETFs to the bouquet of its offerings across partner platforms. These measures not only arrested attrition, but also helped to grow business volumes on such platforms

**Key results:**

- Digital Business rose by 31% and touched a record 18+ lakh purchase transactions, which is essentially 5 purchases every minute.
- Contribution of Digital Business to overall NIMF business stands at 53%, as against 43% in FY20.
- Digital Business share in lumpsum and SIP purchase transactions stands at 50% and 59% respectively vis-a-vis total purchase transactions. The same metric stood at 46% and 35% in FY20.
- Focus on long term assets resulted in 78% non-Liquid transactions compared to 25% in FY20.
- 24% of investors transacting through digital channels were new customers.
- Conversational Commerce interface (hosted on the Simply Save App) has approx. 1.5 lakh new downloads since launch and has seen one conversation invoked every 5 minutes.

**Awards & Accolades:**

- Asia Asset Management Best of the Best Awards 2021 - FinTech Innovation.
- IBS Intelligence Global FinTech Innovation Awards, 2020 - Most Impactful Project in Digitization / Paperless Initiative for Online Purchase Web & M-site.
- CII Centre for Digital Transformation of Confederation of Indian Industries DX Awards, 2020.
- Customer Experience for Conversational Commerce.
- Service Distribution Excellence for Business Easy 2.0.
- Internet and Mobile Association of India (IAMAI) India Digital Awards, 2020 (11th Edition) Technology Solutions - Best use of Bots (Chat & Voice) for Conversational Commerce.
- Kamikaze B2B Media Payments & Cards Awards, 2020 - Best Contactless Innovation of the Year and Best Contactless Payments Project of the Year for Conversational Commerce.

- Adobe Campaign India Champion Award 2021 - 2nd runner up.
- BFSI Digital Stallions Awards 2021 - Best use of Facebook in Mutual Funds.

**Research and Development:**

NIMF has always taken pride in its digital prowess and technological innovations. Having acknowledged long ago that it is not only a Mutual Fund and an Asset Management company, but also as a new age digitech enterprise that helps individuals, entities and intermediaries achieve their financial and business goals, NAM India is always at the forefront of adopting technology and embracing a perpetual state of digital transformation. And, in times of COVID-19, it is this constant pursuit spanning many years that has paid off and made it #FutureReady.

**XIII. INTERNAL CONTROLS**

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

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

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

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

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

**XIV. HUMAN RESOURCES**

The Company had a workforce of 991 people as on March 31, 2021. The average age of the workforce is 37 years. NAM India

has a large investment team comprising of 62 employees and Risk Management Team comprises of 12 members. It also has one of the largest and experienced credit research team, comprising of 9 members, in the Indian MF industry. Members of the senior investment team have an average of over 21 years of investment management experience and are a valuable resource to the Company.

NAM India considers employees as the most valued asset, who are at the core of the business. Human capital is the most important business driver. A strong people culture is the soul of the organization and biggest competitive advantage for a sustainable growth.

As an organization, all colleagues, at every level, are part of the organization's growth strategy and are empowered enough to take business decisions. The Company takes care of them much beyond salary, pay and perks and ensures that they get best-in-class learning and career advancement opportunities. The key pillars of the core philosophy are talent care and development, empowerment and decision making at all levels, innovation, agility and digital transformation.

The Company understands that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels the ambitions of the company's talent leading to better retention. It is ensured that internal talent is groomed for the next level responsibilities.

The Company runs various development programmes that caters to key talent at various levels of the organization. Various talent pools like the CEO club and LEAP club focus on developing talent for future leadership roles. As a result, over 70% of NAM India's leaders are home grown, and many more are getting future ready.

In line with the organization's vision to go digital, the HR processes have been moved to digital platforms to increase efficiency, effectiveness and better employee experience. The Company has invested in HR digitisation with state-of-the-art Oracle HCM for anytime and fully mobile-enabled HR systems availability to all employees with 100% digitized HR interactions, anytime and on-demand learning- on the go, seamless and 100% digital recruitment and onboarding and host of other HR interactions, including payroll, query management, etc.

For a very high focus on people, culture and some of the best practices in HR, the Company has been recognised thrice as AON Best Employer 2016, 2018 and 2019, and has also featured in 'India's Best Companies To Work For' in 2018 by Great Place To Work. We have also been awarded the special recognition of "Jury award for "Commitment to Talent" in the latest edition of 2020 Kincentric Best Employers Awards.

The Company is dedicated and committed to provide a great

workplace that is inclusive and "equal-for-all" in all aspects as employees and customers form the core of any and every business decision.

## **XV. CORPORATE SOCIAL RESPONSIBILITY**

The Company has designated CSR priorities to respond to stakeholders' expectations and continue working together with the society to provide distinctive values. The purpose inspires a vision to accelerate growth in business while increasing its positive social impact. The Company works towards promoting education & skill development, healthcare, rural & community development including disaster relief, training to promote Olympic Sports, conservation of environment through its CSR programme.

The Company initiated projects in the areas of promoting preventive healthcare, education & skill development and community development in Maharashtra and Gujarat. The Company contributed of ₹ 13.46 crore in FY21, inter-alia, through non-profit centres engaged in the provision of healthcare, education and rural development.

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

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

### **Forward looking Statement / Cautionary Statement**

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

The financial statement is prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Nippon Life India Asset Management Limited ("NAM India" or "the Company") has used estimates and judgments relating to the financial

statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the and profit for the year.

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

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

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L65910MH1995PLC220793
2. **Name of the Company** : Nippon Life India Asset Management Limited  
(formerly known as Reliance Nippon Life Asset Management Limited)
3. **Registered address** : 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013
4. **Website** : <https://mf.nipponindiaim.com/>
5. **E-mail id** : [Investorrelation@nipponindiaim.com](mailto:Investorrelation@nipponindiaim.com)
6. **Financial Year reported** : 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

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

<b>Services Code No.</b>	<b>Description</b>
6001	Any other service not elsewhere specified
(As per notification no.52/ 2 /CAB-2012 issued by Ministry of Corporate Affairs)	

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

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 617 crore
2. **Total Turnover (INR)** : 1,419 crore
3. **Total profit after taxes (INR)** : 680 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2%

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

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

The Company initiated projects in the areas of promoting preventive healthcare and development of related infrastructure, education & skill development and community development in Maharashtra and Gujarat. The Company contributed of ₹ 13.46 crore in FY 2020-21, towards PM CARES Fund, Army welfare Funds and to non-profit centres for promoting training of Olympic Sports.

The details of CSR activities are also available in annexure on CSR which forms part of the Annual report for FY 2020-21.

**SECTION C: OTHER DETAILS**

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

There are 3 subsidiary companies as on March 31, 2021.

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

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

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

No

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

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

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

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

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

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

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

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

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

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

#### Notes:

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

### 3. Governance related to BR

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

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

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

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

## SECTION E - Principle-wise performance

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

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

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



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

Stakeholder Complaints			
Complaints	No. of complaints received	No. of complaints resolved	% of complaints resolved
Shareholder Complaints	4	4	100

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

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

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

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

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

With regard to the Company's businesses, the question is not applicable.

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

With regard to the Company's businesses, the question is not applicable.

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

With regard to the Company's businesses, the question is not applicable.

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

With regard to the Company's businesses, the question is not applicable.

**Principle 3 Businesses should promote the wellbeing of all employees.**

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

The total number of employees in the Company were 991 on rolls as on March 31, 2021.

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

There are approximately 286 employees.

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

There are 165 women employees.

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

There is 1 employee with disability.

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

No.

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

Not Applicable.

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

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

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

Permanent Employees – 83%

Permanent Women Employees – 81%

Casual/Temporary/Contractual Employees 60%

Employees with Disabilities – 100%

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

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

Yes, the Company has mapped its key stakeholder groups.

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

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

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

The Company, through non-profit centers, undertook 'Mobile Health Unit' projects to serve tribal, rural and urban areas in Maharashtra and Gujarat. The Company made donation to PM CARES Fund, Maharashtra Chief Minister Relief Fund - Covid19 to help the government to combat the Covid-19 Pandemic. The Company also participated in various projects towards improving the health of people affected with poverty and disaster, advancement of education, providing medical relief, rural development projects.

**Principle 5 Businesses should respect and promote human rights.**

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

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

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

Please refer our response to Principle No.1

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

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

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

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Yes. Through several initiatives, a consistent and ongoing endeavour is undertaken to reduce the overall carbon footprint. We are using highly efficient Star Rated Air-conditioning for offices for conservation of electricity. We are using LED light wherever we are setting up new branches / relocating existing for conservation of energy. These initiatives have resulted in a reduction in energy consumption by approx. 10%. Usage of single-use plastic is not allowed. To reduce consumption of paper, we make maximum use of electronic and digital media for various internal and external communication.

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

Not Applicable

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

Not received any notice from CPCB / SPCB.

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

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

Yes, we are the members of the relevant trade & chamber or such similar associations. The major associations are as follows:

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

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

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

**Principle 8 Businesses should support inclusive growth and equitable development**

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

Initiatives have been taken along with implementing agencies to provide Mid-Day Meals to children of Government aided schools and promotion of sports and, also donate towards welfare and relief funds set up by the Central / State government.

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

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

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

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

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

The Company has contributed ₹ 13.46 crore for FY 2020-21 towards corporate social responsibility activities.

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

The Company, through its various social programmes and financial inclusion initiatives, is expanding its coverage to rural and semi-urban markets, and providing access to financial services to customers in those markets. The products and services have made a positive impact on its targeted clientele. The Company, through non-profit centres, has undertaken 'Mobile Health Unit' projects to serve tribal, rural and urban areas in Maharashtra and Gujarat. The Company, through NGOs, is helping in the promotion of sports and games.

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

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

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

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

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

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

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

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

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

# Corporate Governance Report

## CORPORATE GOVERNANCE PHILOSOPHY

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

## GOVERNANCE PRACTICES AND POLICIES

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

### A. Values and commitments

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

### B. Code of Conduct

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

### C. Business policies

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

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

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

### E. Risk management

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

### F. Compliance management

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

## BOARDROOM PRACTICES

### (a) Board Constitution

The composition of our Board is well aligned with the relevant provisions of the Companies Act, 2013 (“Companies Act”), SEBI (Mutual Funds) Regulations, 1996 (“Mutual Fund Regulations”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Board currently consists of 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) Familiarization 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 familiarized 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 program for familiarisation of independent directors is put on the website of the Company at the following link:

<https://mf.nipponindiaim.com/InvestorServices/Pages/familiarization-programme.aspx>

**(f) Meeting of Independent Directors**

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

**(g) Board of subsidiary companies**

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

**(h) Commitment of Directors**

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

**(i) Role of the Company Secretary**

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

**(j) Independent Statutory Auditors**

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

**COMPLIANCE WITH THE LISTING REGULATIONS**

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

**I. BOARD OF DIRECTORS**

**1. Board composition - Board strength and representation**

As on the date of this report, the Board consists of 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	Mr. Kazuyuki Saigo (DIN: 08748422)
	Mr. Akira Shibata (DIN: 08107588)
	Mr. Yutaka Ideguchi (DIN: 05340673)
Executive & Nominee Director	Mr. Sundeep Sikka (DIN: 02553654)

**Notes:**

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

**2. Conduct of Board proceedings**

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

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

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

### 3. Board meetings

The Board held as many as 8 (eight) meetings during the financial year 2020-21 i.e. on May 15, 2020, July 27, 2020, October 27, 2020, December 01, 2020, December 15, 2020, January 27, 2021, February 03, 2021 and March 15, 2021. The maximum time gap between any two meetings during the year under review was 92 days and the minimum gap was 7 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.

### 5. Attendance of Directors

Attendance of the Directors at the Board meetings held during the financial year 2020-21 and the last AGM held on July 17, 2020 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, 2021 are as under:

Name of Director	Number of Board meetings attended	Attendance at the last AGM held on July 17, 2020	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	4	-	-	1	-
Mr. Sundeep Sikka	8	Present	5	-	-	1	-
Ms. Ameeta Chatterjee	6	Present	11	MTAR Technologies Limited	Additional Director (Independent)	6	2
General Ved Prakash Malik (Retd.)	8	Present	2	-	-	2	-
Mr. Kazuyuki Saigo@	7	Present	8	-	-	2	-
Mr. Ashvin Parekh^	6	NA	4	ICICI Securities Limited	Independent Director	5	4
				ICICI Lombard General Insurance Company Limited	Independent Director		
Mr. B. Sriram §	1	NA	6	ICICI Bank Limited	Independent Director	4	1
				Unitech Limited	Govt. Nominee Director		
Mr. Yutaka Ideguchi §	1	NA	4	-	-	1	-
Mr. Minoru Kimura*	1	NA	NA	NA	NA	NA	NA
Mr. Mahadevan Veeramony#	2	Present	NA	NA	NA	NA	NA

@Appointed as a Director of the Company w.e.f. June 08, 2020.

^ Appointed as a Director of the Company w.e.f. August 01, 2020.

§ Appointed as Director of the Company w.e.f. March 15, 2021.

\*Ceased to be Director of the Company on June 08, 2020.

# Ceased to be Director of the Company on August 01, 2020.



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

### 6. Meeting of independent Directors

The Company's Independent Directors meet at least once in every Financial Year without the attendance of Non-Independent Directors and Management Personnel. For the F.Y. 2020-21, this meeting of the Independent Directors was held on March 15, 2021.

### 7. Details of directors

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

**Mr. Akira Shibata** (Non-executive & Nominee Director) currently serves as the General Manager / Global Asset Management Business Department at Nippon Life Insurance Company (NLI). In his 20-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.

As on March 31, 2021, Mr. Shibata does not hold any share in the Company.

**Mr. Kazuyuki Saigo** (Non-executive & Nominee Director) is Managing Executive Officer, Regional CEO for Asia Pacific Head of India, and is responsible for operations in the Asia Pacific. Mr. Saigo joined NLI in 1988 and since then has held several leadership positions in the NLI Group, including General Manager of Global Business Planning and Global Insurance Business, General Manager – Personnel Dept. and Sales Manager Personnel Department. Also, in the last ten years, Mr. Kazuyuki has engaged not only in designing and executing overseas business, but also managing insurance sales branch, and so on. Mr. Kazuyuki has more than 30 years' experience in the life insurance sector.

As on March 31, 2021, Mr. Saigo does not hold any share in the Company.

**Mr. Yutaka Ideguchi** (Non-executive & Nominee Director) is a Member of the Board of Directors, Senior Managing Executive Officer of NLI. He has been involved in the areas of finance, International Planning & Operation in NLI.

He has been a Regional CEO for America/Europe as well as Head of Global Business of NLI.

As on March 31, 2021, Mr. Ideguchi does not hold any share in the Company.

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

As on March 31, 2021, General Malik (Retd.) does not hold any share in the Company.

**Ms. Ameeta Chatterjee** (Non-executive Independent Director) has over 18 years of corporate finance experience in developing, managing and executing

infrastructure projects across sectors in India and UK. After starting her career with ICICI Limited in 1995, she moved to KPMG to set up their infrastructure related Corporate Finance team. During her 8 years with KPMG, she gained experience across various sectors including health, education, Public Private Partnerships etc. In 2010, she moved to corporate sector as GM- Investments & Acquisitions at Leighton India Contractors Pvt. Ltd where she worked on 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, 2021, Ms. Chatterjee does not hold any share in the Company.

**Mr. Sundeep Sikka** (Executive & Nominee Director of NLI) 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). Mr. Sikka 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. Mr. Sikka has grown the company to an all-round brand that thrice won 'Aon Best Employer' in the last four years and was certified Great Place to Work' in 2018. He has not only been responsible for the growth of the company but also forging a relationship with 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 recognized 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, 2021, Mr. Sikka held 12,67,070 equity shares in the Company.

**Mr. Ashvin Parekh** (Non-executive Independent Director) 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 programs 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, 2021, Mr. Parekh does not hold any share in the Company.

**Mr. B. Sriram** (Non-executive Independent Director) 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.

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, 2021, Mr. Sriram does not hold any share in the Company.

During the Financial Year 2020 - 21, Mr. Mahadevan Veeramony, Independent Director resigned before the expiry of his tenure due to certain pressing personal priorities. As confirmed by the Director there was no other material reason.

### 8. Insurance Coverage

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

### 9. Skill Sets/ Expertise/ Competencies of Directors

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

While the Board as a whole is a complete unit in itself and is a bundle & perfect mix of all the required skill sets, expertise and knowledge; however speaking of specific individual skill sets and knowledge base, it may be noted that (a) Ms. Ameeta Chatterjee has strong acumen towards matters of corporate finance, investments, 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. Kazuyuki Saigo, being a NLI representative director, brings on Board his vast & rich experience in designing and executing overseas business, managing insurance sales branch, and so on; (e) Mr. Akira Shibata, another representative of NLI on the Board of the Company has lot of relevant experience and skill sets in the areas of corporate planning and business management and he acts as an ambassador of NLI in bringing in best risk management and corporate practices to the company's business; (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, and lastly (h) Mr. Yutaka Ideguchi is a stalwart in the insurance sector with rich experience in the areas of finance, International Planning & Operations.

## II. AUDIT COMMITTEE

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

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

- (a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommend the appointment, remuneration and terms of appointment of the auditors including statutory auditors (for company and for company's various businesses such as Mutual Funds etc.), Internal auditors (for company and for company's various businesses such as Mutual Funds, Portfolio Management Services etc.) and the Secretarial Auditors;
- (c) Approve payment to statutory auditors for any other services rendered by them;
- (d) Review with the management, the annual financial statements and auditor's report thereon (as received from various sets of auditors) before submission to the Board for approval, with particular reference to:
- (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub- Section (3) of Section 134 of the Companies Act;
  - (ii) changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - (iv) significant adjustments made in the financial statements arising out of audit findings;
  - (v) compliance with listing and other legal requirements relating to financial statements;
  - (vi) disclosure of any related party transactions; and
  - (vii) modified opinion(s) in the draft audit report;
- (e) Review, with the management, the quarterly and any other partial year-period financial statements before submission to the board of directors for approval;
- (f) Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Approve or subsequently modify transactions of the Company with related parties;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.
- (i) Scrutinize inter-corporate loans and investments;
  - (j) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (k) Evaluate internal financial controls and risk management systems;
  - (l) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (n) Discuss with internal auditors of any significant findings and follow up there on;
  - (o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (p) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (r) To review the functioning of the whistle blower mechanism;
  - (s) Approve the appointment of the Chief Financial Officer of the Company (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

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- (t) Oversee the vigil mechanism established by the Company and the chairperson of the Audit Committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;
- (u) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- (v) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/ provided under the Companies Act or by the Listing Regulations or by any other regulatory authority.

Attendance at the meetings of the Audit Committee held during FY 2020-21

During the year, the Audit Committee held its meetings on May 15, 2020, July 27, 2020, October 27, 2020, January 27, 2021 and March 15, 2021. The maximum and minimum time gap between any two meetings, during the year under review was 92 days and 47 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.)	5	5
Ms. Ameeta Chatterjee	5	4
Mr. Akira Shibata	5	5
Mr. Ashvin Parekh*	3	3
Mr. Mahadevan Veeramony #	2	2
Mr. B. Sriram@	0	0
Mr. Yutaka Ideguchi@	0	0

#Ceased to be a member of this Committee on August 01, 2020.

\*Appointed as a member of this Committee on August 01, 2020.

@ Appointed as a member of this Committee on March 15, 2021.

### Notes:

- The Chairman of the Audit Committee was present at the last AGM of the Company.

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

### III. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act and Listing Regulations, the Company has a Nomination and Remuneration Committee in place, which comprises of six Directors, viz. General Ved Prakash Malik (Retd.) as the Chairman, Mr. Kazuyuki Saigo, Ms. Ameeta Chatterjee, Mr. Ashvin Parekh, Mr. B. Sriram and Mr. Yutaka Ideguchi as members. The Company's Nomination & Remuneration Policy has been provided as an Annexure to the Board's Report.

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

- (i) identify persons who are qualified to become directors and who may be appointed in senior

- management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (ii) formulate the criteria for determining qualifications, positive attributes and independence of a Director;
  - (iii) devise a policy on diversity of the Board;
  - (iv) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of Independent Directors;
  - (v) recommend to the board, all remuneration, in whatever form, payable to senior management;
  - (vi) perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following-
    - (a) administering the Employees Stock Option Plans, as may be proposed and implemented from time to time (the "Plan");
    - (b) determining the eligibility of employees to participate under the Plan;
    - (c) granting options to eligible employees and determining the date of grant;
    - (d) determining the number of options to be granted to an employee;
    - (e) determining the exercise price under the Plan; and
    - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
  - (vii) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees while ensuring the following:
    - (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short 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.
    - (c) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act or by the Listing Regulations or by any other applicable law or regulatory authority.

Attendance at the meetings of the Nomination & Remuneration Committee held during FY 2020-21

The Nomination & Remuneration Committee held its meetings on May 15, 2020, June 10, 2020, and March 15 2021. The maximum and minimum time gap between any two meetings, during the year under review was 278 days and 26 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	3
General Ved Prakash Malik (Retd.)	3	3
Mr. Ashvin Parekh <sup>^</sup>	1	1
Mr. Mahadevan Veeramony #	2	2
Mr. Minoru Kimura\$	1	1
Mr. Kazuyuki Saigo*	2	2
Mr. B. Sriram@	0	0
Mr. Yutaka Ideguchi@	0	0

<sup>^</sup>Appointed as a member of this Committee on August

01, 2020.

#Ceased to be a member of this Committee on August 01, 2020.

§Ceased to be a member of this Committee on June 08, 2020.

\*Appointed as a member of this Committee on June 08, 2020.

@ Appointed as a member of this Committee on March 15, 2021.

**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, 2021 is as follows:

Directors	Sitting fees (in ₹)
Ms. Ameeta Chatterjee	16,00,000
General Ved Prakash Malik (Retd.)	17,50,000
Mr. Mahadevan Veeramony	6,00,000
Mr. Ashvin Parekh	14,00,000
Mr. B. Sriram §	1,00,000
Mr. Kazuyuki Saigo*	-
Mr. Akira Shibata*	-
Mr. Yutaka Ideguchi*	-
Mr. Minoru Kimura*	-

\*At the request of NLI, the sitting fees payable to Mr. Kazuyuki Saigo, Mr. Akira Shibata, Mr. Yutaka Ideguchi and Mr. Minoru Kimura (being nominees of NLI) has been waived off from the Board and Committee meetings.

§ Sitting fees due for the year and paid post 31st March 2021.

Notes:

- a. There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its Non-Executive Directors.
- c. Pursuant to the limits approved by the Board, all Non - Executive Directors (except nominees of NLI), were paid sitting fees of ₹ 1,00,000/- for attending each meeting of the Board and the Audit Committee and ₹ 50,000/- for other Board

sub- committees. From January 27, 2021, all Non - Executive Directors (except nominees of NLI), were paid sitting fees of ₹ 1,00,000/- for attending each meeting of the Board, Audit Committee and other Board sub- committees.

- d. There was no amount paid as commission to the Directors for the financial year 2020-21.
- e. During the year, Mr. Sundeep Sikka, CEO & Executive Director was paid a remuneration of ₹ 4194.82 lakhs. Detailed Break up of his remuneration is given hereunder:

(₹ In Lakh)

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 In-come Tax Act, 1961	551.00
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (On account of exercise of Stock Options)	3643.82
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Option (Number of Options granted in FY 2020-21)	NIL
3	Sweat Equity	-
4	Commission	-
	Total (A)	4194.82

**Employee Stock Option Scheme**

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

**IV. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

- a. 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.

- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. 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.
- d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee presently comprises of Ms. Ameeta Chatterjee as the Chairperson, Mr. Kazuyuki Saigo, Mr. Sundeep Sikka, Mr. Ashvin Parekh and Mr. B. Sriram as the members.

Attendance at the meeting of the Stakeholders Relationship Committee held during F.Y. 2020-21.

During the year, the Stakeholders Relationship Committee held its meetings on July 27, 2020 and January 27, 2021. The time gap between two meetings, during the year under review was 184 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. Kazuyuki Saigo§	2	2
Mr. Ashvin Parekh*	1	1
Mr. Mahadevan Veeramony#	1	1
Mr. Minoru Kimura^	0	0
Mr. B. Sriram@	0	0

§ Appointed as a member of this Committee w.e.f. June 08, 2020.

\*Appointed as a member of this Committee w.e.f. August 01, 2020.

#Ceased to be a member of this Committee on August 01, 2020.

^ Ceased to be a member of this Committee on June 08, 2020.

@ Appointed as a member of this Committee w.e.f. March 15, 2021.

## V. COMPLIANCE OFFICER

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

of the Company under Listing Regulations.

## VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

Attendance at the meeting of the CSR Committee held during FY 2020-21.

The CSR Committee held its meetings on July 27, 2020 and March 15, 2021. The time gap between two meetings during the year under review was 231 days and following is the summary of attendance in the meetings of CSR Committee:

Members	Number of Meetings held during the tenure	Attended
Gen. Ved Prakash Malik (Retd.)	2	2
Ms. Ameeta Chatterjee	2	2
Mr. Akira Shibata	2	2
Mr. Sundeep Sikka	2	2
Mr. Kazuyuki Saigo^	2	2
Mr. Mahadevan Veeramony*	1	1
Mr. Ashvin Parekh#	1	1
Mr. Minoru Kimura§	0	0
Mr. B. Sriram@	0	0
Mr. Yutaka Ideguchi @	0	0

^ Appointed as a member of this Committee w.e.f. June 08, 2020.

\* Ceased to be a member of this Committee on August 01, 2020.

# Appointed as a member of this Committee w.e.f. August 01, 2020.



§ Ceased to be a member of this Committee on June 08, 2020.

@ Appointed as a member of this Committee w.e.f. March 15, 2021.

**VII. RISK MANAGEMENT COMMITTEE**

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

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

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

The Committee presently comprises of Mr. Kazuyuki Saigo as the Chairperson, Mr. Akira Shibata, Mr. Sundeep Sikka, Mr. Ashvin Parekh, Mr. B. Sriram and Mr. Milind Nesarikar as the members. Mr. Minoru Kimura ceased to be a chairperson and member of this Committee on June 08, 2020 and Mr. Mahadevan Veeramony ceased to be a member of this Committee on August 01, 2020.

One meeting of the Risk Management Committee was held on March 15, 2021, which was attended by all the Committee members.

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

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

**VIII. GENERAL BODY MEETINGS**

The Company held its last three AGMs as under:

Financial Year	Date and time	Venue of the meeting	Whether any special resolution Passed or not
2020-21 AGM	July 17, 2020 11.00 A.M. (IST)	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	No
2019-20 AGM	September 23, 2019 11.30 A. M.	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 013	No
2018-19 AGM	September 18, 2018 03:35 P. M.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020	Yes

**IX. POSTAL BALLOT**

The Company initiated postal ballot exercise on September 23, 2020 and March 15, 2021 for the purpose of seeking Members' approval for the following matters by way of ordinary resolutions and special resolutions:

➤ For Postal ballot exercise dated September 23, 2020 :

- (a) To Approve 'Re-classification of Reliance Capital Limited's shareholding from 'Promoter and Promoter Group' to 'Public' category'

The above resolution was passed with the requisite majority by the Members on October 27, 2020 and a Scrutinizer's report was issued on even date, to this effect.

➤ For Postal ballot exercise dated March 15, 2021 :

- a) Re-appointment of General Ved Prakash Malik as a Non-executive Independent Director
- b) Appointment of Mr. Ashvin Parekh as a Non-executive Independent Director

- c) Appointment of Mr. B. Sriram as a Non-executive Independent Director
- d) Appointment of Mr. Yutaka Ideguchi as the Non-executive Non-independent Director
- e) Remuneration of Managerial Personnel
- f) Re-appointment of Mr. Sundeeep Sikka as the Executive Director & CEO

All the above resolutions were passed with the requisite majority by the Members on April 17, 2021 and a Scrutinizer's report was issued on even date, to this effect.

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

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

## X. MEANS OF COMMUNICATION

- (a) **Quarterly results:** Quarterly results are published in The Financial Express, (English) newspaper circulating in substantially the whole of India and in Navshakti, (Marathi) vernacular newspaper and are also posted on the Company's website: <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 Report and

Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website. The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company have e-mailed the soft copies of the Annual Report to all those members whose e-mail IDs were available with its Registrar and Transfer Agent or Depositories and urged other members to register their e-mail IDs to receive the said communication.

- (e) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement(s), media release, results, etc. are filed electronically on NEAPS.
- (f) **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release(s), results, Corporate Announcements, etc. are filed electronically on the Listing Centre.
- (g) **Designated e-mail id:** The Company also has a designated e-mail id [Investorrelation@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.

## 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, 2021, your Company had three (3) subsidiaries. Two of such subsidiaries are overseas, being one each in Singapore and Mauritius and one subsidiary being in India. All the subsidiaries of the Company are engaged in financial services sector and related activities.

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

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

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

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

<https://mf.nipponindiaim.com/InvestorServices/Pages/Investor-Policies.aspx>

**XIII. DISCLOSURES**

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

**b. Related Party Transactions**

During the financial year 2020-21, 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>

**c. Accounting Treatment**

In the preparation of financial statement, the Company has followed the Accounting Standards, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

**d. Risk Management**

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, and Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for

the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

**e. Prevention of Money Laundering – Know Your Customer Policy**

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

**f. Certification by Company Secretary in practice**

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

**g. Independence of Director**

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

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

(Amount in ₹ Cr.)

Particulars	NAM INDIA	Subsidiaries	Total Fees Paid
Fees paid to S.R. Batliboi & Affiliates	0.59	0.29	0.88

**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 2020-21."

**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, 2021 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**l. VIGIL MECHANISM**

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

**XIV. POLICY ON INSIDER TRADING**

The Company has formulated Nippon Life India Asset Management Limited - Personnel Securities Trading Policy for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars 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.

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

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares

lying in "Unclaimed Suspense Account - Reliance Nippon Life Asset Management Limited" were as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on April 01, 2020	0	0
Number of shareholders to whom shares were transferred from suspense account during the period April 01, 2020 to March 31, 2021	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying on March 31, 2021	0	0

**XVI. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

**1. Audit qualifications**

There are no audit qualifications on the financial statements of the Company for the financial year 2020-21.

**2. Reporting of internal auditor**

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

**XVII. GENERAL SHAREHOLDER INFORMATION**

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

**XVIII. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

**XIX. REVIEW OF GOVERNANCE PRACTICES**

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

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

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

**I. Disclosure on website in terms of Listing Regulations**

Item	Compliance status (Yes/No/NA)
As per regulation 46(2) of the LODR:	
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programs imparted to independent directors	Yes
Email address for grievance redressal and other relevant details	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
As per other regulations of the LODR:	
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Dividend Distribution policy as per Regulation 43A (as applicable)	Yes
It is certified that these contents on the website of the listed entity are correct	Yes

**II Annual Affirmations**

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes

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

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
**The Members of**  
**Nippon Life India Asset Management Limited**  
**(Formerly known as Reliance Nippon Life Asset Management Limited)**  
 4th Floor, Tower A, Peninsula Business Park,  
 Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nippon Life India Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management Limited) bearing CIN L65910MH1995PLC220793 and having registered office at 4th 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") 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, 2021 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. Akira Shibata	08107588	25/04/2018
5	Mr. Kazuyuki Saigo	08748422	08/06/2020
6	Mr. Ashvin Dhirajlal Parekh	06559989	01/08/2020
7	Mr. Yutaka Jitsuo Ideguchi	05340673	15/03/2021
8	Mr. Balasubramanyam Sriram	02993708	15/03/2021

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.

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

**For M Siroya and Company**  
**Company Secretaries**

**Mukesh Siroya**  
**Proprietor**  
**FCS No.: 5682**  
**CP No.: 4157**  
**UDIN - F005682C000141719**

**Date: April 21, 2021**

**Place: Mumbai**

# Auditors Certificate

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

To  
The Board of Directors  
Nippon Life India Asset Management Limited  
Peninsula Business Park,  
4th Floor, Tower A, Ganpatrao 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, 2021 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, 2020 to March 31, 2021:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Independent Directors Meeting
    - (e) Nomination and Remuneration Committee;
    - (f) Stakeholders Relationship Committee;
    - (g) Corporate Social Responsibility Committee
    - (h) Risk Management Committee
  - v. Obtained necessary declarations from the directors of the Company.
  - 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.



## ■ 2 Statutory Report | Corporate Governance Report

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

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

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, 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: 21102102AAAAHB9983

Place of Signature: Mumbai

Date: April 27, 2021

# 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 KFinTech 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.

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

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

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

## Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

## Furnish bank details and get dividend directly credited in bank account

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

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

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

## Register for SMS alert facility

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

## Intimate mobile number

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

## Submit nomination form and avoid transmission hassle

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

Form may be downloaded from the Company's website, <https://mf.nipponindiam.com> under the section 'Shareholder

## ■ 2 Statutory Report | Investor Information

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 26th Annual General Meeting will be held on Tuesday, June 22, 2021 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 June 18, 2021 to 5:00 P.M. on June 21, 2021. The cut-off date for determining shareholders entitled to vote is June 15, 2021.

### 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 Private Limited  
Unit: Nippon Life India Asset Management Limited  
(Formerly known as Reliance Nippon Life Asset Management Limited)  
Selenium Tower – B  
Plot No. 31 & 32, Financial District, Nanakramguda,  
Serilingampally, Hyderabad 500 032  
Toll free no. (India) : 1800 309 4001  
Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791  
E-mail : [namindiainvestor@kfintech.com](mailto:namindiainvestor@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### Dividend Announcements

During the year, the Company had declared and paid first interim dividend of ₹ 3 (30 per cent) per equity share. The Board has also recommended a final dividend of ₹ 5/- (50 per cent) per Equity Share of ₹ 10/- each for the financial year ended March 31, 2021, for the approval of the shareholders at the ensuing Annual General meeting. With this the total dividend for the financial year 2020-21 would be ₹ 8/-, including the interim dividend of ₹ 3 per equity share distributed in February 2021. The Final dividend, if approved by Shareholders, will be paid on and from June 29, 2021.

### 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, 2021 will be June 11, 2021.

### Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2021, when declared at the AGM will be paid on and from June 29, 2021 subject to deduction of tax at source, to:

- (i) all those equity shareholders whose names appear in the Register of Members as on June 11, 2021; and
- (ii) those whose names appear as beneficial owners as on June 11, 2021 are furnished by the NSDL and CDSL for the purpose.

### Modes of payment of dividend

The dividend is paid under two modes viz.

- Electronic Payment via
  - NACH (National Automated Clearing House)
  - NEFT (National Electronic Funds Transfer)
  - RTGS (Real Time Gross Settlement)
  - Direct Credit
- Dispatch of physical dividend warrant / Demand Drafts will happen only if postal services will accept the covers considering the present ongoing Pandemic CoVID-19 situation.

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

### Unclaimed Dividends

The status of the Unclaimed Dividend as on 31-03-2021 is as follows:

Dividend Year	Records	Amount (in ₹)
2017-18 (Interim Dividend)	1013	298570.00
2017-18 (Final Dividend)	1448	101686.00
2018-19 (1st Interim Dividend)	1288	317211.00
2018-19 (2nd Interim Dividend)	1933	413529.00
2019-20 (Interim Dividend)	1716	422760.00
2019-20 (Final Dividend)	1975	423744.00
2020-21 (1st Interim Dividend)	2309	716662.00

### 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, 2021	
	Number of shares	%
(A) Shareholding of promoter and promoter group		
(i) Indian	0	0
(ii) Foreign	459028095	74.46
<b>Total shareholding of promoter and promoter group</b>	<b>459028095</b>	<b>74.46</b>
(B) Public shareholding		
(i) Institutions	77798042	12.62
(ii) Non-institutions	79678630	12.92
<b>Total public shareholding</b>	<b>157476672</b>	<b>25.54</b>
(C) Shares held by custodians and against which depository receipts have been issued	0	0.00
(D) ESOS Trust	0	0.00
<b>Grand total (A)+(B)+(C)+(D)</b>	<b>616504767</b>	<b>100.00</b>

### Distribution of shareholding

Number of Shares	No. of Shareholders as on 31.03.2021		Total equity shares as on 31.03.2021	
	Number	%	Number	%
1 to 500	158532	94.62	11803459	2.05
501 to 5,000	8140	4.86	11145276	1.81
5,001 to 1,00,000	787	0.47	12628920	2.10
Above 1,00,000	84	0.05	580927112	94.23
<b>Total</b>	<b>167543</b>	<b>100.00</b>	<b>616504767</b>	<b>100.00</b>

### Status of Dematerialisation of Shares

As on March 31, 2021, 99.81 per cent of the Company's shares are held in Dematerialized form.

### Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2020-21	2019-20	2020-21	2019-20	31-03-2021	31-03-2020
SEBI	2	3	2	3	Nil	Nil
Stock Exchanges	0	1	0	1	Nil	Nil
NSDL/CDSL	0	0	0	0	Nil	Nil
Direct from investors	2	0	2	0	Nil	Nil
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>Nil</b>	<b>Nil</b>

### Analysis of grievances

	2020 – 2021		2019 – 2020	
	Number	%	Number	%
Non-receipt of dividend warrant	3	75.00	0	0.00
Non-receipt of share certificates	1	25.00	0	0.00
Others	0	0.00	4	100.00
<b>Total</b>	<b>4</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>

There were no complaints pending as on March 31, 2021.

#### Notes:

1. The shareholder base was 1,67,543 (consolidated as per PAN) as of March 31, 2021.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

### Legal Proceedings

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

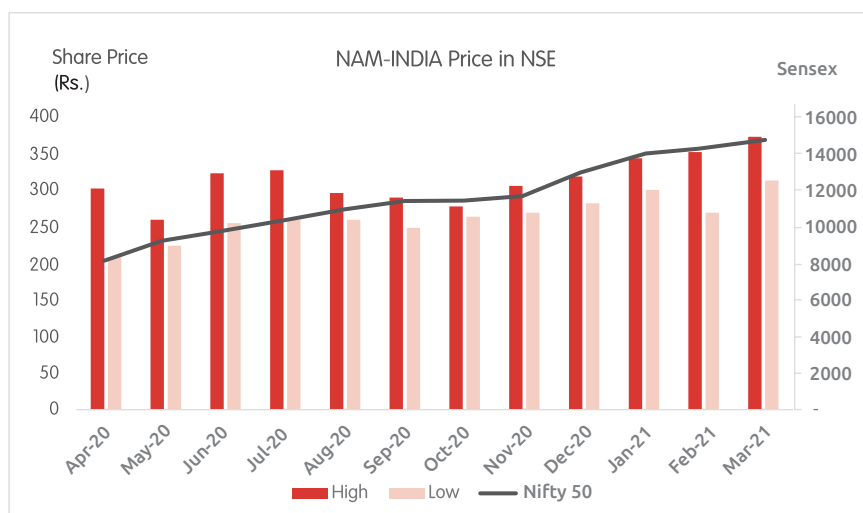
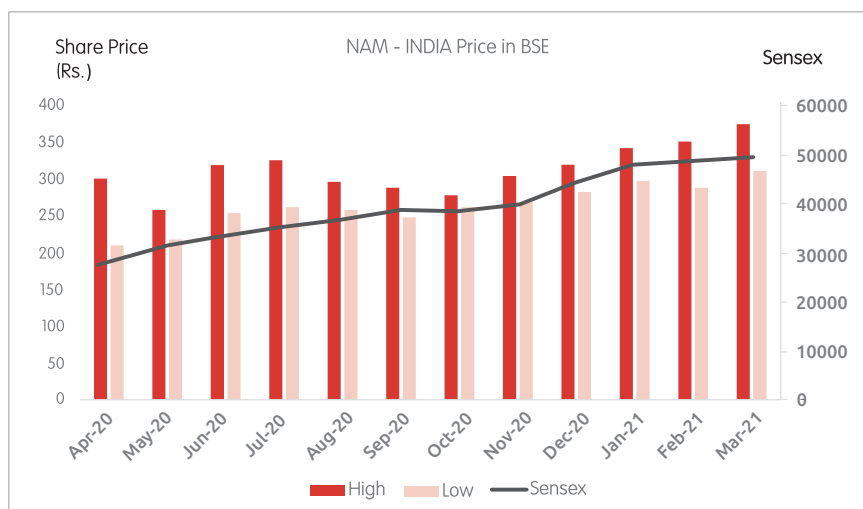
### Equity History

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

**Stock Price and Volume**

2020-21	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2020	301.05	210.00	37,23,590	301.95	209.50	5,75,82,234
May, 2020	259.40	220.40	13,62,358	260.00	225.05	2,25,92,126
June, 2020	322.00	255.10	27,04,973	322.00	256.40	3,49,35,347
July, 2020	326.55	261.95	16,75,874	326.70	262.00	2,03,65,755
August, 2020	297.70	259.20	24,11,798	297.75	259.00	2,79,78,674
September, 2020	288.65	249.00	10,05,027	288.70	249.00	1,75,19,532
October, 2020	279.00	263.00	4,37,402	277.80	263.10	1,04,70,914
November, 2020	304.90	268.50	7,14,508	305.00	268.50	1,28,90,153
December, 2020	319.00	283.45	16,82,918	319.10	283.25	2,28,79,334
January, 2021	343.00	298.30	24,14,930	343.55	297.95	3,21,97,938
February, 2021	351.55	288.00	15,39,450	351.80	270.00	1,65,14,983
March, 2021	374.5	312.4	12,84,984	374.7	314.05	2,22,25,237

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



### Stock exchange listings

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

### Listing on stock exchange

#### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001  
Website: www.bseindia.com

#### National Stock Exchange of India Limited

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

### Stock Codes

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

### Payment of listing fees

Annual listing fee for the financial year 2021-22 has been paid by the Company to the stock exchanges.

### Key financial reporting dates for the financial year 2021-22

Unaudited results for the first quarter ended June 30, 2021: On or before August 14, 2021

Unaudited results for the second quarter / half year ended September 30, 2021 : On or before November 14, 2021

Unaudited results for the third quarter ended December 31, 2021: On or before February 14, 2022

Audited results for the financial year 2021-22: On or before May 30, 2022

### Depository Services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 website: www.cdslindia.com.

### Communication to Members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter. The Company's media releases and details of significant developments are made available on Company's website: <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 Private Limited (formerly known as Karvy Fintech Private Limited) at the below mentioned address for speedy response:

KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Unit: Nippon Life India Asset Management Limited  
(formerly known as Reliance Nippon Life Asset Management Limited)  
Selenium Tower – B, Plot No. 31 & 32, Financial District,  
Nanakramguda Hyderabad 500 032  
E-mail: namindiainvestor@kfintech.com

### Shareholders / investors may send the above correspondence at the following address:

Queries relating to financial statement of the Company may be addressed to: Chief Financial Officer  
Nippon Life India Asset Management Limited  
(formerly known as Reliance Nippon Life Asset Management Limited)  
4th 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

Correspondence on investor services may be addressed to:  
Company Secretary & Compliance Officer

Nippon Life India Asset Management Limited  
(formerly known as Reliance Nippon Life Asset Management Limited)  
4th 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

### 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 analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

## 4. Parameters to be considered while declaring Dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies act, 2013. The board may also declare interim dividends as may be permitted by the Companies Act, 2013. The company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be

distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

### 4.1 External Factors:

State of Economy: In case of uncertain or recessionary economic and business conditions, Company will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

### 4.2 Internal Factors:

Apart from the various external factors, the Company will take into account various internal factors while declaring Dividend, which inter alia will include:

- Income/ Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand/ Business Acquisitions;
- Expansion/ Modernization of existing businesses;
- Additional investments in subsidiaries/ associates of the Company;
- Fresh investments into external businesses;
- Any other factor as deemed fit by the Board.

## 5. Utilization of retained earnings

The company shall endeavor to utilize the retained earnings in the following manner:

- For expansion and growth of business;
- Additional investments in existing business;
- Declaration of dividend;
- General Corporate Purposes; and
- Any other specific purpose as may be approved by the Board.

## 6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters of dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other class of shares.



## ■ 2 Statutory Report | Dividend Policy

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### 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.

# 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 2021, 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. 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</b> (as described in Note 19 of the standalone Ind AS financial statements)</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 ₹ 942.75 crore</li> <li>- Portfolio Management Services ₹ 43.79 crore</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.</p>	<p>We have performed the following procedures in relation to revenue recognized during the year:</p> <ul style="list-style-type: none"> <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> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>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>• 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>• on a sample basis, we agreed key inputs into the IT systems back to contracts, and re-performed calculations involving manual processes.</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</b> (as described in Note 2.4 of the standalone Ind AS financial statements)</p>	
<p>The Company's balance sheet as at March 31, 2021 includes ₹ 240 crore of Asset Management Rights, representing 7.30% 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> <li>• Read and assessed the specific disclosures made in the financial statements with regards to managements evaluation of the uncertainties arising from COVID-19.</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, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis, Annual Return, Report on CSR activities, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section

133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005  
**per Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 21102102AAAAGZ7926

Place of Signature: Mumbai  
Date: April 27, 2021

**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”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of initial public offer were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not

applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 27, 2021

#### **Annexure 2 to the Independent Auditor's Report of even date on the 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")**

To the Members of **Nippon Life India Asset Management Limited**

We have audited the internal financial controls over financial reporting of Nippon Life India Asset Management Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 27, 2021



# Statement of Assets and Liabilities

as at March 31, 2021

(₹ in crore)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	6.76	193.70
Bank balance other than above	4	297.41	215.41
Receivables			
(I) Trade receivables	5A	36.73	50.94
(II) Other receivables	5B	-	-
Loans	6	35.21	48.83
Investments	7	2,513.01	1,870.41
Other financial assets	8	20.33	28.11
<b>Sub-total - financial assets</b>		<b>2,909.45</b>	<b>2,407.40</b>
<b>Non-financial assets</b>			
Current tax assets (net)	9	29.71	11.17
Deferred tax assets (net)	23	-	8.18
Property, plant and equipment	10	10.68	9.03
Capital work-in-progress		1.31	2.00
Other intangible assets	11	289.07	312.92
Other non-financial assets	12	48.30	60.65
<b>Sub-total - Non financial assets</b>		<b>379.07</b>	<b>403.95</b>
<b>Total Assets</b>		<b>3,288.52</b>	<b>2,811.35</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	13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	59.53	66.35
Other financial liabilities	14	110.32	129.49
<b>Sub-total - financial liabilities</b>		<b>169.85</b>	<b>195.84</b>
<b>Non-financial Liabilities</b>			
Provisions	15	23.06	38.19
Deferred tax liabilities (Net)		33.84	-
Other non-financial liabilities	16	35.72	28.33
<b>Sub-total - Non financial liabilities</b>		<b>92.62</b>	<b>66.52</b>
Share Application money pending Allotment		0.53	
<b>EQUITY</b>			
Equity share capital	17	616.50	612.11
Other equity	18	2,409.02	1,936.88
<b>Total equity</b>		<b>3,025.52</b>	<b>2,548.99</b>
<b>Total Liabilities and Equity</b>		<b>3,288.52</b>	<b>2,811.35</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**  
(Formerly Reliance Nippon Life Asset Management Limited)

per **Shrawan Jalan**  
Partner  
Membership Number : 102102

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

Mumbai, April 27, 2021

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Nilufer Shekhawat**  
Company Secretary

# Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	19	986.54	1,131.67
Other income	20	339.12	2.62
<b>Total income</b>		<b>1,325.66</b>	<b>1,134.29</b>
<b>Expenses</b>			
Finance costs		4.37	5.58
Fee and commission expenses		12.12	38.28
Employee benefits expenses	21	248.74	278.46
Depreciation, amortization and impairment		32.59	32.62
Others expenses	22	184.92	217.96
<b>Total expenses</b>		<b>482.74</b>	<b>572.90</b>
<b>Profit before tax</b>		<b>842.92</b>	<b>561.39</b>
<b>Income tax expense:</b>			
- Current tax	23	151.51	142.73
- Deferred tax	23	42.02	6.36
<b>Total tax expense</b>		<b>193.53</b>	<b>149.09</b>
<b>Profit for the year</b>		<b>649.39</b>	<b>412.30</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		0.96	(3.12)
- Income tax relating to these items		(0.24)	0.78
<b>Other comprehensive income for the year</b>		<b>0.72</b>	<b>(2.34)</b>
<b>Total comprehensive income for the year</b>		<b>650.11</b>	<b>409.96</b>
<b>Earnings per equity share</b>			
- Basic (₹)	33	10.53	6.74
- Diluted (₹)		10.41	6.65

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 27, 2021

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**  
(Formerly Reliance Nippon Life Asset Management Limited)

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

# Statement of Cash Flow

for the year ended March 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before tax:</b>	<b>842.92</b>	<b>561.39</b>
Adjustments :		
Depreciation and amortization	32.59	32.62
Finance cost	4.37	5.58
Net (gain) / loss on sale of property, plant and equipments	0.52	-
Provision / (Reversal) for ECL on Inter Corporate Deposits	(0.19)	(8.58)
Remeasurement of defined benefit obligations	0.72	(2.34)
Employee share based payments	38.70	49.23
(Profit) / Loss on sale / fair value of Investments (net)	(88.36)	27.48
Fair Value (Gain)   Loss on Investments	(218.15)	50.87
Dividend income	(1.07)	(9.66)
Interest income	(30.77)	(70.09)
<b>Operating profit before working capital changes</b>	<b>581.28</b>	<b>636.50</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Trade and other receivables	14.21	39.23
Other financial assets	(0.12)	10.84
Other non-financial assets	12.35	29.37
Loans and advances to employees	0.06	0.06
Capital work-in-progress	0.69	(1.30)
<b>Adjustments for increase/ (decrease) in operating liabilities</b>		
Trade payables	(6.82)	24.06
Other financial liabilities	10.25	(5.48)
Provisions	(15.13)	(4.85)
Other non-financial liabilities	7.39	(10.79)
<b>Cash generated from operations</b>	<b>604.16</b>	<b>717.64</b>
Less : Income taxes paid (net of refunds)	170.06	147.43
<b>Net cash inflow from operating activities</b>	<b>434.10</b>	<b>570.21</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	38.67	85.24
Dividend received	1.07	9.66
Sales proceeds from disposal of property, plant and equipments	0.05	0.03
Purchase of investments	(2,672.98)	(3,998.93)
Sale of investments	2,338.57	3,332.25
Proceeds from maturity of Fixed deposits placed with financial institution	(82.00)	261.88
Inter corporate deposit repayment	15.70	393.50
Inter corporate deposit given	(1.95)	(2.00)
Purchase of property, plant and equipments and intangible assets	(19.65)	(4.04)
<b>Net cash outflow from investing activities</b>	<b>(382.52)</b>	<b>77.59</b>

# Statement of Cash Flow

for the year ended March 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issuance of Share Capital	92.37	2.43
Principal Element of Lease Payments	(20.73)	(21.44)
Interest Element of Lease Payments	(4.37)	(5.58)
Share Application money pending Allotment	0.53	-
Dividend paid (including dividend distribution tax)	(306.32)	(442.69)
<b>Net cash outflow from financing activities</b>	<b>(238.52)</b>	<b>(467.28)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>(186.94)</b>	<b>180.52</b>
Add : Cash and cash equivalents at the beginning of the year	193.70	13.18
<b>Cash and cash equivalents at the end of the year</b>	<b>6.76</b>	<b>193.70</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**  
**(Formerly Reliance Nippon Life 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 27, 2021

**Nilufer Shekhawat**  
Company Secretary

# Statement of changes in equity

for the year ended March 31, 2021

## A. Equity share capital

(₹ in crore)

Particulars	Number	Amount
As at March 31, 2020	612,111,867	612.11
As at March 31, 2021	616,504,767	616.50

## 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, 2019</b>	<b>574.11</b>	<b>96.52</b>	<b>1,233.82</b>	<b>12.71</b>	<b>6.10</b>	<b>(3.01)</b>	<b>1,920.26</b>
Profit for the year	-	-	412.30	-	-	-	412.30
Other comprehensive income	-	-	-	-	-	(2.34)	(2.34)
<b>Total Comprehensive Income for the year</b>	-	-	<b>412.30</b>	-	-	<b>(2.34)</b>	<b>409.96</b>
Stock option expense for the year	-	-	-	51.36	-	-	51.36
Options lapsed during the year	-	0.47	-	(0.47)	-	-	-
- Interim dividend on equity shares	-	-	(367.21)	-	-	-	(367.21)
- Tax on dividend	-	-	(75.48)	-	-	-	(75.48)
- Leases opening effect	-	-	(4.32)	-	-	-	(4.32)
- Fresh issue of equity shares	2.47	-	-	(0.15)	-	-	2.32
<b>As at March 31, 2020</b>	<b>576.58</b>	<b>96.99</b>	<b>1,199.11</b>	<b>63.45</b>	<b>6.10</b>	<b>(5.35)</b>	<b>1,936.88</b>
Profit for the year	-	-	649.39	-	-	-	649.39
Other comprehensive income	-	-	-	-	-	0.72	0.72
<b>Total Comprehensive Income for the year</b>	-	-	<b>649.39</b>	-	-	<b>0.72</b>	<b>650.11</b>
- Share based payments:							
Stock option expense for the year	-	-	-	40.37	-	-	40.37
Options lapsed during the year	-	0.94	-	(0.94)	-	-	-
- Interim dividend on equity shares	-	-	(306.32)	-	-	-	(306.32)
- Fresh issue of equity shares	99.60	-	-	(11.62)	-	-	87.98
<b>As at March 31, 2021</b>	<b>676.18</b>	<b>97.93</b>	<b>1,542.18</b>	<b>91.26</b>	<b>6.10</b>	<b>(4.63)</b>	<b>2,409.02</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

For and on behalf of the Board of Directors of

**Nippon Life India Asset Management Limited**

**(Formerly Reliance Nippon Life Asset Management Limited)**

**Sundeep Sikka**

Executive Director & CEO

DIN No. 02553654

**Prateek Jain**

Chief Financial Officer

**Nilufer Shekhawat**

Company Secretary

**Ashvin Parekh**

Director

DIN No. 06559989

**Ajay Patel**

Manager

Mumbai, April 27, 2021

# Significant Accounting Policies and Notes to Accounts

for the year ended March 31, 2021

(Currency : Indian Rupees)

## 1 CORPORATE INFORMATION

Nippon Life India Asset Management Limited ('the Company') was incorporated on February 24, 1995.

The Company's principal activity is to act as an investment manager to Nippon India Mutual Fund (Formerly Reliance Mutual Fund) ('the Fund') and to provide Portfolio Management Services ('PMS') and advisory services to clients under Securities and Exchange Board of India (SEBI) Regulations. The Company is registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.

The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on November 6, 2017.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis Of Preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits

associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant & Equipment which are significant to total cost of that item of Property plant & Equipment and having different useful life are accounted separately

#### Depreciation methods, estimated useful lives & residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
IT equipments - computers & printers	3 years
Vehicles	8 years

Leasehold improvements are 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 recognized in the statement of profit or loss.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

### 2.3 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations

attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is 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 amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

#### 2.5 Leases

##### As a lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a

contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes 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 recognizes 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 recognized, 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 recognizes 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 recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit and Loss are also recognized in Other Comprehensive Income or Statement of Profit and Loss, respectively).

## 2.8 Financial Assets

### A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

### B. Subsequent Measurement

Financial Assets measured at Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange

gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets measured at Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

### C. Equity instruments

All equity investments are measured at fair value with value changes recognized in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### D. Impairment of Financial Asset

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or



loss. ECL is measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an expense in the statement of profit or loss.

#### 2.9 Financial Liabilities

##### A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing, net of directly attributable cost. Fees of recurring nature are directly recognized in the statement of profit and loss as finance cost.

##### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

#### 2.10 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115

#### 2.11 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

##### (i) Investment Management Fees (net of tax)

Investment Management fees are recognized on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) schemes.

##### (ii) Advisory Fees (net of tax)

Advisory fees are recognized 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 recognized on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

##### (iv) Interest income

Interest income is recognized using the effective interest rate.

##### (v) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

#### 2.12 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized 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 recognized 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 realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### 2.13 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

#### 2.14 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognized over the lock in period for investment in the schemes.

#### 2.15 Fund expenses

Expenses incurred on behalf of schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are recognized in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Nippon India Mutual Fund are charged to the statement of profit and loss under respective heads. Distribution cost is recognized over the lock in period for investment in the schemes

#### 2.16 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.17 Provisions

Provisions are recognized 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 recognized 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 recognized as an expense during the period when the employees render the service.

#### (ii) Post-employment obligations

##### Defined contribution plans

The Company recognizes 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 recognized 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 recognized as an asset.

##### Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to

the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### (iii) Other long-term employee benefit obligations

##### Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

##### Phantom shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price. The present value of the obligation under such plan is determined based on actuarial valuation.

#### 2.19 Share-based payments

##### Employee Stock Option Scheme (ESOS)

Equity settled share based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date.

Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 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 recognized in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefits Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

#### 2.20 Earnings per share

##### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

##### b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### 2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

# Notes to financial statement

as at March 31, 2021

## 3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	-	-
Cheques on hand	-	-
Balances with banks:		
In current accounts	6.76	5.29
Deposits with original maturity of less than 3 months	-	188.41
<b>Total</b>	<b>6.76</b>	<b>193.70</b>

## 4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.20	0.11
In deposit accounts		
Term Deposits against the bank guarantee	15.60	14.39
Other Term Deposits	281.61	200.91
<b>Total</b>	<b>297.41</b>	<b>215.41</b>

## 5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	36.73	50.94
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>36.73</b>	<b>50.94</b>

## 5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	-
(Less): Allowance for impairment loss	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

6. Loans

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortized cost</b>		
<b>Term loans (unsecured)</b>		
Loans and advances to related parties	35.00	48.70
Loans and advances to employees	0.19	0.25
Loans and advances Others	1.95	2.00
<b>Total (A) - Gross</b>	<b>37.14</b>	<b>50.95</b>
(Less): Impairment loss allowance	(1.93)	(2.12)
<b>Total (A) - Net</b>	<b>35.21</b>	<b>48.83</b>
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	37.14	50.95
<b>Total (B) - Gross</b>	<b>37.14</b>	<b>50.95</b>
(Less): Impairment loss allowance	(1.93)	(2.12)
<b>Total (B) - Net</b>	<b>35.21</b>	<b>48.83</b>
<b>Loans in India</b>		
- Public sector	-	-
- Others	37.14	50.95
<b>Total (C) - Gross</b>	<b>37.14</b>	<b>50.95</b>
(Less): Impairment loss allowance	(1.93)	(2.12)
<b>Total (C) - Net</b>	<b>35.21</b>	<b>48.83</b>

Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.73	1.39	-	2.12
New assets originated / change in inputs to ECL model	(0.21)	0.02	-	(0.19)
Assets derecognized or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>0.52</b>	<b>1.41</b>	<b>-</b>	<b>1.93</b>

(₹ in crore)

Particulars	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.93	9.77	-	10.70
New assets originated / change in inputs to ECL model	0.73	1.39	-	2.12
Assets derecognized or repaid	(0.93)	(9.77)	-	(10.70)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>0.73</b>	<b>1.39</b>	<b>-</b>	<b>2.12</b>

## 7. Investments

(₹ in crore)

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
<b>As at March 31, 2021</b>					
Mutual funds	-	-	2,349.60	2,349.60	2,349.60
Debt securities	109.86	-	-	-	109.86
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	35.10	-	-	-	35.10
Associates	12.73	-	-	-	12.73
Others	-	-	5.67	5.67	5.67
<b>Total (A) - Gross</b>	<b>157.69</b>	<b>-</b>	<b>2,355.32</b>	<b>2,355.32</b>	<b>2,513.01</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (A) - Net</b>	<b>157.69</b>	<b>-</b>	<b>2,355.32</b>	<b>2,355.32</b>	<b>2,513.01</b>
Investments outside India	30.79	-	-	-	30.79
Investments in India	126.90	-	2,355.32	2,355.32	2,482.22
<b>Total (B) - Gross</b>	<b>157.69</b>	<b>-</b>	<b>2,355.32</b>	<b>2,355.32</b>	<b>2,513.01</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (B) - Net</b>	<b>157.69</b>	<b>-</b>	<b>2,355.32</b>	<b>2,355.32</b>	<b>2,513.01</b>
<b>As at March 31, 2020</b>					
Mutual funds	-	-	1,680.38	1,680.38	1,680.38
Debt securities	135.02	-	-	-	135.02
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	33.42	-	-	-	33.42
Associates	12.73	-	-	-	12.73
Others	-	-	8.81	8.81	8.81
<b>Total (A) - Gross</b>	<b>181.17</b>	<b>-</b>	<b>1,689.24</b>	<b>1,689.24</b>	<b>1,870.41</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (A) - Net</b>	<b>181.17</b>	<b>-</b>	<b>1,689.24</b>	<b>1,689.24</b>	<b>1,870.41</b>

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
Investments outside India	30.79	-	-	-	30.79
Investments in India	150.38	-	1,689.24	1,689.24	1,839.62
<b>Total (B) - Gross</b>	<b>181.17</b>	-	<b>1,689.24</b>	<b>1,689.24</b>	<b>1,870.41</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (B) - Net</b>	<b>181.17</b>	-	<b>1,689.24</b>	<b>1,689.24</b>	<b>1,870.41</b>

8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	9.87	10.54
Interest accrued on loans	0.21	0.14
Interest accrued on others	6.66	14.63
Accrued Fee Income	3.09	2.80
Units pending Allotment	0.50	-
<b>Total</b>	<b>20.33</b>	<b>28.11</b>

9. Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax paid in advance (net of provision)	29.71	11.17
<b>Total</b>	<b>29.71</b>	<b>11.17</b>

10 Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Cost as at April 1, 2019	29.80	1.12	10.36	2.63	18.50	62.41
Additions	2.82	-	0.52	0.10	0.18	3.62
Less: Disposals and transfers	0.11	0.03	0.26	0.17	0.51	1.08
<b>Closing gross carrying amount</b>	<b>32.51</b>	<b>1.09</b>	<b>10.62</b>	<b>2.56</b>	<b>18.17</b>	<b>64.95</b>
<b>Accumulated depreciation</b>						
<b>Opening accumulated depreciation</b>	<b>24.82</b>	<b>1.07</b>	<b>8.26</b>	<b>2.20</b>	<b>13.73</b>	<b>50.08</b>
Depreciation charge during the year	3.25	0.01	0.80	0.07	2.76	6.89
Less: Disposals and transfers	0.11	0.03	0.25	0.17	0.49	1.05
<b>Closing accumulated depreciation</b>	<b>27.96</b>	<b>1.05</b>	<b>8.81</b>	<b>2.10</b>	<b>16.00</b>	<b>55.92</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>4.55</b>	<b>0.04</b>	<b>1.81</b>	<b>0.46</b>	<b>2.17</b>	<b>9.03</b>

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>						
Cost as at April 1, 2020	32.51	1.09	10.62	2.56	18.17	64.95
Additions	6.73	1.86	0.57	0.05	-	9.21
Less: Disposals and transfers	18.94	-	6.75	1.94	6.68	34.31
<b>Closing gross carrying amount</b>	<b>20.30</b>	<b>2.95</b>	<b>4.44</b>	<b>0.67</b>	<b>11.49</b>	<b>39.85</b>
<b>Accumulated depreciation</b>						
<b>Opening accumulated depreciation</b>	<b>27.96</b>	<b>1.05</b>	<b>8.81</b>	<b>2.10</b>	<b>16.00</b>	<b>55.92</b>
Depreciation charge during the year	4.22	0.04	0.75	0.06	1.92	6.99
Less: Disposals and transfers	18.59	-	6.59	1.89	6.67	33.74
<b>Closing accumulated depreciation</b>	<b>13.59</b>	<b>1.09</b>	<b>2.97</b>	<b>0.27</b>	<b>11.25</b>	<b>29.17</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>6.71</b>	<b>1.86</b>	<b>1.47</b>	<b>0.40</b>	<b>0.24</b>	<b>10.68</b>

## 11 Intangible assets

(₹ in crore)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
Cost as at April 1, 2019	-	18.90	250.14	269.04
Transition to IND AS 116	73.18	-	-	73.18
Additions	21.50	0.42	-	21.92
Less: Disposals and transfers	-	-	-	-
<b>Closing gross carrying amount</b>	<b>94.68</b>	<b>19.32</b>	<b>250.14</b>	<b>364.14</b>
<b>Accumulated amortization</b>				
<b>Opening accumulated amortization</b>	<b>-</b>	<b>15.35</b>	<b>10.14</b>	<b>25.49</b>
Amortization during the year	23.68	2.05	-	25.73
Less: Disposals and transfers	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>23.68</b>	<b>17.40</b>	<b>10.14</b>	<b>51.22</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>71.00</b>	<b>1.92</b>	<b>240.00</b>	<b>312.92</b>
<b>Year ended March 31, 2021</b>				
<b>Gross carrying amount</b>				
Cost as at April 1, 2020	94.68	19.32	250.14	364.14
Additions	3.63	10.44	-	14.07
Less: Disposals and transfers	30.67	3.10	-	33.77
<b>Closing gross carrying amount</b>	<b>67.64</b>	<b>26.66</b>	<b>250.14</b>	<b>344.44</b>
<b>Accumulated amortization</b>				
<b>Opening accumulated amortization</b>	<b>23.68</b>	<b>17.40</b>	<b>10.14</b>	<b>51.22</b>
Amortization during the year	21.92	3.68	-	25.60
Less: Disposals and transfers	18.35	3.10	-	21.45
<b>Closing accumulated depreciation</b>	<b>27.25</b>	<b>17.98</b>	<b>10.14</b>	<b>55.37</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>40.39</b>	<b>8.68</b>	<b>240.00</b>	<b>289.07</b>



12 Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Vendors	8.80	12.33
GST Input tax credit	14.43	13.33
Prepaid expenses	23.61	34.99
Others	1.46	-
<b>Total</b>	<b>48.30</b>	<b>60.65</b>

13 Trade payable

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	59.53	66.35
<b>Total</b>	<b>59.53</b>	<b>66.35</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:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

14 Other financial liability

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables	59.65	49.49
Unclaimed dividend	0.20	0.11
Lease liability	50.47	79.89
<b>Total</b>	<b>110.32</b>	<b>129.49</b>

**15 Provisions**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee benefits</b>		
Leave encashment	2.98	3.02
Gratuity	-	0.65
Phantom Shares	11.73	31.33
Compensated Absence Cost	8.35	3.19
<b>Total</b>	<b>23.06</b>	<b>38.19</b>

**16 Other non-financial liabilities**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	35.72	28.33
<b>Total</b>	<b>35.72</b>	<b>28.33</b>

**17 Equity share capital**

(₹ in crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
<b>Authorised shares</b>				
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00
Preference shares of ₹ 100 each	3,000,000	3.00	3,000,000	3.00
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of ₹ 10 each	616,504,767	616.50	612,111,867	612.11
<b>Total</b>	<b>616,504,767</b>	<b>616.50</b>	<b>612,111,867</b>	<b>612.11</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**
**Equity Shares**

(₹ in crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Outstanding at the beginning of the year	612,111,867	612.11	612,000,000	612.00
Stock options exercised under the ESOS	4,392,900	4.39	111,867	0.11
<b>Outstanding at the end of the year</b>	<b>616,504,767</b>	<b>616.50</b>	<b>612,111,867</b>	<b>612.11</b>

**b) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The dividend proposed by the Board of Directors is subject to the approval of Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

**c) Shares reserved for issue under options**

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 28.

d) Details of Shareholders holding more than 5% of the shares in the Company

Equity Shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Nippon Life Insurance Company*	459,028,095	74.46	459,028,095	74.99

\* Including shares held jointly with nominee Shareholders

18 Other Equity

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account	676.18	576.58
General reserve	97.93	96.99
Surplus in the statement of profit and loss	1,542.18	1,199.11
Share based options outstanding account	91.26	63.45
Other comprehensive income	1.47	0.75
<b>Total</b>	<b>2,409.02</b>	<b>1,936.88</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities premium account</b>		
Opening balance	576.58	574.11
Add/(Less) : Changes during the year		
Fresh issue of equity shares	99.60	2.47
<b>Closing balance</b>	<b>676.18</b>	<b>576.58</b>
<b>General reserve</b>		
Opening balance	96.99	96.52
Add/(Less) : Changes during the year		
Share based options outstanding account	0.94	0.47
<b>Closing balance</b>	<b>97.93</b>	<b>96.99</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening balance	1,199.11	1,233.82
Net profit for the period	649.39	412.30
Dividends:		
Interim dividend on equity shares	(306.32)	(367.21)
Tax on dividend (net of refund)	-	(75.48)
Leases opening effect	-	(4.32)
<b>Closing balance</b>	<b>1,542.18</b>	<b>1,199.11</b>
<b>Share based options outstanding account</b>		
Opening balance	63.45	12.71
Add: Stock option expense for the year	40.37	51.36
Less: Transferred to General Reserve	(0.94)	(0.47)
Add: Fresh issue of equity shares	(11.62)	(0.15)
<b>Closing balance</b>	<b>91.26</b>	<b>63.45</b>

**Other Comprehensive Income**

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
<b>As at April 01, 2019</b>	<b>6.10</b>	<b>(3.01)</b>	<b>3.09</b>
Remeasurements of post-employment benefit obligations	-	(3.12)	(3.12)
Deferred tax	-	0.78	0.78
<b>As at March 31, 2020</b>	<b>6.10</b>	<b>(5.35)</b>	<b>0.75</b>
Remeasurements of post-employment benefit obligations	-	0.96	0.96
Deferred tax	-	(0.24)	(0.24)
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>(4.63)</b>	<b>1.47</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. 28)

**19 Revenue from operations**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Management Fees	942.75	1,089.36
Portfolio Management Fees (including advisory fees)	43.79	42.31
<b>Total</b>	<b>986.54</b>	<b>1,131.67</b>

**20 Other Income**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	30.77	70.09
Dividend income	1.07	9.66
Gain on sale of Investment	306.51	(78.35)
Miscellaneous income	0.77	1.22
<b>Total</b>	<b>339.12</b>	<b>2.62</b>

21 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	198.26	213.72
Contribution to provident and other funds	10.59	10.64
Employee stock option scheme	38.70	49.23
Staff welfare expenses	1.19	4.87
<b>Total</b>	<b>248.74</b>	<b>278.46</b>

22 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Marketing, advertisement and publicity	24.02	53.22
Outsourced business service	38.48	45.37
Legal and Professional charges	20.76	23.14
Information technology	48.72	25.22
Rent	0.85	0.84
Communication Costs	6.85	10.01
Office administration	12.71	14.40
Conveyance and travelling	0.78	13.09
Corporate Social Responsibility	13.30	13.25
Rates, taxes and energy costs	0.36	1.83
Repairs and maintenance	3.17	7.08
Filing fees and stamp duty	1.20	5.07
Seminar and training	0.38	2.33
Membership and subscription	4.77	3.75
Insurance	4.92	2.87
Printing and stationery	0.72	2.74
Director's fees allowances and expenses	0.54	0.37
Auditor's fees and expenses	0.33	0.36
Expected credit loss (ECL)	(0.19)	(8.58)
Net loss on foreign currency transactions and translations	0.07	(0.38)
Miscellaneous expenses	2.18	1.98
<b>Total</b>	<b>184.92</b>	<b>217.96</b>

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	0.23	0.18
Certification matters	0.10	0.18
Out of pocket expenses	0.01	0.01
<b>Total</b>	<b>0.33</b>	<b>0.37</b>

**b) Contribution for corporate social responsibility (CSR)**

CSR amount required to be spent as per section 135 of the companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 13.28 Crore (Previous Year Rs. 13.08 Crore). Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is Rs. 13.30 Crore (previous year Rs. 13.25 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
<b>(ii) On purposes other than (i) above</b>		
PM Cares Fund	9.50	-
Promoting healthcare including preventive healthcare	-	5.75
Promoting education, enhancing Vocational Skills	-	1.50
Armed Forces Welfare	2.50	1.00
Training for Sports	1.30	3.00
Prime Minister Relief Fund	-	1.00
Infrastructure & Rural Development	-	1.00
<b>Total</b>	<b>13.30</b>	<b>13.25</b>

**23 Income tax**
**a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	149.35	147.95
Adjustment in respect of current income tax of prior years	2.16	(5.22)
Deferred tax	42.02	6.36
<b>Total</b>	<b>193.53</b>	<b>149.09</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 for the years ended March 31, 2021 and March 31, 2020 is, as follows:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	842.92	561.39
<b>Tax at India's statutory income tax rate of 25.168% (previous year 34.608%)</b>	<b>212.15</b>	<b>141.29</b>
Tax effect of the amount which are not taxable in calculating taxable income :		
- Adjustment in respect of current income tax of previous years	2.16	(5.22)
- Corporate Social responsibility expenditure	3.60	0.28
- Disallowance of estimated expenditure to earn tax exempt	0.33	0.68
- Tax free interest	(2.55)	(2.67)
- Exempt Income-Dividend	-	(2.43)
- Profit / Loss on investments (including MTM)	(29.56)	19.47
- Depreciation on Intangible Assets	-	(7.75)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
-Income tax relating to items that will not be reclassified to profit or loss- OCI	(0.24)	0.78
-Impact of Tax rate change on Deferred Tax Asset	-	4.00
- Others	7.64	0.66
<b>Income tax expense at effective tax rate</b>	<b>193.53</b>	<b>149.09</b>
<b>Effective tax rate</b>	<b>22.96%</b>	<b>26.56%</b>

c) **Deferred tax assets/liabilities**

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

(₹ in crore)

Particulars	As at March 31, 2019	Charged/ credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
<b><u>Deferred tax liability :</u></b>				
FVTPL of financial instruments	14.01	(4.23)	-	9.78
<b>Total (a)</b>	<b>14.01</b>	<b>(4.23)</b>	<b>-</b>	<b>9.78</b>
<b><u>Deferred tax asset :</u></b>				
Property, plant and equipment	7.46	(1.72)	-	5.74
Leave Encashment	1.14	(0.38)	-	0.76
Compensated absense cost	1.15	(0.35)	-	0.80
Phantom Shares	12.74	(4.85)	-	7.89
Impairment allowance for financial assets	3.74	(3.21)	-	0.53
<b>Total (b)</b>	<b>26.23</b>	<b>(10.51)</b>	<b>-</b>	<b>15.72</b>
<b>Net deferred tax (asset)/liability (a -b)</b>	<b>(12.22)</b>	<b>6.28</b>	<b>-</b>	<b>(5.94)</b>
Transition to IND As 116 Lease through reserves (C)	2.32	(0.08)		2.24
<b>Net deferred tax (asset)/liability (a -b - C)</b>	<b>(14.54)</b>	<b>6.36</b>		<b>(8.18)</b>

(₹ in crore)

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
<b><u>Deferred tax liability :</u></b>				
FVTPL of financial instruments	9.78	38.21	-	47.99
<b>Total (a)</b>	<b>9.78</b>	<b>38.21</b>	<b>-</b>	<b>47.99</b>
<b><u>Deferred tax asset :</u></b>				
Property, plant and equipment	5.74	(0.41)	-	5.33
Leave Encashment	0.76	(0.01)	-	0.75
Compensated absense cost	0.80	1.30	-	2.10
Phantom Shares	7.89	(4.94)	-	2.95
Impairment allowance for financial assets	0.53	(0.04)	-	0.49
IND AS 116 Leases	2.24	0.29		2.53
<b>Total (b)</b>	<b>17.96</b>	<b>(3.81)</b>	<b>-</b>	<b>14.15</b>
<b>Net deferred tax (asset)/liability (a -b)</b>	<b>(8.18)</b>	<b>42.02</b>	<b>-</b>	<b>33.84</b>

## 24 Employee benefit obligations

### a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provident fund	6.81	6.74
Superannuation fund	0.05	0.05
Pension fund	1.45	1.57

### b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### i) Balance Sheet

(₹ in crore)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31, 2019</b>	<b>20.25</b>	<b>20.22</b>	<b>0.03</b>
Current service cost	2.25	-	2.25
Interest expense/(income)	1.54	1.53	0.00
Return on plan assets (excl. Interest Income)	-	(1.49)	1.49
Actuarial loss / (gain) arising from change in financial assumptions	1.36	-	1.36
Actuarial loss / (gain) arising on account of experience changes	0.27	-	0.27
Liability Transferred In/ Acquisitions	(0.25)	0.00	(0.25)
Employer contributions	-	4.50	(4.50)
Benefit payments	(2.19)	(2.19)	-
<b>As at March 31, 2020</b>	<b>23.23</b>	<b>22.58</b>	<b>0.65</b>
Current service cost	2.43	-	2.43
Interest expense/(income)	1.58	1.54	0.04
Return on plan assets (excl. Interest Income)	-	2.07	(2.07)
Actuarial loss / (gain) arising from change in financial assumptions	0.78	-	0.78
Actuarial loss / (gain) arising on account of experience changes	0.33	-	0.33
Liability Transferred In/ Acquisitions	0.07	-	0.07
Employer contributions	-	3.70	(3.70)
Benefit payments	(1.33)	(1.34)	0.01
<b>As at March 31, 2021</b>	<b>27.09</b>	<b>28.55</b>	<b>(1.46)</b>



Particulars	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	27.09	23.23
Fair value of plan assets	28.55	22.58
<b>Plan liability (net of plan assets)</b>	-	<b>0.65</b>

ii) Statement of Profit and Loss

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses:		
Current service cost	2.43	2.25
<b>Total</b>	<b>2.43</b>	<b>2.25</b>
Net Interest Cost	0.04	0.00
<b>Net impact on the profit before tax</b>	<b>2.47</b>	<b>2.25</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/ income	(2.07)	1.49
Actuarial gains/(losses) arising from changes in financial assumptions	0.78	1.36
Actuarial loss / (gain) arising on account of experience changes	0.33	0.27
<b>Net impact on the other comprehensive income before tax</b>	<b>(0.96)</b>	<b>3.12</b>

iii) Defined benefit plans assets

(₹ in crore)

Category of assets (% allocation)	As at March 31, 2021	As at March 31, 2020
<b>Insurer managed funds</b>		
- Government securities	49.94%	41.66%
- Deposit and money market securities	6.02%	4.28%
- Debentures / bonds	24.54%	33.96%
- Equity shares	20.78%	17.96%
- Others	(1.28)%	2.14%
<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.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.44%	6.82%
Salary escalation rate*	6.00%	6.00%

\* Takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08)

**vi) Sensitivity**

(₹ in crore)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.99)	2.26
Salary escalation rate	1.00%	2.25	(2.01)
Employee Turnover	1.00%	0.02	(0.03)

As at March 31, 2020	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.74)	1.98
Salary escalation rate	1.00%	1.97	(1.77)
Employee Turnover	1.00%	0.07	(0.08)

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 recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**vii) Maturity**

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	2.07	1.52
2nd Following Year	1.74	1.48
3rd Following Year	1.78	1.59
4th Following Year	2.45	1.61
5th Following Year	2.05	2.37
Sum of 6 to 10 Years	12.44	10.55
Sum of 11 Year and above	26.53	25.28

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- iii) Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**c) Phantom Stock Option Scheme:**

- i) Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

<b>Date of grant</b>	01 December 2015
<b>Appreciation as per Phantom stock Option</b>	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'
<b>Exercise Period</b>	<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.
<b>Settlement of Phantom Stock Options</b>	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 Rs. (19.60) crore (Previous year Rs. (5.14) crore).

**25 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.

**26 Fair value measurement**

**a) Fair value hierarchy**

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at 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, 2021**

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	6.76	-	-	-	6.76
Investments	157.69	-	-	-	157.69
Bank balance other than cash and cash equivalents above	297.41	-	-	-	297.41
<b>Receivables</b>					
(I) Trade receivables	36.73	-	-	-	36.73
(II) Other receivables	-				-
Loans	35.21	-	-	-	35.21
Other financial assets	20.33	-	-	-	20.33
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	2,355.32	-	-	2,355.32
<b>Total financial assets</b>	<b>554.13</b>	<b>2,355.32</b>	<b>-</b>	<b>-</b>	<b>2,909.45</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	59.53	-	-	-	59.53
Other financial liabilities	110.32	-	-	-	110.32
<b>Total financial liabilities</b>	<b>169.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169.85</b>

**As at March 31, 2020**

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortized Cost</b>					
Cash and cash equivalents	193.70	-	-	-	193.70
Investments	181.17	-	-	-	181.17
Bank balance other than cash and cash equivalents above	215.41	-	-	-	215.41
<b>Receivables</b>					
(I) Trade receivables	50.94	-	-	-	50.94
(II) Other receivables	-				-
Loans	48.83	-	-	-	48.83
Other financial assets	28.11	-	-	-	28.11
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	1,689.24	-	-	1,689.24
<b>Total financial assets</b>	<b>718.16</b>	<b>1,689.24</b>	<b>-</b>	<b>-</b>	<b>2,407.40</b>
<b>Financial liabilities</b>					
<b>At Amortized Cost</b>					
Payables	66.35	-	-	-	66.35
Other financial liabilities	129.49	-	-	-	129.49
<b>Total financial liabilities</b>	<b>195.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195.84</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 maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

## 27 Financial risk management

The Company activities expose it to credit risk, liquidity risk and market risk. The Company's risk management is carried out by a Risk department under the policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the other departments.

### A Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company is also exposed to other credit risks arising from investments in debt securities. Credit risk is the one of the largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

1. The maximum exposure to credit risk at the reporting date is primarily from Cash & Cash Equivalents and Bank Fixed Deposit. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high
2. The Company has extended loans to various parties. Credit risk on the loans has been managed by the Company through external credit assessments done, if any, by domestic credit rating agencies and continuously monitoring the credit worthiness of the Company. The Company uses expected credit loss model to assess the impairment loss or gain. Refer note 6 for the same.
3. Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As the Company has a contractual right to such receivables as well as has the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

### B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments to meet payment obligations, when due, under all circumstances.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with practice and limits set by the Company after giving due considerations to internal and external factors that could impact the liquidity position of the Company. Further, since the Company has no external borrowings and has sufficient cash and liquid investments to meet payment obligations, there is low liquidity risk.

### Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2021

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>					
Cash and cash equivalents	6.76	-	-	-	6.76
Bank balance other than cash and cash equivalents above	0.20	281.71	15.50	-	297.41

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Receivables</b>					
(I) Trade receivables	-	36.73	-	-	36.73
(II) Other receivables	-	-	-	-	-
Loans	-	0.22	11.52	23.48	35.21
Investments	2,148.75	123.93	35.28	205.05	2,513.01
Other financial assets	-	14.77	4.36	1.20	20.33
<b>Total assets</b>	<b>2,155.71</b>	<b>457.35</b>	<b>66.66</b>	<b>229.73</b>	<b>2,909.45</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	-	59.53	-	-	59.53
Other financial liabilities	-	110.32	-	-	110.32
<b>Total liabilities</b>	<b>-</b>	<b>169.85</b>	<b>-</b>	<b>-</b>	<b>169.85</b>
<b>Net</b>	<b>2,155.71</b>	<b>287.50</b>	<b>66.66</b>	<b>229.73</b>	<b>2,739.60</b>

**As at March 31, 2020**

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>					
Cash and cash equivalents	193.70	-	-	-	193.70
Bank balance other than cash and cash equivalents above	0.11	201.00	14.30	-	215.41
<b>Receivables</b>					
(I) Trade receivables	-	50.94	-	-	50.94
(II) Other receivables	-	-	-	-	-
Loans	-	0.13	23.35	25.35	48.83
Investments	1,549.58	25.00	139.66	156.17	1,870.41
Other financial assets	-	18.17	5.77	4.17	28.11
<b>Total assets</b>	<b>1,743.39</b>	<b>295.24</b>	<b>183.09</b>	<b>185.69</b>	<b>2,407.40</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	-	66.35	-	-	66.35
Other financial liabilities	-	129.49	-	-	129.49
<b>Total liabilities</b>	<b>-</b>	<b>195.84</b>	<b>-</b>	<b>-</b>	<b>195.84</b>
<b>Net</b>	<b>1,743.39</b>	<b>99.40</b>	<b>183.09</b>	<b>185.69</b>	<b>2,211.56</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 summarizes the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2021	As at March 31, 2020
NAV - Increase 5%	117.48	84.02
NAV - Decrease 5%	(117.48)	(84.02)

**28 Employee share based payments**

**Employee stock option scheme (ESOS) (Equity settled)**

The Company have ESOS 2017 and ESOS 2019 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS :

Particulars	ESOS 2017			ESOS 2019	
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I	ESOS 2019 - II
Date of Grant	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40	278.10
Exercise / Strike Price (₹)	204.25	256.10	202.35	223.32	247.60

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%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%	1.98%
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
Expected Volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%
Weighted Average Fair Value (Rs)	10.82	45.71	38.94	43.06	65.51

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, 2021				
	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Outstanding at the beginning of the year	4,326,199	4,041,009	10,857,959	17,816,872	-
Granted during the year	-	-	-	-	469,772
Exercised during the year	1,835,750	146,255	1,321,990	1,114,683	-
Forfeited during the year	-	-	-	-	-
Lapsed/expired during the year	204,778	326,240	497,514	625,046	-
<b>Outstanding at the end of the year</b>	<b>2,285,671</b>	<b>3,568,514</b>	<b>9,038,455</b>	<b>16,077,143</b>	<b>469,772</b>
Vested and exercisable	1,600,936	1,747,551	1,366,843	3,200,050	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026	June 10,2027
Exercise price	204.25	256.10	202.35	223.32	247.60
Outstanding as at March 31, 2021	2,285,671	3,568,514	9,038,455	16,077,143	469,772
Outstanding as at March 31, 2020	4,326,199	4,041,009	10,857,959	17,816,872	-

#### 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
Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%
Expected dividends	3.09%	3.25%	2.97%	3.22%	1.98%
Expected term (In years)	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%
Exercise price	204.25	256.10	202.35	223.32	247.60
Market price	145.10	253.90	202.35	227.40	278.10
Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026	June 10,2027
Fair value of the option at grant date	10.82	45.71	38.94	43.06	65.51

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

#### Expense arising from share-based payment transactions

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee stock option scheme (equity settled)	38.70	49.23



## 29 Related party transactions

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

(i)	Sr No.	Name of Related Party
	<b>I</b>	<b>Holding Company</b>
	1	Nippon Life Insurance Company (w.e.f 27th September 2019)
	<b>II</b>	<b>Major Investing Party</b>
	1	Nippon Life Insurance Company (upto 27th September 2019)
	2	Reliance Capital Limited (upto 27th September 2019)
	<b>III</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	Mahadevan Veeramony (Appointed w.e.f. 23rd September 2019 upto 1st August 2020)
	4	Akira Shibata
	5	Kazuyuki Saigo (Appointed w.e.f. 8th June 2020)
	6	Ashvin Parekh (Appointed w.e.f. 1st August 2020)
	7	Balasubramanyam Sriram (Appointed w.e.f. 15th March 2021)
	8	Yutaka Ideguchi (Appointed w.e.f. 15th March 2021)
	9	Minoru Kimura (upto 8th June 2020)
	10	Jai Anmol Ambani (upto 23rd May 2019)
	11	Kanu Doshi (upto 23rd September 2019)
	12	S C Tripathi (upto 23rd September 2019)
	<b>IV</b>	<b>Subsidiary</b>
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)
	2	Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)
	3	Nippon Life India AIF Management Limited ( Formerly Reliance AIF Management Company Limited)
	4	Reliance Commodity Plus AIF Scheme - 1 ( w.e.f February 28, 2019, Liquidated on July 31, 2019)*
	<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
	2	Nippon Life Global Investors Americas, Inc.
	3	Reliance General Insurance Company Limited (upto 27th September 2019)
	4	Reliance Nippon Life Insurance Company Limited (upto 27th September 2019)
	5	Reliance Commercial Finance Limited (upto 27th September 2019)
	6	Reliance Securities Limited (upto 27th September 2019)
	7	Reliance Money Solutions Private Limited (upto 27th September 2019)
	<b>VII</b>	<b>Associate of Holding Company</b>
	1	Reliance Nippon Life Insurance Company Limited (w.e.f 27th September 2019)
	<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

\* The above mentioned schemes have been consolidated as per the requirement of IND AS 110. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

**(ii) Transactions during the year with related parties:**

(₹ in crore)

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2020-21		2019-2020	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	-	-	0.09	-
		(ii) Reimbursement of expenses paid	-	-	0.41	-
2	Reliance Capital Limited	(i) Management fees	-	-	3.00	-
		(ii) Reimbursement of expenses paid	-	-	1.04	-
		(iii) Loans and advances to Related Parties	-	-	-	-
3	Sundeep Sikka	((i) Remuneration paid to Sundeep Sikka	5.51	-	7.02	-
4	Ameeta Chatterjee	(i) Sitting fees	0.16	-	0.08	-
5	Mahadevan Veeramony	(i) Sitting fees	0.06	-	0.05	-
6	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.18	-	0.08	-
7	Kanu Doshi	(i) Sitting fees	-	-	0.04	-
8	S C Tripathi	(i) Sitting fees	-	-	0.04	-
9	Ashvin Dhirajlal Parekh	(i) Sitting fees	0.14	-	-	-
10	Nippon Life India AIF Management Limited	(i) Inter corporate deposit given	32.35	-	55.23	-
		(ii) Repayment of inter corporate deposit	46.05	-	68.73	-
		(iii) Interest income	5.10	-	6.24	-
		(iv) Reimbursement for staff on deputation	0.77	-	0.97	-
		(v) Rent Cost	0.60	-	0.67	-
		(vi) Reimbursement of employee retirement benefit	-	-	0.47	-
		(vii) ESOP related expenses	1.67	-	2.13	-
		(viii) Inter corporate deposit	-	35.00	-	48.70
		(ix) Receivable for staff deputation	-	0.07	-	0.06
11	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.10	-	0.11	-
		(ii) Recovery of employee retirement benefit	-	-	0.22	-
12	Nippon Life India Asset Management (Singapore) Pte. Ltd.	(i) Advisory Fees	7.99	-	9.30	-
		(ii) Offshore advisory fee receivable	-	0.36	-	0.61
13	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	5.79	-	3.99	-
		(ii) Reimbursement of expenses paid	0.30	-	0.87	-
		(iii) payment of funded gratuity	3.70	-	4.50	-
		(iv) Advance towards insurance policies	-	0.05	-	0.02

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2020-21		2019-2020	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
14	Reliance Securities Limited	(i) Repayment of inter corporate deposit	-	-	-	-
		(ii) Interest income	-	-	-	-
		(iii) Brokerage	-	-	0.40	-
		(iv) Inter corporate deposit given	-	-	-	-
		(v) Inter corporate deposits receivable	-	-	-	-
15	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	-	-	5.95	-
		(ii) Reimbursement of expenses paid	-	-	-	-
		(iii) Advance towards insurance availed	-	-	-	-
16	Nissay Asset Management Ltd	(i) Advisory Fees Income	13.86	-	18.48	-
		(ii) Offshore Advisory fee paid	0.28	-	0.09	-
		(iii) Offshore advisory fees charges	-	-	-	-
		(iv) Reimbursement for Expenses	-	-	-	-
		(v) Advisory Fee Receivable	-	0.55	-	0.76
		(vi) Off shore fees payable	-	-	-	2.23
17	Nippon Life Global Investors Americas, Inc.	(i) Reimbursement of expenses paid	-	-	0.14	-
18	CMT IT Services	(i) Charges for IT Related services	0.51	-	-	-
19	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	-	-	0.00	-

Note: Above figures are excluding GST

### 30 Lease

#### Right to use of asset

(₹ in crore)

Particulars	Property	Motor Vehicles	Total
<b>As at 1 April 2019</b>			
Opening (Transition to IND AS 116)	73.18	-	73.18
Additions	20.79	0.71	21.50
Depreciation expense	(23.61)	(0.07)	(23.68)
<b>As at 31 March 2020</b>	<b>70.36</b>	<b>0.64</b>	<b>71.00</b>
Additions	3.63	-	3.63
Deletion	(12.32)	-	(12.32)
Depreciation expense	(21.74)	(0.18)	(21.92)
<b>As at 31 March 2021</b>	<b>39.93</b>	<b>0.46</b>	<b>40.39</b>

**Lease liability**

(₹ in crore)

Particulars	Amount
<b>As at 1 April 2019</b>	
Opening (Transition to IND AS 116)	79.82
Additions (net)	21.51
Accretion of interest	5.58
Payments	(27.02)
<b>As at 31 March 2020</b>	<b>79.89</b>
Additions / deletion (net)	(8.69)
Accretion of interest	4.37
Payments	(25.10)
<b>As at 31 March 2021</b>	<b>50.47</b>

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	21.92	23.68
Interest expense on lease liabilities	4.37	5.58
Expense relating to short-term leases (included in other expenses)	0.85	0.84
<b>Total amount recognised in profit or loss</b>	<b>27.14</b>	<b>30.10</b>

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only

**31 Dividend during the year**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Dividend during the year</b>		
Dividends on ordinary shares:		
Interim dividend for FY 2018-19: 3 per share	-	183.60
Final dividend for FY 2019-20: 1 per share	122.42	-
Interim dividend for FY 2020-21: 3 per share (FY 2019-20: 3 per share)	183.90	183.61
Dividend Distribution tax on the above	-	75.48
<b>Total dividends paid</b>	<b>306.32</b>	<b>259.09</b>
<b>B. Proposed (not recognised as a liability)</b>		
Dividend on ordinary shares:		
Final dividend for FY 2020-21: 5 per share (FY 2019-20: 2 per share)	308.25	122.42

\*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, 2021	Year ended March 31, 2020
Net profit after tax available for equity Shareholders (Rs in crores)	649.39	412.30
Weighted average number of equity shares	616,504,767	612,111,867

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share	10.53	6.74
Effect of outstanding stock options	(0.13)	(0.09)
Diluted earnings per share	10.41	6.65

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, 2021	Year ended March 31, 2020
Weighted average number of shares for computation of Basic EPS	616,504,767	612,111,867
Dilutive effect of outstanding stock options	7,593,159	8,354,211
Weighted average number of shares for computation of Diluted EPS	624,097,926	620,466,078

33 Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims not acknowledged as debts in respect of:</b>		
- Guarantees to banks and financial institutions	10.13	11.00
- Claims against Company not acknowledged as debt	2.20	1.42

34 Capital commitments

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	5.60	1.05

35 Expenditure in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Travelling Expenses	0.09	0.59
Legal & Professional Fees	1.52	3.06
Salary and benefits	2.13	3.03
Other expenses	2.76	0.56
<b>Total</b>	<b>6.49</b>	<b>7.24</b>

Earning in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 20
Advisory fees	21.79	28.97
<b>Total</b>	<b>21.79</b>	<b>28.97</b>

36 The details of utilization of IPO proceeds Rs. 588.85 crore (net of IPO related expenses) are as follows:

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilized upto March 31, 2021	Unutilized amount as of March 31, 2021
Setting up new branches and relocating certain existing branches	38.31	4.62	33.69
Upgrading the IT system	40.65	40.65	-
Advertising, marketing and brand building activities	72.09	51.84	20.25
Lending to our Subsidiary (Nippon Life India AIF Management Limited) for investment of continuing interest in the new AIF schemes managed by Nippon Life India AIF Management Limited	125.00	62.33	62.67
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>307.24</b>	<b>281.61</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 The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

In preparing the accompanying financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2021. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

### 38 Events occurring after the reporting period

The Board of Directors have proposed final dividend of Rs. 5/- per equity share of Rs. 10/- each, for the financial year 2020-21. This is in addition to the interim dividend of Rs. 3/- per equity share declared by the Board of Directors on January 27, 2021.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**  
Partner  
Membership Number : 102102

Mumbai, April 27, 2021

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**  
**(Formerly Reliance Nippon Life Asset Management Limited)**

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**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 an associate comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and an associate as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. 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</b> (as described in Note 19 of the consolidated Ind AS financial statements)	
<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 ₹ 1019.88 crore</li> <li>- Portfolio Management Services ₹ 42.26 crore</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 recognized during the year:</p> <ul style="list-style-type: none"> <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>• on a sample basis, we agreed key inputs into the IT systems back to contracts, and re-performed calculations involving manual processes. 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</b> (as described in Note 2.5 of the consolidated Ind AS financial statements)	
<p>The Company's balance sheet as at March 31, 2021 includes ₹ 240 crores of Asset Management Rights, representing 7.08% 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> <li>• Read and assessed the specific disclosures made in the financial statements with regards to managements evaluation of the uncertainties arising from COVID-19.</li> </ul>

### 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, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis, Annual Return, Report on CSR activities, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including an associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of an associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of an associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of an associate are responsible for assessing the ability of the Group and of an associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of an associate are also responsible for overseeing the financial reporting process of the Group and of an associate

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and an associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and an associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and an associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **OTHER MATTER**

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of Rs 64.15 crore as at March 31, 2021, and total revenues of Rs 34.36 crore and net cash inflows of Rs 1.99 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.0.94 crore for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of an 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 these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143(3) of the Act, [based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and an associate, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and an associate, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and an associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and an associate in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;
  - ii. The Group and an associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and an associate, incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005  
**per Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 21102102AAAAHA5873

Place of Signature: Mumbai  
Date: April 27, 2021

## **Annexure 1 to the independent auditor's report of even date on the consolidated IND as financial statements of Nippon Life India Asset Management Limited**

### **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 as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Nippon Life India Asset Management Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, and its associate company, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary company, and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such associate company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 27, 2021

# Consolidated Statement of Assets and Liabilities

as at March 31, 2021

(₹ in crore)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	18.78	203.54
Bank balance other than cash and cash equivalents above	4	341.83	259.80
Receivables			
(I) Trade receivables	5A	45.86	59.30
(II) Other receivables	5B	0.04	-
Loans	6	0.73	0.86
Investments	7	2,549.95	1,884.56
Other financial assets	8	20.39	28.15
<b>Sub-total - Financial assets</b>		<b>2,977.58</b>	<b>2,436.21</b>
<b>Non-financial assets</b>			
Income tax assets (net)	9	35.21	18.57
Deferred tax assets (Net)		-	0.67
Property, plant and equipment	10	10.79	9.18
Capital work-in-progress		1.31	2.00
Other intangible assets	11	289.96	314.43
Other non-financial assets	12	77.38	99.77
<b>Sub-total - Non Financial assets</b>		<b>414.65</b>	<b>444.62</b>
<b>Total assets</b>		<b>3,392.23</b>	<b>2,880.83</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	13	62.87	67.68
Other financial liabilities	14	119.53	138.64
<b>Sub-total - financial liabilities</b>		<b>182.40</b>	<b>206.32</b>
<b>Non-financial Liabilities</b>			
Provisions	15	23.41	39.26
Deferred tax liabilities (net)	23	39.55	-
Other non-financial liabilities	16	46.01	42.20
<b>Sub-total - Non financial liabilities</b>		<b>108.97</b>	<b>81.46</b>
Share Application money pending Allotment		0.53	-
<b>EQUITY</b>			
Equity share capital	17	616.50	612.11
Other equity	18	2,483.83	1,980.94
<b>Total equity</b>		<b>3,100.33</b>	<b>2,593.05</b>
<b>Total liabilities and equity</b>		<b>3,392.23</b>	<b>2,880.83</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

Mumbai, April 27, 2021

For and on behalf of the Board of Directors of

**Nippon Life India Asset Management Limited**

**(Formerly Reliance Nippon Life Asset Management Limited)**

**Sundeep Sikka**

Executive Director & CEO

DIN No. 02553654

**Prateek Jain**

Chief Financial Officer

**Ashvin Parekh**

Director

DIN No. 06559989

**Ajay Patel**

Manager

**Nilufer Shekhawat**

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	19	1,062.14	1,202.98
Other income	20	357.20	(9.77)
<b>Total income</b>		<b>1,419.34</b>	<b>1,193.21</b>
<b>Expenses</b>			
Finance costs		4.43	5.67
Fee and commission expenses		43.23	70.46
Employee benefits expenses	21	271.33	302.35
Depreciation, amortization and impairment	10 & 11	33.27	33.25
Others expenses	22	190.06	221.67
<b>Total expenses</b>		<b>542.32</b>	<b>633.40</b>
<b>Profit before tax</b>		<b>877.02</b>	<b>559.81</b>
<b>Income tax expense:</b>			
- Current tax	23	157.41	142.36
- Deferred tax	23	40.22	1.69
<b>Total tax expense</b>		<b>197.63</b>	<b>144.05</b>
<b>Profit for the year</b>		<b>679.39</b>	<b>415.76</b>
<b>Share of profit / (loss) in associate</b>		<b>0.94</b>	<b>(0.51)</b>
<b>Net profit after tax and share of profit in associate</b>		<b>680.33</b>	<b>415.25</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		0.96	(3.20)
- Income tax relating to these items		(0.24)	0.80
<b>Other comprehensive income / (loss) for the year</b>		<b>0.72</b>	<b>(2.40)</b>
<b>Total comprehensive income for the year</b>		<b>681.05</b>	<b>412.85</b>
<b>Earnings per equity share</b>			
- Basic (Rs.)	35	11.04	6.78
- Diluted (Rs.)		10.90	6.69

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**  
(Formerly Reliance Nippon Life Asset Management Limited)

**per Shrawan Jalan**  
Partner  
Membership Number : 102102

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

Mumbai, April 27, 2021

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Nilufer Shekhawat**  
Company Secretary

# Consolidated Statement of Cash Flow

for the period ended March 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before tax:</b>	<b>877.02</b>	<b>559.81</b>
Adjustments :		
Depreciation and amortization	33.27	33.25
Finance cost	4.43	5.67
Net (gain) / loss on sale of property, plant and equipments	0.52	-
Provision / (Reversal) for ECL on Inter Corporate Deposits	0.02	(9.31)
foreign currency transactions and translations	(0.20)	3.40
Remeasurement of defined benefit obligations	0.72	(2.39)
Employee share based payments	40.37	51.36
(Profit) / Loss on sale / fair value of Investments (net)	(88.36)	27.29
Fair Value (Gain) / Loss on Investments	(238.47)	58.77
Dividend income	(1.07)	(9.66)
Interest income	(28.55)	(65.90)
<b>Operating profit before working capital changes</b>	<b>599.70</b>	<b>652.29</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Trade receivables	13.40	43.27
Other financial assets	(0.22)	12.11
Other Non-financial assets	22.39	47.85
Loans and advances to employees	0.06	0.06
Capital work-in-progress	0.69	(1.30)
<b>Adjustments for increase/ (decrease) in operating liabilities</b>		
Trade payables	(4.81)	20.31
Other financial liabilities	10.85	(3.40)
Provisions	(15.85)	(4.21)
Other Non-financial liabilities	3.81	(12.15)
<b>Cash generated from operations</b>	<b>630.01</b>	<b>754.83</b>
Less : Income taxes paid (net of refunds)	174.05	149.88
<b>Net cash inflow from operating activities</b>	<b>455.96</b>	<b>604.95</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	36.53	81.06
Dividend received	1.07	9.66
Sales proceeds from disposal of property, plant and equipments	0.05	0.03
Purchase of investments	(2,681.70)	(4,013.40)
Sale of investments	2,344.09	3,332.25
Proceeds from maturity of Fixed deposits placed with financial institution	(82.03)	252.95
Inter corporate deposit repayment	0.05	380.00
Inter corporate deposit given	-	(2.00)



# Consolidated Statement of Cash Flow

for the period ended March 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of property, plant and equipments and Intangible assets	(19.67)	(4.04)
<b>Net cash outflow from investing activities</b>	<b>(401.61)</b>	<b>36.51</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issuance of Share Capital	92.37	2.43
Principal Element of Lease Payments	(21.27)	(22.02)
Interest Element of Lease Payments	(4.43)	(5.67)
Share Application money pending Allotment	0.53	-
Dividend paid (including dividend distribution tax)	(306.32)	(442.69)
<b>Net cash outflow from financing activities</b>	<b>(239.12)</b>	<b>(467.95)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>(184.76)</b>	<b>173.51</b>
Add : Cash and cash equivalents at the beginning of the year	203.54	30.03
<b>Cash and cash equivalents at the end of the year</b>	<b>18.78</b>	<b>203.54</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**  
(Formerly Reliance Nippon Life 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 27, 2021

**Nilufer Shekhawat**  
Company Secretary

# Consolidated Statement of changes in equity

for the period ended March 31, 2021

## A. Equity share capital

(₹ in crore)

Particulars	Number	Amount
As at March 31, 2020	612,111,867	612.11
As at March 31, 2021	616,504,767	616.50

## 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, 2019</b>	574.10	96.52	1,231.21	40.41	12.71	6.10	(3.03)	<b>1,958.02</b>
Profit for the year	-	-	415.25	-	-	-	-	415.25
Other comprehensive income	-	-	-	-	-	-	(2.40)	(2.40)
<b>Total comprehensive income for the year</b>	-	-	<b>415.25</b>	-	-	-	<b>(2.40)</b>	<b>412.85</b>
- changes during the year	-	-	-	3.41	-	-	-	3.41
Stock option expense for the year	-	-	-	-	51.36	-	-	51.36
Options lapsed during the year	-	0.47	-	-	(0.47)	-	-	(0.00)
- Interim dividend on equity shares	-	-	(367.21)	-	-	-	-	(367.21)
- Tax on dividend	-	-	(75.48)	-	-	-	-	(75.48)
- Leases opening effect	-	-	(4.32)	-	-	-	-	(4.32)
Fresh issue of equity shares	2.47	-	-	-	(0.15)	-	-	2.32
<b>As at March 31, 2020</b>	<b>576.57</b>	<b>96.98</b>	<b>1,199.45</b>	<b>43.82</b>	<b>63.45</b>	<b>6.10</b>	<b>(5.43)</b>	<b>1,980.94</b>
Profit for the year	-	-	680.33	-	-	-	-	680.33
Other comprehensive income	-	-	-	-	-	-	0.72	0.72
<b>Total comprehensive income for the year</b>	-	-	<b>680.33</b>	-	-	-	<b>0.72</b>	<b>681.05</b>
- Share based payments:								
Stock option expense for the year	-	-	-	-	40.37	-	-	40.37
Options lapsed during the year	-	0.94	-	-	(0.94)	-	-	-
- changes during the year	-	-	-	(0.20)	-	-	-	(0.20)
- Interim dividend on equity shares	-	-	(306.32)	-	-	-	-	(306.32)
Fresh issue of equity shares	99.61	-	-	-	(11.62)	-	-	87.99
<b>As at March 31, 2021</b>	<b>676.18</b>	<b>97.92</b>	<b>1,573.46</b>	<b>43.62</b>	<b>91.26</b>	<b>6.10</b>	<b>(4.71)</b>	<b>2,483.83</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

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**  
(Formerly Reliance Nippon Life Asset Management Limited)

**per Shrawan Jalan**  
Partner  
Membership Number : 102102

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Ashvin Parekh**  
Director  
DIN No. 06559989

Mumbai, April 27, 2021

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Nilufer Shekhawat**  
Company Secretary

# Significant Accounting Policies and Notes to Accounts

to the Consolidated Financial Statement for the year ended March 31, 2021

(Currency : Indian Rupees)

## 1 CORPORATE INFORMATION

Nippon Life India Asset Management Limited ('the Company') was incorporated on February 24, 1995.

The Company together with its subsidiaries (collectively, the Group) is primarily engaged as an investment manager to Nippon India Mutual Fund (Formerly Reliance Mutual Fund) ('the Fund') and to provide Portfolio Management Services ('PMS') and advisory services to clients under Securities and Exchange Board of India (SEBI) Regulations. The Company is registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.

The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on November 6, 2017.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis Of Preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities (including derivatives instruments).
- b. Defined benefit plans – plan assets and
- c. Equity Settled share based payments

### 2.2 Basis of consolidation

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate. Control exists when the parent has power over the entity, is exposed or has rights, to variable

returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the group companies are consolidated on line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

### 2.3 Property Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant & Equipment which are significant to total cost of that item of Property plant & Equipment and having different useful life are accounted separately

#### Depreciation methods, estimated useful lives & residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
IT Equipments - Computers & printers	3 years
Vehicles	8 years

Leasehold improvements are amortized over the primary period of the lease on straight-line basis or useful life of asset, whichever is lower

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

## 2.4 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized 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 recognized in the statement of profit and loss when the asset is derecognized.

Acquisition of rights to manage and administer the schemes of Goldman Sachs Mutual Fund have been stated at cost net of impairment losses, if any.

## 2.5 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An

impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## 2.6 Leases

### As a lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes 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 recognizes 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 recognized, 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 recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 2.7 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Executive Director who has been identified as the Chief Operating Decisions Maker.

## 2.8 Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit and Loss are also recognized in Other Comprehensive Income or Statement of Profit and Loss, respectively).

## 2.9 Financial Assets

### A. Initial Recognition and Measurement

All Financial Assets are initially recognized at

fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

### B. Subsequent Measurement

Financial Assets measured at Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets measures at Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

### C. Equity instruments

All equity investments are measured at fair value with value changes recognized in consolidated statement of profit and loss, except for those equity investments for which the group has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### D. Impairment of Financial Asset

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an expense in the statement of profit or loss.

#### 2.10 Financial Liabilities

##### A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing/, net of directly attributable cost. Fees of recurring nature are directly recognized in the statement of profit and loss as finance cost.

##### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

#### 2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115

#### 2.12 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

- (i) Investment Management Fees (net of tax)  
Investment Management fees are recognized on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) schemes.
- (ii) Advisory Fees (net of tax)  
Advisory fees are recognized 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 recognized on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.
- (iv) Interest income  
Interest income is recognized using the effective interest rate
- (v) Dividend income  
Dividend income is recognized in the statement of profit or loss on the date that the Company's right

to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

#### 2.13 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized 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 is recognized 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 realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### 2.14 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

#### 2.15 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognized over the lock in period for investment in the schemes.

#### 2.16 Fund expenses

Expenses incurred on behalf of schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are recognized in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of

SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Nippon India Mutual Fund (Formerly Reliance Mutual Fund) are charged to the statement of profit and loss under respective heads. Distribution cost is recognized over the lock in period for investment in the schemes.

#### 2.17 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### 2.18 Provisions

Provisions are recognized 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 recognized as a finance cost.

#### 2.19 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 recognized as an expense during the period when the employees render the service.

##### (ii) Post-employment obligations

###### Defined contribution plans

The Company recognizes 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 recognized 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 recognized as an asset.

###### Defined benefit plans

The liability or asset recognized in the balance

sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### (iii) Other long-term employee benefit obligations

#### Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

#### Phantom shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the

obligation under such plan is determined based on actuarial valuation.

## 2.20 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 recognized in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefit Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

## 2.21 Earnings per share

### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

### b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.22 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.



# Notes to consolidated financial statement

for the period ended March 31, 2021

## 3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	1.60	1.65
Balances with banks:		
In current accounts	17.18	13.48
Deposits with original maturity of less than 3 months	-	188.41
<b>Total</b>	<b>18.78</b>	<b>203.54</b>

## 4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	0.20	0.11
In deposit accounts		
Term deposits against the bank guarantee	15.60	14.39
Other term deposits	326.03	245.30
<b>Total</b>	<b>341.83</b>	<b>259.80</b>

## 5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - secured	-	-
Receivables considered good - unsecured	45.86	59.30
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
(less): Allowance for impairment loss	-	-
<b>Total</b>	<b>45.86</b>	<b>59.30</b>

## 5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - secured	-	-
Receivables considered good - unsecured	0.04	-
(less): Allowance for impairment loss	-	-
<b>Total</b>	<b>0.04</b>	<b>-</b>

**6. Loans**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortized cost</b>		
<b>Term loans (unsecured)</b>		
Loans and advances to employees	0.19	0.25
Loans and advances others	1.95	2.00
<b>Total (A) - Gross</b>	<b>2.14</b>	<b>2.25</b>
(Less): Impairment loss allowance	(1.41)	(1.39)
<b>Total (A) - Net</b>	<b>0.73</b>	<b>0.86</b>
Secured by property, plant and equipments	-	-
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	2.14	2.25
<b>Total (B) - Gross</b>	<b>2.14</b>	<b>2.25</b>
(Less): Impairment loss allowance	(1.41)	(1.39)
<b>Total (B) - Net</b>	<b>0.73</b>	<b>0.86</b>
<b>Loans in India</b>		
- Public sector	-	-
- Others	2.14	2.25
<b>Total (C) - Gross</b>	<b>2.14</b>	<b>2.25</b>
(Less): Impairment loss allowance	(1.41)	(1.39)
<b>Total (C) - Net</b>	<b>0.73</b>	<b>0.86</b>

**Recociliation of ECL balance**

(₹ in crore)

Particulars	Year ended March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	-	1.39	-	1.39
New assets originated / change in inputs to ECL model	-	0.02	-	0.02
Assets derecognized or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>1.41</b>	<b>-</b>	<b>1.41</b>

(₹ in crore)

Particulars	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.93	9.77	-	10.70
New assets originated / change in inputs to ECL model	-	1.39	-	1.39
Assets derecognized or repaid	(0.93)	(9.77)	-	(10.70)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	-	<b>1.39</b>	-	<b>1.39</b>

7. Investments

(₹ in crore)

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
<b>As at March 31, 2021</b>					
Mutual funds	-	-	2,349.60	2,349.60	2,349.60
Debt securities	109.86	-	-	-	109.86
Equity Shares	-	-	0.05	0.05	0.05
Associates	13.20	-	-	-	13.20
Others	-	-	77.24	77.24	77.24
<b>Total (A) - Gross</b>	<b>123.06</b>	-	<b>2,426.89</b>	<b>2,426.89</b>	<b>2,549.95</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (A) - Net</b>	<b>123.06</b>	-	<b>2,426.89</b>	<b>2,426.89</b>	<b>2,549.95</b>
Investments outside India	-	-	-	-	-
Investments in India	123.06	-	2,426.89	2,426.89	2,549.95
<b>Total (B) - Gross</b>	<b>123.06</b>	-	<b>2,426.89</b>	<b>2,426.89</b>	<b>2,549.95</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (B) - Net</b>	<b>123.06</b>	-	<b>2,426.89</b>	<b>2,426.89</b>	<b>2,549.95</b>
<b>As at March 31, 2020</b>					
Mutual funds	-	-	1,680.38	1,680.38	1,680.38
Debt securities	135.02	-	-	-	135.02
Equity Shares	-	-	0.05	0.05	0.05
Associates	12.25	-	-	-	12.25
Others	-	-	56.86	56.86	56.86
<b>Total (A) - Gross</b>	<b>147.27</b>	-	<b>1,737.29</b>	<b>1,737.29</b>	<b>1,884.56</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (A) - Net</b>	<b>147.27</b>	-	<b>1,737.29</b>	<b>1,737.29</b>	<b>1,884.56</b>
Investments outside India	-	-	-	-	-
Investments in India	147.27	-	1,737.29	1,737.29	1,884.56

Particulars	At amortized cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
<b>Total (B) - Gross</b>	<b>147.27</b>	-	<b>1,737.29</b>	<b>1,737.29</b>	<b>1,884.56</b>
(Less): Impairment loss allowance	-	-	-	-	-
<b>Total (B) - Net</b>	<b>147.27</b>	-	<b>1,737.29</b>	<b>1,737.29</b>	<b>1,884.56</b>

#### 8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	10.03	10.54
Interest accrued on loans	0.14	0.14
Interest accrued on others	6.84	14.82
Accrued Fee Income	1.58	1.87
Units pending Allotment	0.50	-
Others	1.30	0.78
<b>Total</b>	<b>20.39</b>	<b>28.15</b>

#### 9. Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax paid in advance (net of provision)	35.21	18.57
<b>Total</b>	<b>35.21</b>	<b>18.57</b>

#### 10 Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Cost as at April 1, 2019	29.93	1.42	10.37	2.84	18.50	63.06
Additions	2.82	-	0.52	0.11	0.18	3.63
Less: Disposals and transfers	0.11	0.03	0.26	0.17	0.51	1.08
<b>Closing gross carrying amount</b>	<b>32.64</b>	<b>1.39</b>	<b>10.63</b>	<b>2.78</b>	<b>18.17</b>	<b>65.61</b>
<b>Accumulated depreciation</b>						
<b>Opening accumulated depreciation</b>	<b>24.93</b>	<b>1.29</b>	<b>8.26</b>	<b>2.32</b>	<b>13.73</b>	<b>50.53</b>
Depreciation charge during the year	3.26	0.04	0.80	0.09	2.76	6.95
Less: Disposals and transfers	0.11	0.03	0.25	0.17	0.49	1.05
<b>Closing accumulated depreciation</b>	<b>28.08</b>	<b>1.30</b>	<b>8.81</b>	<b>2.24</b>	<b>16.00</b>	<b>56.43</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>4.56</b>	<b>0.09</b>	<b>1.82</b>	<b>0.54</b>	<b>2.17</b>	<b>9.18</b>
<b>Year ended March 31, 2021</b>						

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
<b>Gross carrying amount</b>						
Cost as at April 1, 2020	32.64	1.39	10.63	2.78	18.17	65.61
Additions	6.74	1.86	0.57	0.05	-	9.22
Less: Disposals and transfers	18.94	-	6.75	1.94	6.68	34.31
<b>Closing gross carrying amount</b>	<b>20.44</b>	<b>3.25</b>	<b>4.45</b>	<b>0.89</b>	<b>11.49</b>	<b>40.52</b>
<b>Accumulated depreciation</b>						
<b>Opening accumulated depreciation</b>	<b>28.08</b>	<b>1.30</b>	<b>8.81</b>	<b>2.24</b>	<b>16.00</b>	<b>56.43</b>
Depreciation charge during the year	4.23	0.06	0.75	0.08	1.92	7.04
Less: Disposals and transfers	18.59	-	6.59	1.89	6.67	33.74
<b>Closing accumulated depreciation</b>	<b>13.72</b>	<b>1.36</b>	<b>2.97</b>	<b>0.43</b>	<b>11.25</b>	<b>29.73</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>6.72</b>	<b>1.89</b>	<b>1.48</b>	<b>0.46</b>	<b>0.24</b>	<b>10.79</b>

11 Intangible assets

(₹ in crore)

Particulars	Right-of-use assets	Computer software / Licensing cost	Asset management rights	Total
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
Cost as at April 1, 2019	-	18.94	250.14	269.08
Transition to IND AS 116	75.23	-	-	75.23
Additions	21.50	0.41	-	21.92
Less: Disposals and transfers	-	-	-	-
<b>Closing gross carrying amount</b>	<b>96.73</b>	<b>19.35</b>	<b>250.14</b>	<b>366.23</b>
<b>Accumulated amortization</b>				
<b>Opening accumulated amortization</b>	<b>-</b>	<b>15.36</b>	<b>10.14</b>	<b>25.50</b>
Amortization during the year	24.25	2.05	-	26.30
Less: Disposals and transfers	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>24.25</b>	<b>17.41</b>	<b>10.14</b>	<b>51.80</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>72.48</b>	<b>1.94</b>	<b>240.00</b>	<b>314.43</b>
<b>Year ended March 31, 2021</b>				
<b>Gross carrying amount</b>				
Cost as at April 1, 2020	96.73	19.35	250.14	366.22
Additions	3.63	10.44	-	14.07
Less: Disposals and transfers	30.67	3.10	-	33.77
<b>Closing gross carrying amount</b>	<b>69.69</b>	<b>26.69</b>	<b>250.14</b>	<b>346.52</b>
<b>Accumulated amortization</b>				
<b>Opening accumulated amortization</b>	<b>24.25</b>	<b>17.41</b>	<b>10.14</b>	<b>51.80</b>
Amortization during the year	22.52	3.71	-	26.23
Less: Disposals and transfers	18.36	3.11	-	21.46
<b>Closing accumulated depreciation</b>	<b>28.41</b>	<b>18.01</b>	<b>10.14</b>	<b>56.56</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>41.28</b>	<b>8.68</b>	<b>240.00</b>	<b>289.96</b>

**12 Other non-financial asset**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to vendors	8.90	12.95
GST Input tax credit	15.69	51.82
Prepaid expenses	52.13	35.00
Others	0.66	-
<b>Total</b>	<b>77.38</b>	<b>99.77</b>

**13 Trade payable**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	62.87	67.68
<b>Total</b>	<b>62.87</b>	<b>67.68</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:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

**14 Other financial liability**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables	67.86	57.10
Unclaimed dividend	0.20	0.11
Lease liability	51.47	81.43
<b>Total</b>	<b>119.53</b>	<b>138.64</b>

15 Provisions

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee benefits</b>		
Leave encashment	2.98	3.29
Gratuity	-	1.30
Phantom Shares	11.73	31.33
Compensated Absence Cost	8.70	3.34
<b>Total</b>	<b>23.41</b>	<b>39.26</b>

16 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	7.32	11.21
Statutory dues	38.69	30.99
<b>Total</b>	<b>46.01</b>	<b>42.20</b>

17 Equity share capital

(₹ in crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
<b>Authorized shares</b>				
Equity shares of Rs. 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00
Preference shares of Rs. 100 each	3,000,000	3.00	3,000,000	3.00
<b>Issued, subscribed &amp; fully paid-up shares</b>				
Equity shares of Rs. 10 each	616,504,767	616.50	612,111,867	612.11
<b>Total</b>	<b>616,504,767</b>	<b>616.50</b>	<b>612,111,867</b>	<b>612.11</b>

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares

(₹ in crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Outstanding at the beginning of the year	612,111,867	612.11	612,000,000	612.00
Stock options exercised under the ESOS	4,392,900	4.39	111,867	0.11
<b>Outstanding at the end of the year</b>	<b>616,504,767</b>	<b>616.50</b>	<b>612,111,867</b>	<b>612.11</b>

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The dividend proposed by the Board of Directors is subject to the approval of Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

**c) Shares reserved for issue under options**

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 28.

**d) Details of Shareholders holding more than 5% of the shares in the Company**

Equity Shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Nippon Life Insurance Company	459,028,095	74.46	459,028,095	74.99

\* Including shares held jointly with nominee Shareholders

**18 Other Equity**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account	676.18	576.57
General reserve	97.92	96.98
Surplus in the statement of profit and loss	1,573.46	1,199.45
Share based options outstanding account	91.26	63.45
Foreign currency translation reserve	43.62	43.82
Other comprehensive income	1.39	0.67
<b>Total</b>	<b>2,483.83</b>	<b>1,980.94</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities premium account</b>		
Opening balance	576.57	574.10
Add/(Less) : Changes during the year		
Fresh issue of equity shares	99.61	2.47
<b>Closing balance</b>	<b>676.18</b>	<b>576.57</b>
<b>General reserve</b>		
Opening balance	96.98	96.52
Add/(Less) : Changes during the year		
Share based options outstanding account	0.94	0.47
<b>Closing balance</b>	<b>97.92</b>	<b>96.98</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening balance	1,199.45	1,231.21
Net profit for the period	680.33	415.25
Dividends:		
Interim dividend on equity shares	(306.32)	(367.21)
Tax on dividend (net of refund)	-	(75.48)
Leases opening effect	-	(4.32)
<b>Closing balance</b>	<b>1,573.46</b>	<b>1,199.45</b>
<b>Share based options outstanding account</b>		
Opening balance	63.45	12.71
Add: Stock option expense for the year	40.37	51.36
Less: Transferred to General Reserve	(0.94)	(0.47)
Less: Fresh issue of equity shares	(11.62)	(0.15)
<b>Closing balance</b>	<b>91.26</b>	<b>63.45</b>



Particulars	As at March 31, 2021	As at March 31, 2020
<b>Foreign currency translation reserve</b>		
Opening balance	43.82	40.41
Add/(Less) : Changes during the year	(0.20)	3.41
<b>Closing balance</b>	<b>43.62</b>	<b>43.82</b>

**Other Comprehensive Income**

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
<b>As at April 01, 2019</b>	<b>6.10</b>	<b>(3.03)</b>	<b>3.07</b>
Remeasurements of post-employment benefit obligations	-	(3.20)	(3.20)
Deferred tax	-	0.80	0.80
<b>As at March 31, 2020</b>	<b>6.10</b>	<b>(5.43)</b>	<b>0.67</b>
Remeasurements of post-employment benefit obligations	-	0.96	0.96
Deferred tax	-	(0.24)	(0.24)
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>(4.71)</b>	<b>1.39</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 utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**b) General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**c) Share based options outstanding account**

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under share based payments arrangement over the vesting period.

**19 Revenue from operations**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Management Fees	1,019.88	1,163.58
Portfolio Management Fees (including advisory fees)	42.26	39.40
<b>Total</b>	<b>1,062.14</b>	<b>1,202.98</b>

**20 Other Income**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	28.55	65.90
Dividend income	1.07	9.66
Gain on sale of Investment	326.83	(86.06)
Miscellaneous income	0.75	0.73
<b>Total</b>	<b>357.20</b>	<b>(9.77)</b>

**21 Employee benefits expenses**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	218.23	234.15
Contribution to provident and other funds	11.41	11.82
Employee stock option scheme	40.37	51.36
Staff welfare expenses	1.32	5.02
<b>Total</b>	<b>271.33</b>	<b>302.35</b>

**22 Other expenses**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Marketing, advertisement and publicity	24.23	53.59
Outsourced business service	38.48	45.37
Legal and Professional charges	22.15	24.95
Information technology	48.79	25.33
Rent	0.90	0.93
Communication Costs	7.02	10.21
Office administration	12.75	14.43
Conveyance and travelling	0.79	13.21
Corporate Social Responsibility	13.46	13.44
Rates, taxes and energy costs	0.36	1.83
Repairs and maintenance	3.17	7.08
Filing fees and stamp duty	1.33	5.19
Seminar and training	0.38	2.33
Membership and subscription	5.00	3.92
Insurance	5.56	3.40
Printing and stationery	0.74	2.78
Director's fees allowances and expenses	0.64	0.43
Auditor's fees and expenses	0.68	0.65
Net loss on foreign currency transactions and translations	0.34	(0.56)
Expected credit loss (ECL)	0.02	(9.31)
Miscellaneous expenses	3.27	2.47
<b>Total</b>	<b>190.06</b>	<b>221.67</b>

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	0.51	0.45
Certification matters	0.10	0.18
Other matters	0.06	0.01
Out of pocket expenses	0.01	0.01
<b>Total</b>	<b>0.68</b>	<b>0.65</b>

b) Contribution for corporate social responsibility (CSR)

CSR amount required to be spent as per section 135 of the companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 13.44 Crore (Previous Year Rs. 13.27 Crore). Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is Rs. 13.46 Crore (previous year Rs. 13.44 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
<b>(ii) On purposes other than (i) above</b>		
PM Cares Fund	9.66	-
Promoting healthcare including preventive healthcare	-	5.94
Promoting education, enhancing Vocational Skills	-	1.50
Armed Forces Welfare	2.50	1.00
Training for Sports	1.30	3.00
Prime Minister Relief Fund	-	1.00
Infrastructure & Rural Development	-	1.00
<b>Total</b>	<b>13.46</b>	<b>13.44</b>

23 Income tax

a) The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	162.63	147.58
Adjustment in respect of current income tax of prior years	(5.22)	(5.22)
Deferred tax	40.22	1.69
<b>Total</b>	<b>197.63</b>	<b>144.05</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 crore)

Particulars	As at March 31, 2019	Charged/ credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
<b>Deferred tax liability :</b>				
FVTPL of financial instruments	14.23	(4.45)	-	9.78
Brokerage	15.84	(4.80)	-	11.03
<b>Total (a)</b>	<b>30.07</b>	<b>(9.25)</b>	<b>-</b>	<b>20.81</b>
<b>Deferred tax asset :</b>				
Property, plant and equipment	7.46	(1.72)	-	5.74
Gratuity	0.04	0.15	0.02	0.21
Leave Encashment	1.21	(0.45)	-	0.76
Compensated absence cost	1.11	(0.26)	-	0.85
Phantom Shares	12.74	(4.86)	-	7.89
Impairment allowance for financial assets	3.73	(3.20)	-	0.53
Other*	3.76	(0.52)	-	3.26
<b>Total (b)</b>	<b>30.05</b>	<b>(10.86)</b>	<b>0.02</b>	<b>19.24</b>
<b>Net deferred tax (asset)/liability (a - b)</b>	<b>0.02</b>	<b>1.61</b>	<b>(0.02)</b>	<b>1.57</b>
Transition to IND As 116 Lease through reserves (C)	2.32	(0.08)	-	2.24
<b>Net deferred tax (asset)/liability (a - b - C)</b>	<b>(2.30)</b>	<b>1.69</b>	<b>(0.02)</b>	<b>(0.67)</b>

(₹ in crore)

Particulars	As at March 31, 2020	Charged/ credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
<b>Deferred tax liability :</b>				
FVTPL of financial instruments	9.78	38.21	-	47.99
Brokerage	11.03	(2.85)	-	8.18
<b>Total (a)</b>	<b>20.81</b>	<b>35.36</b>	<b>-</b>	<b>56.17</b>
<b>Deferred tax asset :</b>				
Property, plant and equipment	5.74	(0.41)	-	5.33
Gratuity	0.21	0.02	0.00	0.23
Leave Encashment	0.76	(0.01)	-	0.75
Compensated absence cost	0.85	1.30	-	2.15
Phantom Shares	7.89	(4.94)	-	2.95
Impairment allowance for financial assets	0.53	(0.04)	-	0.49
IND AS 116 Leases	2.24	0.29	-	2.53
Other	3.26	(1.07)	-	2.20
<b>Total (b)</b>	<b>21.48</b>	<b>(4.86)</b>	<b>0.00</b>	<b>16.62</b>
<b>Net deferred tax (asset)/liability (a - b)</b>	<b>(0.67)</b>	<b>40.22</b>	<b>(0.00)</b>	<b>39.55</b>

## 24 Employee benefit obligations

### a) Defined contribution plans

The Company has recognized the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provident fund	7.17	7.41
Superannuation fund	0.07	0.07
Pension fund	1.53	1.60

### 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 summaries the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

#### i) Balance Sheet

(₹ in crore)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31, 2019</b>	<b>20.42</b>	<b>20.21</b>	<b>0.21</b>
Current service cost	2.33	-	2.33
Interest expense/(income)	1.55	1.53	0.02
Return on plan assets (excl. Interest Income)	-	(1.49)	1.49
Actuarial loss / (gain) arising from change in financial assumptions	1.40	-	1.40
Actuarial loss / (gain) arising on account of experience changes	0.30	-	0.30
Liability Transferred In/ Acquisitions	0.21	0.00	0.21
Employer contributions	-	4.53	(4.53)
Benefit payments	(2.31)	(2.19)	(0.13)
<b>As at March 31, 2020</b>	<b>23.90</b>	<b>22.60</b>	<b>1.30</b>
Current service cost	2.53	-	2.53
Interest expense/(income)	1.63	1.54	0.09
Return on plan assets (excl. Interest Income)	-	2.07	(2.07)
Actuarial loss / (gain) arising from change in financial assumptions	0.79	-	0.79
Actuarial loss / (gain) arising on account of experience changes	0.32	-	0.32
Liability Transferred In/ Acquisitions	0.07	-	0.07
Employer contributions	-	3.70	(3.70)
Benefit payments	(1.33)	(1.34)	0.01
<b>As at March 31, 2021</b>	<b>27.91</b>	<b>28.57</b>	<b>(0.66)</b>

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	27.91	24.55
Fair value of plan assets	28.57	22.57
<b>Plan liability (net of plan assets)</b>	<b>-</b>	<b>1.98</b>

**ii) Statement of Profit and Loss**

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses:		
Current service cost	2.53	2.33
<b>Total</b>	<b>2.53</b>	<b>2.33</b>
Net Interest Cost	0.09	0.01
<b>Net impact on the profit before tax</b>	<b>2.62</b>	<b>2.34</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/ income	(2.07)	1.49
Actuarial gains/(losses) arising from changes in financial assumptions	0.79	1.40
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	0.32	0.30
<b>Net impact on the other comprehensive income before tax</b>	<b>(0.96)</b>	<b>3.19</b>

**iii) Defined benefit plans assets**

(₹ in crore)

Category of assets (% allocation)	As at March 31, 2021	As at March 31, 2020
<b>Insurer managed funds</b>		
- Government securities	49.94%	41.66%
- Deposit and money market securities	6.02%	4.28%
- Debentures / bonds	24.54%	33.96%
- Equity shares	20.78%	17.96%
- Others	(1.28)%	2.14%
<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.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.44%	6.82%
Salary escalation rate*	6.00%	6.00%

\* Takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

MMortality in Service : Indian Assured Lives Mortality (2006-08)

vi) Sensitivity

(₹ in crore)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(2.03)	2.02
Salary escalation rate	1%	2.29	(1.77)
Employee Turnover	1%	0.02	(0.08)

As at March 31, 2020	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(1.78)	2.02
Salary escalation rate	1%	2.02	(1.77)
Employee Turnover	1%	0.07	(0.08)

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 recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	2.12	1.55
2nd Following Year	1.79	1.52
3rd Following Year	2.10	1.63
4th Following Year	2.49	1.88
5th Following Year	2.08	2.40
Sum of 6 to 10 Years	12.61	10.68
Sum of 11 Year and above	27.12	25.77

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on

plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
  - v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
  - vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.
- c) **Phantom Stock Option Scheme:**
- i) Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

<b>Date of grant</b>	01 December 2015
<b>Appreciation as per Phantom stock Option</b>	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'
<b>Exercise Period</b>	<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.
<b>Settlement of Phantom Stock Options</b>	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 Rs. (19.60) crore (Previous year Rs. (5.14) crore).

## 25 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.

## 26 Fair value measurement

### a) Fair value hierarchy

Fair value measurements are analyzed 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 categorizing 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) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



As at March 31, 2021 (₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortised Cost</b>					
Cash and cash equivalents	18.78	-	-	-	18.78
Investments	123.06	-	-	-	123.06
Bank balance other than cash and cash equivalents above	341.83	-	-	-	341.83
<b>Receivables</b>					
(I) Trade receivables	45.86	-	-	-	45.86
(II) Other receivables	0.04	-	-	-	0.04
Loans	0.73	-	-	-	0.73
Other financial assets	20.39	-	-	-	20.39
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	2,355.31	71.58	-	2,426.89
<b>Total financial assets</b>	<b>550.69</b>	<b>2,355.31</b>	<b>71.58</b>	<b>-</b>	<b>2,977.58</b>
<b>Financial liabilities</b>					
<b>At Amortised Cost</b>					
Payables	62.87	-	-	-	62.87
Other financial liabilities	119.53	-	-	-	119.53
<b>Total financial liabilities</b>	<b>182.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182.40</b>

As at March 31, 2020

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>At Amortized Cost</b>					
Cash and cash equivalents	203.54	-	-	-	203.54
Investments	147.27	-	-	-	147.27
Bank balance other than cash and cash equivalents above	259.80	-	-	-	259.80
<b>Receivables</b>					
(I) Trade receivables	59.30	-	-	-	59.30
(II) Other receivables	-	-	-	-	-
Loans	0.86	-	-	-	0.86
Other financial assets	28.15	-	-	-	28.15
<b>At Fair Value Through Profit/Loss</b>					
Investments	-	1689.23	48.06	-	1,737.29
<b>Total financial assets</b>	<b>698.92</b>	<b>1689.23</b>	<b>48.06</b>	<b>-</b>	<b>2,436.21</b>
<b>Financial liabilities</b>					
<b>At Amortized Cost</b>					
Payables	67.68	-	-	-	67.68
Other financial liabilities	138.64	-	-	-	138.64
<b>Total financial liabilities</b>	<b>206.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206.32</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 maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

## 27 Financial risk management

The Company activities expose it to credit risk, liquidity risk and market risk. The Company's risk management is carried out by a Risk department under the policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the other departments.

### A Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company is also exposed to other credit risks arising from investments in debt securities. Credit risk is the one of the largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

1. The maximum exposure to credit risk at the reporting date is primarily from Cash & Cash Equivalents and Bank Fixed Deposit. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high
2. The Company has extended loans to various parties. Credit risk on the loans has been managed by the Company through external credit assessments done, if any, by domestic credit rating agencies and continuously monitoring the credit worthiness of the Company. The Company uses expected credit loss model to assess the impairment loss or gain. Refer note 6 for the same.
3. Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As the Company has a contractual right to such receivables as well as has the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior.

### 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 summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2021

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>					
Cash and cash equivalents	18.78	-	-	-	18.78
Bank balance other than cash and cash equivalents above	0.20	326.13	15.50	-	341.83

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Receivables</b>					
(I) Trade receivables	-	45.86	-	-	45.86
(II) Other receivables	-	0.04	-	-	0.04
Loans	-	0.73	-	-	0.73
Investments	2,114.11	126.51	94.24	215.09	2,549.95
Other financial assets	-	14.53	4.65	1.20	20.39
<b>Total assets</b>	<b>2,133.09</b>	<b>513.81</b>	<b>114.39</b>	<b>216.29</b>	<b>2,977.58</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	-	62.87	-	-	62.87
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	119.53	-	-	119.53
<b>Total liabilities</b>	<b>-</b>	<b>182.40</b>	<b>-</b>	<b>-</b>	<b>182.40</b>
<b>Net</b>	<b>2,133.09</b>	<b>331.41</b>	<b>114.39</b>	<b>216.29</b>	<b>2,795.19</b>

As at March 31, 2020

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>					
Cash and cash equivalents	203.54	-	-	-	203.54
Bank balance other than cash and cash equivalents above	0.11	245.39	14.30	-	259.80
<b>Receivables</b>					
(I) Trade receivables	-	59.30	-	-	59.30
(II) Other receivables	-	-	-	-	-
Loans	-	0.86	-	-	0.86
Investments	1,516.14	72.59	139.66	156.17	1,884.56
Other financial assets	-	18.20	5.77	4.17	28.15
<b>Total assets</b>	<b>1,719.79</b>	<b>396.35</b>	<b>159.74</b>	<b>160.34</b>	<b>2,436.21</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	-	67.68	-	-	67.68
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	-	138.64	-	-	138.64
<b>Total liabilities</b>	<b>-</b>	<b>206.32</b>	<b>-</b>	<b>-</b>	<b>206.32</b>
<b>Net</b>	<b>1,719.79</b>	<b>190.03</b>	<b>159.74</b>	<b>160.34</b>	<b>2,229.90</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 summarizes the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2021	As at March 31, 2020
NAV - Increase 5%	121.34	86.86
NAV - Decrease 5%	(121.34)	(86.86)

## 28 Employee share based payments

### Employee stock option scheme (ESOS) (Equity settled)

The Company have ESOS 2017 and ESOS 2019 which covers eligible employees of the Company and its subsidiaries. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS :

Particulars	ESOS 2017			ESOS 2019	
	ESOS 2017 - I	ESOS 2017 - II	ESOS 2017 - III	ESOS 2019 - I	ESOS 2019 - II
Date of Grant	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Price of Underlying Stock (₹)	145.10	253.90	202.35	227.40	278.10
Exercise / Strike Price (₹)	204.25	256.10	202.35	223.32	247.60

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%
Expected Dividend Yield	3.09%	3.25%	2.97%	3.22%	1.98%
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
Expected Volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%
Weighted Average Fair Value (Rs)	10.82	45.71	38.94	43.06	65.51

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, 2021				
	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Outstanding at the beginning of the year	4,326,199	4,041,009	10,857,959	17,816,872	-
Granted during the year	-	-	-	-	469,772
Exercised during the year	1,835,750	146,255	1,321,990	1,114,683	-
Forfeited during the year	-	-	-	-	-
Lapsed/expired during the year	204,778	326,240	497,514	625,046	-
<b>Outstanding at the end of the year</b>	<b>2,285,671</b>	<b>3,568,514</b>	<b>9,038,455</b>	<b>16,077,143</b>	<b>469,772</b>
Vested and exercisable	1,600,936	1,747,551	1,366,843	3,200,050	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026	June 10,2027
Exercise price	204.25	256.10	202.35	223.32	247.60
Outstanding as at March 31, 2021	2,285,671	3,568,514	9,038,455	16,077,143	469,772
Outstanding as at March 31, 2020	4,326,199	4,041,009	10,857,959	17,816,872	-

#### 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
Expected - Weighted average volatility	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%
Expected dividends	3.09%	3.25%	2.97%	3.22%	1.98%
Expected term (In years)	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%
Exercise price	204.25	256.10	202.35	223.32	247.60
Market price	145.10	253.90	202.35	227.40	278.10
Grant date	August 08,2017	April 25,2018	April 29,2019	July 29,2019	June 10,2020
Expiry date	August 08,2024	April 25,2025	April 29,2026	July 29,2026	June 10,2027
Fair value of the option at grant date	10.82	45.71	38.94	43.06	65.51

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

#### Expense arising from share-based payment transactions

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee stock option scheme (equity settled)	40.37	51.36

## 29 Related party transactions

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

(i)	Sr No.	Name of Related Party
	<b>I</b>	<b>Holding Company</b>
	1	Nippon Life Insurance Company (w.e.f 27th September 2019)
	<b>II</b>	<b>Major Investing Party</b>
	1	Nippon Life Insurance Company (upto 27th September 2019)
	2	Reliance Capital Limited (upto 27th September 2019)
	<b>III</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	Mahadevan Veeramony (Appointed w.e.f. 23rd September 2019 upto 1st August 2020)
	4	Akira Shibata
	5	Kazuyuki Saigo (Appointed w.e.f. 8th June 2020)
	6	Ashvin Parekh (Appointed w.e.f. 1st August 2020)
	7	Balasubramanyam Sriram (Appointed w.e.f. 15th March 2021)
	8	Yutaka Ideguchi (Appointed w.e.f. 15th March 2021)
	9	Minoru Kimura (upto 8th June 2020)
	10	Jai Anmol Ambani (upto 23rd May 2019)
	11	Kanu Doshi (upto 23rd September 2019)
	12	S C Tripathi (upto 23rd September 2019)
	<b>IV</b>	<b>Subsidiary</b>
	1	Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)
	2	Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)
	3	Nippon Life India AIF Management Limited ( Formerly Reliance AIF Management Company Limited)
	4	Reliance Commodity Plus AIF Scheme - 1 ( w.e.f February 28, 2019, Liquidated on July 31, 2019)*
	<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
	2	Nippon Life Global Investors Americas, Inc.
	3	Reliance General Insurance Company Limited (upto 27th September 2019)
	4	Reliance Nippon Life Insurance Company Limited (upto 27th September 2019)
	5	Reliance Commercial Finance Limited (upto 27th September 2019)
	6	Reliance Securities Limited (upto 27th September 2019)
	7	Reliance Money Solutions Private Limited (upto 27th September 2019)
	<b>VII</b>	<b>Associate of Holding Company</b>
	1	Reliance Nippon Life Insurance Company Limited (w.e.f 27th September 2019)
	<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

\* The above mentioned schemes have been consolidated as per the requirement of IND AS 110. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Transactions during the year with related parties:

(₹ in crore)

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2020-21		2019-2020	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	-	-	0.09	-
		(ii) Reimbursement of expenses paid	-	-	0.41	-
2	Reliance Capital Limited	(i) Management fees	-	-	3.00	-
		(ii) Reimbursement of expenses paid	-	-	1.04	-
		(iii) Loans and advances to Related Parties	-	-	-	-
3	Sundeeep Sikka	((i) Remuneration paid to Sundeeep Sikka	5.51	-	7.02	-
4	Ameeta Chatterjee	(i) Sitting fees	0.16	-	0.08	-
5	Mahadevan Veeremony	(i) Sitting fees	0.06	-	0.05	-
6	General Ved Prakash Malik (Retd.)	(i) Sitting fees	0.18	-	0.08	-
7	Kanu Doshi	(i) Sitting fees	-	-	0.04	-
8	S C Tripathi	(i) Sitting fees	-	-	0.04	-
9	Ashvin Dhirajlal Parekh	(i) Sitting fees	0.14	-	-	-
10	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.10	-	0.11	-
		(ii) Recovery of employee retirement benefit	-	-	0.22	-
11	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	5.79	-	3.99	-
		(ii) Reimbursement of expenses paid	0.30	-	0.87	-
		(iii) payment of funded gratuity	3.70	-	4.50	-
		(iv) Advance towards insurance policies	-	0.05	-	0.02
12	Reliance Securities Limited	(i) Repayment of inter corporate deposit	-	-	-	-
		(ii) Interest income	-	-	-	-
		(iii) Brokerage	-	-	0.40	-
		(iv) Inter corporate deposit given	-	-	-	-
		(v) Inter corporate deposits receivable	-	-	-	-
13	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	-	-	5.95	-
		(ii) Reimbursement of expenses paid	-	-	-	-
		(iii) Advance towards insurance availed	-	-	-	-
14	Nissay Asset Management Ltd	(i) Advisory Fees Income	13.86	-	18.48	-
		(ii) Offshore Advisory fee paid	0.28	-	0.09	-
		(iii) Offshore advisory fees charges	-	-	-	-
		(iv) Reimbursement for Expenses	-	-	-	-
		(v) Advisory Fee Receivable	-	0.55	-	0.76
		(vi) Off shore fees payable	-	-	-	2.23
15	Nippon Life Global Investors Americas, Inc.	(i) Reimbursement of expenses paid	-	-	0.14	-

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2020-21		2019-2020	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
16	CMT IT Services	(i) Charges for IT Related services	0.51	-	-	-
17	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	-	-	0.00	-

Note: Above figures are excluding GST

### 30 Lease

#### Right to use of asset

(₹ in crore)

Particulars	Property	Motor Vehicles	Total
<b>As at 1 April 2019</b>			
Opening (Transition to IND AS 116)	75.23	-	75.23
Additions	20.79	0.71	21.50
Depreciation expense	(24.18)	(0.07)	(24.25)
<b>As at 31 March 2020</b>	<b>71.84</b>	<b>0.64</b>	<b>72.48</b>
Additions	3.63		3.63
Deletion	(12.32)		(12.32)
Depreciation expense	(22.34)	(0.18)	(22.52)
<b>As at 31 March 2021</b>	<b>40.82</b>	<b>0.46</b>	<b>41.28</b>

#### Lease liability

(₹ in crore)

Particulars	Amount
<b>As at 1 April 2019</b>	
Opening (Transition to IND AS 116)	81.88
Additions (net)	21.51
Accretion of interest	5.67
Payments	(27.63)
<b>As at 31 March 2020</b>	<b>81.43</b>
Additions / deletion (net)	(8.69)
Accretion of interest	4.43
Payments	(25.70)
<b>As at 31 March 2021</b>	<b>51.47</b>



(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	22.52	24.25
Interest expense on lease liabilities	4.43	5.67
Expense relating to short-term leases (included in other expenses)	0.90	0.93
<b>Total amount recognised in profit or loss</b>	<b>27.85</b>	<b>30.85</b>

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only

### 31 Investment in subsidiaries

The consolidated financial statements of the group includes subsidiaries listed in the table below.

(₹ in crore)

Name of subsidiary	Country of Incorporation	Year ended March 31, 2021	Year ended March 31, 2020
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	Singapore	100.00	100.00
Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)	Mauritius	100.00	100.00
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	India	100.00	100.00
Reliance Commodity Plus AIF Scheme - 1 ( w.e.f February 28, 2019, Liquidated on July 31, 2019)	India	-	-

### 32 Investment in associate

The group has a 49% interest in Reliance Capital Pension Fund Limited, which is registered as a "Pension Fund Manager" with the Pension Fund Regulatory and Development Authority (PFRDA) to act as a pension fund manager to manage the pension assets under the New Pension System (NPS). The group's interest in Reliance Capital Pension Fund Limited is accounted for using the equity method in the consolidated financial statements. The following are the group's share in the profit of the associate:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) before tax	2.38	(1.32)
Profit/(loss) for the year	1.95	(1.06)
Other comprehensive income	(0.01)	0.02
Total comprehensive income for the year	1.94	(1.04)

### 33 Additional Information: March 31, 2021

(₹ in crore)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent	96.48%	2991.32	95.42%	649.19
Subsidiaries				

Indian				
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	1.70%	52.88	4.08%	27.74
<b>Foreign</b>				
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	0.98%	30.49	0.39%	2.64
Nippon Life India Asset Management (Mauritius) Ltdc(Formerly Reliance Asset Management (Mauritius) Limited)	0.83%	25.64	(0.02%)	(0.17)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Reliance Capital Pension Fund Limited	0.00%	-	0.14%	0.94
<b>Total</b>	<b>100.00%</b>	<b>3100.33</b>	<b>100.00%</b>	<b>680.34</b>

**March 31, 2020**

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>	97.02%	2,515.84	99.46%	413.01
<b>Subsidiaries</b>				
<b>Indian</b>				
Nippon Life India AIF Management Limited (Formerly Reliance AIF Management Company Limited)	0.90%	23.47	0.33%	1.38
<b>Foreign</b>				
Nippon Life India Asset Management (Singapore) Pte. Ltd. (Formerly Reliance Asset Management (Singapore) Pte Limited)	1.05%	27.16	0.19%	0.80
Nippon Life India Asset Management (Mauritius) Ltd (Formerly Reliance Asset Management (Mauritius) Limited)	1.03%	26.58	0.14%	0.57
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Reliance Capital Pension Fund Limited	0.00%	-	(0.12%)	(0.51)
<b>Total</b>	<b>100.00%</b>	<b>2,593.05</b>	<b>100.00%</b>	<b>415.25</b>

34 Dividend during the year

(₹ in crore)

Particulars	year ended March 31, 2021	year ended March 31, 2020
<b>A. Dividend during the year</b>		
Dividends on ordinary shares:		
Interim dividend for FY 2018-19: 3 per share	-	-
Final dividend for FY 2019-20: 1 per share	122.42	183.60
Interim dividend for FY 2020-21: 3 per share (FY 2019-20: 3 per share)	183.90	183.61
Dividend Distribution tax on the above	-	75.48
<b>Total dividends paid</b>	<b>306.32</b>	<b>442.69</b>
<b>B. Proposed (not recognized as a liability)</b>		
Dividend on ordinary shares:		
*Final dividend for FY 2020-21: 5 per share (FY 2019-20: 2 per share)	308.25	122.42

\*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 crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 20
Net profit after tax available for equity Shareholders (Rs in Crore)	680.33	415.25
Weighted average number of equity shares	616,504,767	612,111,867

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 20
Basic earnings per share	11.04	6.78
Effect of outstanding stock options	(0.13)	(0.09)
Diluted earnings per share	10.90	6.69

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, 2021	Year ended March 31, 20
Weighted average number of shares for computation of Basic EPS	616,504,767	612,111,867
Dilutive effect of outstanding stock options	7,593,159	8,354,211
Weighted average number of shares for computation of Diluted EPS	624,097,926	620,466,078

**36 Contingent liabilities**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims not acknowledged as debts in respect of:</b>		
- Guarantees to banks and financial institutions	10.13	11.00
- Claims against Company not acknowledged as debt	2.20	1.42

**37 Capital commitments**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	52.16	40.45

**38 The details of utilization of IPO proceeds Rs. 588.85 crore (net of IPO related expenses) are as follows:**

Particulars	Net Proceeds as per IPO	Utilized upto March 31, 2021	Unutilized amount as of March 31, 2021
Setting up new branches and relocating certain existing branches	38.31	4.62	33.69
Upgrading the IT system	40.65	40.65	-
Advertising, marketing and brand building activities	72.09	51.84	20.25
Lending to our Subsidiary (Nippon Life India AIF Management Limited) for investment of continuing interest in the new AIF schemes managed by Nippon Life India AIF Management Limited	125.00	62.33	62.67
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>307.24</b>	<b>281.61</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.

**39** The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

In preparing the accompanying financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2021. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

**40** As part of the long-term strategy to consolidate offshore operations, the activities undertaken by Mauritius subsidiary were transferred to Singapore entity. Accordingly, the Board has accorded its approval for initiating the liquidation process of the Mauritius subsidiary.

**41 Events occurring after the reporting period**

The Board of Directors have proposed final dividend of Rs. 5/- per equity share of Rs. 10/- each, for the financial year 2020-21. This is in addition to the interim dividend of Rs. 3/- per equity share declared by the Board of Directors on January 27, 2021.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**  
Partner  
Membership Number : 102102

Mumbai, April 27, 2021

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**  
(Formerly Reliance Nippon Life Asset Management Limited)

**Sundeep Sikka**  
Executive Director & CEO  
DIN No. 02553654

**Prateek Jain**  
Chief Financial Officer

**Nilufer Shekhawat**  
Company Secretary

**Ashvin Parekh**  
Director  
DIN No. 06559989

**Ajay Patel**  
Manager

## FORM AOC - 1

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, 2021

### Part "A": Subsidiaries

(₹ in crore)

Sr. No.	Name of the subsidiaries	Nippon Life India Asset Management (Mauritius) Ltd	Nippon Life India Asset Management (Singapore) Pte. Ltd.	Nippon Life India AIF Management Limited
1	Reporting currency	USD	SGD	INR
2	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ 73.17	₹ 54.43	-
3	Share / Unit capital	14.34	31.26	0.51
4	Other Equity	11.30	(0.77)	52.37
5	Total assets	27.51	36.64	111.34
6	Total Liabilities	1.85	6.16	58.48
7	Investments	0.00	-	71.58
8	Total Income	0.42	33.94	73.01
9	Profit before taxation	(0.17)	2.64	31.85
10	Provision for taxation	-	-	4.10
11	Profit after taxation	(0.17)	2.64	27.75
12	Other Comprehensive Income	-	-	0.00
13	Total Comprehensive Income	(0.17)	2.64	27.75
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	100%	100%

### Part "B": Associate

Sr. No.	Name of Associate	Reliance Capital Pension Fund Limited
1	<b>Latest audited Balance Sheet Date</b>	31-Mar-21
2	<b>Shares of Associate / Joint Ventures held by the Company on the year end</b>	
i.	Number of shares	12,249,994
ii.	Amount of Investment in Associates/Joint Venture (₹ in Crore)	12.73
iii.	Extend of Holding %	49%
3	<b>Description of how there is significant influence</b>	<b>Refer Note '1'</b>
4	<b>Reason why the associate/joint venture is not consolidated</b>	-
5	<b>Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)</b>	<b>14.06</b>
6	<b>Profit / Loss for the year</b>	
i.	Considered in Consolidation (₹ in Crore)	0.94
ii.	Not Considered in Consolidation (₹ in Crore)	-

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**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 27, 2021

For and on behalf of the Board of Directors of  
**Nippon Life India Asset Management Limited**  
**(Formerly Reliance Nippon Life Asset Management Limited)**

**Sundeep Sikka**  
Executive Director & CEO  
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