

RELIANCE

**NIPPON LIFE ASSET
MANAGEMENT LIMITED**

Reliance Nippon Life Asset Management Limited

Annual Report 2018-19



Padma Vibhushan

Shri Dhirubhai H. Ambani

(28th December, 1932 - 6th July, 2002)

Founder - Reliance Group, Visionary

Profile

Reliance Nippon Life Asset Management Limited (RNAM or the Company) is one of India's largest asset management companies with a total AUM of ₹ 4.22 lakh cr. as of March 31, 2019.

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

It is co-promoted by Reliance Capital and Nippon Life Insurance Company. Reliance Capital Limited, a part of the Reliance Group, is one of India's leading private sector financial services companies and ranks amongst the top private sector financial services and banking groups, in terms of assets under management. Nippon Life Insurance, founded in 1889, is one of Japan's leading private life insurers and a Fortune 500 company.

Vision statement

To be a globally respected wealth creator with an emphasis on customer care and a culture of good corporate governance.

Mission statement

To create and nurture a world-class, high performance Environment aimed at delighting our customers.

BOARD OF DIRECTORS:

Mr. Minoru Kimura
 Mr. Akira Shibata
 Mr. Kanu H. Doshi
 Gen. Ved Prakash Malik (Retd.)
 Mr. S. C. Tripathi
 Ms. Ameeta Chatterjee
 Mr. Sundeep Sikka – Executive Director & Chief Executive Officer
 Mr. Jai Anmol Ambani (resigned w.e.f. 23/05/19)

KEY MANAGERIAL PERSONNEL:

Mr. Prateek Jain – Chief Financial Officer
 Mr. Ajay Patel – Manager
 Ms. Nilufer Shekhawat – Company Secretary

AUDITORS:

M/s. S. R. Batliboi & Co. LLP

REGISTERED OFFICE:

Reliance Centre, 7th Floor, South Wing,
 Off Western Express Highway, Santacruz (East),
 Mumbai – 400055
 CIN : L65910MH1995PLC220793
 Tel. : +91 22 4303 1000
 Fax : +91 22 4303 7662
 E-mail : rnam.investorrelation@relianceada.com
 Website : www.reliancemutual.com

REGISTRAR AND TRANSFER AGENT:

Karvy Fintech Private Limited
 Karvy Selenium Tower – B
 Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
 Financial District, Nanakramguda
 Hyderabad 500 032
 Website: www.karvyfintech.com

INVESTOR HELPDESK:

Tel. : +91 40 6716 1500
 Fax : +91 40 6716 1791
 E-mail : rnaminvestor@karvy.com

Contents**Page No.**

Letter to Shareholders	3
Notice of Annual General Meeting	5
Board's Report	11
Management Discussion and Analysis	32
Business Responsibility Report	43
Corporate Governance Report	50
Auditors' Certificate on Corporate governance	65
Investor Information	67
Dividend Policy	73
Independent Auditors' Report on the Financial statement	75
Statement of Assets & Liabilities	82
Statement of Profit and Loss	83
Statement of Cash Flow	84
Notes to the Financial Statement	88
Independent Auditors Report on the Consolidated Financial statement	127
Consolidated Statement of Assets & Liabilities	134
Consolidated Statement of Profit and Loss	135
Consolidated Statement of Cash Flow	136
Notes to the Consolidated Financial Statement	139
Form AOC-1	175
Attendance Slip and Proxy Form	177

24th Annual General Meeting on Monday, September 23, 2019 at 11:30 a.m. at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai - 400 013.

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

Letter to Shareholders



Dear Shareholders,

From a nearly 2.7 trillion-dollar economy today, India is poised to cross the 5 trillion-dollar mark by 2025 as per the IMF. Economic and structural reforms are powering the momentum and strengthening our growth. From a hard working, developing economy, we are today one of the world's favourite investment destinations.

India is likely to remain the fastest growing major economy in the world. According to the IMF's latest estimates, India will become the world's fifth largest economy, pushing behind France and the UK in 2019 itself. In purchasing power parity (PPP) terms, India has become the third largest economy behind only US and China. India now contributes more than 10% to global economic growth.

In this optimistic growth scenario, the Mutual Fund Industry has a lot more to contribute. It is one of the fastest-growing industries in the country's financial services sector with 44 AMCs operating currently. The industry's quarterly AAUM has seen a growth rate of 6% over last year to touch ₹ 24.48 lakh crore as of March 31, 2019.

In line with rushing aspirations and overall development, retail investor participation is on the rise, reflecting confidence in the category and an increasing risk appetite despite high volatility. The total number of retail investor folios increased to 8.24 crore as of March 2019, an addition of approx. 1 crore this year. Retail assets was the fastest-growing segment and contributed approx. 58% to the incremental industry assets. Retail participation remained robust, having registered 18% YoY growth.

Reliance Nippon Life Asset Management Ltd. (RNAM) has played a major role in the industry's overall growth. With a long-term

perspective, we have been able to deliver on our core strategy and build the franchise further. We continue to focus on:

- Garnering higher share of Retail Assets
- Gaining higher share from Beyond Top 30 cities
- Expanding our product offerings across various categories
- Increasing operating efficiencies

The year gone by was an eventful one. Debt funds were in the news for dramatic outflow of funds due to defaulting of a few large corporate houses. Such defaults triggered liquidity issues and NBFC crisis resulting in flight to safety. This resulted in debt assets degrowth of 12%.

During the year, there have been significant regulatory changes such as a revised slab structure of expense ratios, adoption of full trail structure, all commission and expenses to be paid from schemes and beyond top 30 cities incentives allowed only on retail inflows. We are confident that the changes will lower costs for mutual fund investors. This will aid in greater retail participation and help in positioning mutual funds as the preferred mode of investment as compared to similar financial products.

The Company

RNAM continues to deliver on the back of a strong foundation, stable management team, prudent risk management practices, robust processes, highest standards of compliance, cutting-edge digital architecture and a customer centric approach despite all the challenges. We are pleased to share that our Equity Assets, including ETFs, rose by 13% to ₹ 1.08 lakh crore. Our folio count grew by 12% to approx. 91 lakhs.

Your Company's strength lies in garnering assets from retail investors and increasing mutual fund penetration by getting a higher share from small cities and towns. We continue to have the highest Retail AAUM of ₹ 89,911 crore driven by a strong on-ground presence and robust distribution network. Further, our retail assets have grown by approx. ₹ 16,700 crore in the last 12 months – the highest in the industry. Our Retail AAUM contribution to Total AAUM is amongst the highest in the industry at 39%.

Volatile markets didn't dampen the sentiment of retail investors and they continue to invest during the year in a structured manner for wealth creation indicative of their evolving behaviour and maturity. Our annualised Systematic Investment Plan (SIP) book grew by 14% to ₹ 10,300 crore and our SIP count increased by 21% to 31 lakhs. Over 78% of the incremental SIPs have a tenure of over 5 years.

RNAM growth in 'Beyond Top 30 Cities' is a testimony to our perseverance and commitment towards the inclusive growth of our nation. We continue to be amongst the leaders in this segment, which contributed AUM of more than ₹ 45,000 crore. Nearly 20% of our total assets are sourced from this segment, as against 15% for the Industry.

We are immensely happy to share that we have successfully raised ₹ 27,000 crore via two further Fund Offers of CPSE ETF with participation across all investor categories. RNAM is the second-largest ETF player with a market share of approx. 18% in the segment.

Distribution

Distribution is a critical link between consumers and company. We went a step ahead and created a well-diversified distribution model. Ensuring we reach out to every household in India, we have championed this model to de-risk business and enable us to spread our wings further and wider. Your Company remains well diversified in terms of distribution, with no single distributor contributing to more than 5% of the total mutual fund AUM. Our distributor count went up from 65,300 in March 2018 to more than 73,400 as of March 2019.

Digital

Your Company has been investing in digital assets and has a significant online presence to capture the business of tech-savvy investors. We are happy to inform you that RNAM partnered with Google to launch voice based financial transactions, which is a first of its kind in the Industry. Our investments in the digital ecosystem is yielding results and digital purchase transactions, including SIP, rose to 10.85 lakh in FY19 – a growth of 47%. On average, RNAM processed one online purchase transaction every 30 seconds. Over one-third of purchase transactions are happening on our Digital Assets and Integrations.

On-Ground Presence

Your Company has a vast pan-India distribution network, with a presence in 300 locations. We continue to focus on locations beyond the Top 30 cities to expand the market and enable new investors to join in this wealth creation journey.

AIF

AIF is emerging as the next engine of growth. Its flexible structure allows us to explore different niche investment strategies to generate superior risk adjusted returns for investors. Your

Company continues to be at the forefront of innovation and diversified product offerings. This year, Reliance AIF launched the Industry's first Commodity Fund and Offshore Real Estate Fund. Reliance AIF has commitments of over ₹ 2,500 crore across various AIF schemes.

International Business

This year, we launched UCITS India Fixed Income Fund, domiciled out of Dublin. The Fund is expected to target Asian and European investors for both retail and institutional clients. Additionally, we will continue to work closely with Nippon Life Insurance to leverage their global tie-ups for attracting higher flows from international investors. We believe this is an opportunity for attracting a higher share of flows into India and is part of our profitable growth strategy. RNAM is managing and advising AUM of approx. ₹ 8,600 crore from offshore business.

People


Employees are the key pillar for the success of any AMC business and we continue to have a focused approach towards employee development and engagement. Over 70% of our leaders are home grown. Your Company has been recognised twice as AON Best Employer – in 2016 and 2018 and has also featured in India's Best Companies to Work For in 2018 by Great Place to Work. The accolade came in thanks to our high focus on people, culture and some of the best HR practices.

Outlook

The unique mutual fund investors in the Industry are still below 2 crore compared to India's population of over 130 crore. We believe that the Mutual Fund Industry is still in a nascent stage and has huge opportunity for growth and expansion. Being one of the large players in the Industry, we will continue investing in growing the market size, achieving product innovation, educating investors, increasing our distribution reach, and enhancing our customer service infrastructure with a continued focus on profitable growth.

Along with you, we look forward to being part of an expanding, enriching growth story in the years to come.

Sincerely,



Sundeep Sikka

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Reliance Nippon Life Asset Management Limited will be held on Monday, September 23, 2019 at 11.30 A.M. at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 013 to transact the following businesses:

ORDINARY BUSINESS:

- (1) To consider and adopt:
 - a. the audited financial statement of the Company for the financial year ended March 31, 2019 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, 2019 and the report of the Auditors thereon.
- (2) To confirm the 1st Interim Dividend of Rs. 3 per equity share as well as 2nd Interim Dividend of Rs. 3 per equity share, as already paid for the financial Year 2018-19.
- (3) To appoint a director in place of Mr. Minoru Kimura (DIN 07497568), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- (4) **Appointment of Mr. Mahadevan Veeramony as a Non-executive Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification/s or re-enactment/s thereof for the time being in force) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Articles of Association of the Company, Mr. Mahadevan Veeramony (DIN: 00820580), who has already submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the

Listing Regulations and being eligible, and in respect of whom a written Notice pursuant to Section 160 of the Act, has been received by the Company from a member, signifying the intention to propose the candidature of Mr. Mahadevan Veeramony as a Director of the Company and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years w.e.f. September 23, 2019.

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

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

Nilufer Shekhawat
Company Secretary
Membership No.: A - 23264

Registered Office:

Reliance Centre, 7th Floor,
South Wing, Off Western Express Highway,
Santacruz (East) Mumbai - 400055
CIN: L65910MH1995PLC220793
Website: www.reliancemutual.com

Date: August 17, 2019

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him/ her and the proxy need not be a member of the Company. The instrument appointing the Proxy in order to be valid, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting.**
3. Attendance slip, Proxy form and route map of the venue of the meeting are annexed hereto.

4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy; however such person shall not act as proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
5. Corporate members intending to send their authorised representative(s) together with their specimen signatures to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorising their representatives to attend and vote on their behalf at the Meeting.
6. Members / Proxies are requested to bring to the meeting, their duly filled attendance slip sent herewith along with their copy of the annual report.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of members at the Meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. 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 ESOS Plans will be available for inspection at the Meeting.
10. Members holding shares in electronic form are requested to intimate about change in their address or bank mandates (if any) to their Depository Participants, with whom they are maintaining their Demat accounts, since neither the Company nor its Registrar and Transfer Agent can change bank particulars or bank mandates in respect of shares held in electronic form.
11. Members holding shares in physical form are requested to advise change of address or bank mandates (if any) immediately to the Company / Registrar and Transfer Agent i.e. Karvy Fintech Private Limited ("Karvy").
12. Non-Resident Indian members are requested to inform Karvy 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.
13. Re-appointment of Director:

At the ensuing Annual General Meeting, Mr. Minoru Kimura (DIN: 07497568), is liable to retire by rotation in terms of section 152(6) of the Act and, being eligible, has offered himself for re-appointment.
14. Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

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

Pursuant to Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on September 18, 2018 (date of last AGM) on its website at <https://www.reliancemutual.com/investor-service/customer-service/rnam-shareholders-investors> and also on the website of the Ministry of Corporate Affairs.
15. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.

16. **The Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialised form from December 5, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares held by them in physical form.**
17. Members holding shares in electronic mode:
- (a) are requested to submit their Permanent Account Number (PAN) and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - (b) are advised to contact their respective DPs for registering the nomination.
 - (c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
18. 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 the Company or Karvy, the Company's Registrar and Transfer Agent.
19. 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 the Company / Registrar and Transfer Agent.
20. 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 Karvy Fintech Private Limited, Karvy Selenium Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032 or call on Tel.: +91 40 6716 1500; Fax: +91 40 6716 1791/ E-mail: rnaminvestor@karvy.com. The prescribed form in

this regard may also be obtained from Karvy at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.

21. Members who have not registered their E-mail addresses so far are requested to register their E-mail address so that they can receive the Annual Report and other communications from the Company electronically.
22. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 17, 2019 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 16, 2019 only shall be entitled to avail the facility of remote e-voting/voting. Karvy, our Registrar and Transfer Agent will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 19, 2019 to 5:00 P.M. on September 22, 2019. The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip.

The facility for voting shall also be available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.

The Board of Directors has appointed Mr. Mukesh Siroya of M/s M. Siroya & Company, as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit his report to Mr. Kanu H. Doshi or any person authorized by him after completion of the scrutiny and the results of voting will be announced after the meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.reliancecmutual.com and on the website of Karvy.

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 to the accompanying notice dated August 17, 2019

Item No. 4: Appointment of Mr. Mahadevan Veeramony as Non-executive Independent Director

The Nomination & Remuneration Committee and the Board of Directors of the Company have recommended the appointment of Mr. Mahadevan Veeramony as a Non-executive Independent Director effective from the date of the Annual General Meeting to hold office for a term of 5 (five) years, not liable to retire by rotation, by ordinary resolution.

Mr. Mahadevan Veeramony, aged 60 years is a Chartered Accountant and Company Secretary with over 32 years of experience with leading Corporates in India covering a wide segment of the financial services industry for 18 years and as an entrepreneur for 14 years (since 2004). He has the benefit of working with established brands in both the public sector and private sector including multinational companies which has helped in gaining valuable insight into the functioning of each of these sectors. The sectors include Investment Advisory Services, Mutual Fund Industry, Insurance Industry, Wealth Management Services, Banking covering various products and services like Retail Financial Products Distribution, Retail Forex, Commodities like Gold, in addition to customer acquisition for Online Broking. He has worked across various client segments like High Networth Individuals, Corporates, Trusts, Financial Institutions and Retail Investors across India.

His areas of Specialization and Expertise include running large divisions / profit centres on Pan India basis with emphasis on establishing leadership position for the divisions, ensuring proper control and compliance systems that are routinely monitored and implemented, efficient cost control and productivity enhancement measures, focus on team work leading to self-motivation and career building of the team members.

Keeping in view of his vast knowledge and expertise, it will be in the interest of the Company to appoint Mr. Mahadevan Veeramony as the Non-executive Independent Director to hold the position up to 5 years commencing from the date of the Annual General meeting i.e. 23rd September 2019 and that he shall not be liable to retire by rotation.

The Company has received a declaration from Mr. Mahadevan Veeramony to the effect that he meets the criteria of independence as provided in Section 149(6) of the

Companies Act, 2013 ("Act"), read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board of Directors, Mr. Mahadevan Veeramony is independent of management and fulfils the conditions specified under the Act and the Listing Regulations for appointment as an Independent Director.

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

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

In compliance with the provisions of Section 149, read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the appointment of Mr. Mahadevan Veeramony as Independent Director is now being placed before the Members for their approval.

The Board recommends the Resolution at Item 4 of the accompanying Notice for approval by the Members of the Company.

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

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

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

Nilufer Shekhawat
Company Secretary
Membership No.: A – 23264

Registered Office:

Reliance Centre, 7th Floor,
South Wing, Off Western Express Highway,
Santacruz (East) Mumbai - 400055
CIN: L65910MH1995PLC220793
Website: www.reliancemutual.com

Date: August 17, 2019

Annexure

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

Name of the Director	Mr. Mahadevan Veeramony	Mr. Minoru Kimura
Brief details and Nature of Expertise in specific functional areas	<p>Mr. Mahadevan Veeramony, aged 60 years is a Chartered Accountant and Company Secretary with over 32 years of experience with leading Corporates in India covering a wide segment of the financial services industry for 18 years and as an entrepreneur for 14 years (since 2004). He has the benefit of working with established brands in both the public sector and private sector including multinational companies which has helped in gaining valuable insight into the functioning of each of these sectors. The sectors include Investment Advisory Services, Mutual Fund Industry, Insurance Industry, Wealth Management Services, Banking covering various products and services like Retail Financial Products Distribution, Retail Forex, Commodities like Gold, in addition to customer acquisition for Online Broking. He has worked across various client segments like High Networth Individuals, Corporates, Trusts, Financial Institutions and Retail Investors across India.</p> <p>His areas of Specialization and Expertise include running large divisions / profit centres on Pan India basis with emphasis on establishing leadership position for the divisions, ensuring proper control and compliance systems that are routinely monitored and implemented, efficient cost control and productivity enhancement measures, focus on team work leading to self-motivation and career building of the team members.</p>	<p>Mr. Minoru Kimura, aged 52 years currently serves as the Executive Officer, Head of Asia Pacific at Nippon Life Insurance Company (Nippon). In his 28-year professional career with Nippon, Mr. Kimura has engaged in corporate planning for more than 10 years. Also, Mr. Kimura has worked for Nissay Asset Management Corporation in Investment Planning for 5 years from 2010 to 2015. Other than above, Mr. Kimura has also spent his professional career in Nissay Deutsche Asset Management Europe Limited and NLI Investments Europe Limited, where he carried the position of Chief Executive Officer for 4 years (2003 to 2007).</p>
Date of appointment	September 23, 2019	April 25, 2018
Date up to which the Director shall hold office	September 22, 2024	-
Directorships in other companies	Nil	<ul style="list-style-type: none"> • PT Asuransi Jiwa Sequis Life (Commissioner) • Nippon Life Asia Pacific (Regional HQ) Pte. Ltd. • Bangkok Life Assurance Public Company Limited • Reliance Nippon Life Insurance Company Limited • Nippon Life Global Investors Singapore Limited

Name of the Director	Mr. Mahadevan Veeramony	Mr. Minoru Kimura
Details of Memberships/ Chairmanships of Committees of other public Companies (includes Audit Committee and Stakeholders Relationship Committee)	N.A.	Nil
Shareholding in the Company as at August 17, 2019	Nil	Nil
Sitting fees paid during F.Y. 2018- 19	N.A.	4,60,000*

* As indicated by Nippon, the sitting fees payable to Mr. Minoru Kimura (being nominee of Nippon) was paid to Nippon.

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. Minoru Kimura, 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 24th Annual Report on the business and operations of your Company, together with the audited financial statements, for the year ended March 31, 2019.

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.

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019, 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, 2019 are as follows:

(₹ Crores)

Description	Consolidated		Standalone	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Gross Income	1,649.92	1,748.62	1,589.04	1,680.59
Profit before exceptional item and tax	700.24	655.60	686.72	636.33
Exceptional Items	-	-	-	-
Profit Before tax	700.24	655.60	686.72	636.33
Current Tax	217.38	196.65	215.42	193.82
Deferred Tax	(4.21)	1.73	(3.87)	(5.06)
Profit for the year	487.07	457.22	475.17	447.57
Share of Profit from Associates	0.03	(0.02)	-	-
Profit attributable to non-controlling interest	1.01	1.46	-	-
Other Comprehensive Income	(2.17)	1.01	(2.17)	1.02
Balance carried to Balance Sheet	484.93	458.21	473.00	448.59
Basic EPS of ₹ 10 each	7.94	7.63	7.77	7.49
Diluted EPS of ₹ 10 each	7.94	7.62	7.77	7.48

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 and will also be kept at the Registered Office of the Company for inspection by the Members.

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, 2019.

DIVIDEND

During the year, the Company had declared and paid an interim dividend of ₹ 3 per equity share (30%) amounting to ₹ 221.34 Crore (including dividend distribution tax and other applicable taxes/ surcharges). Further, the Board has also declared a second interim dividend of ₹ 3 per equity share (30%) amounting to ₹ 221.34 Crore (including dividend distribution tax and other applicable taxes/ surcharges).

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, 2019.

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. The Nomination and Remuneration Committee of the Board monitors this Plan.

ESOP 2017 is 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 said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

The Company has received a certificate from the auditors of the Company that the ESOP 2017 has been implemented in accordance with the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options.

COMPLIANCE CULTURE & RISK MANAGEMENT

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

Your Company has a comprehensive Risk Management Policy

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

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

CORPORATE GOVERNANCE

Your Directors wish to reiterate your Company's commitment to the highest standards of corporate governance in order to enhance the trust of all its stakeholders. Strong and robust corporate

■ 2 Statutory Report | Board's Report

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, 2019, 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 and related activities.

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://www.reliancemutual.com/InvestorServices/Pages/Investor-Policies.aspx>

KEY MANAGERIAL PERSONNEL

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

- a) Mr. Sundeep Sikka – Executive Director & Chief Executive Officer;
- b) Mr. Ajay Patel - Manager;
- c) Mr. Prateek Jain - Chief Financial Officer;
- d) Mr. Deepak Mukhija – Company Secretary (Resigned w.e.f. September 18, 2018); and

- e) Ms. Nilufer Shekhawat – Company Secretary (Appointed w.e.f. November 01, 2018).

DIRECTORS

During the year, Mr. Kazuhide Toda (Nominee Director of Nippon Life Insurance Company ('NLI')) resigned from the directorship w.e.f. April 25, 2018. In his place, NLI nominated Mr. Minoru Kimura, who was appointed as a Director of the Company on the same date.

During the year, Mr. Takayuki Murai (Nominee Director of NLI) resigned from the directorship w.e.f. April 25, 2018. In his place, NLI nominated Mr. Akira Shibata, who was appointed as a Director of the Company on the same date.

During the year, Mr. V. N. Kaul (Nominee Director of Reliance Capital Limited ('RCL')) resigned from the directorship w.e.f. April 25, 2018. In his place, RCL nominated Mr. Jai Anmol Ambani, who was appointed as a Director of the Company on the same date.

All the Independent Directors of your Company i.e. Mr. Kanu H. Doshi, General Ved Prakash Malik (Retd.), Mr. S. C. Tripathi and Ms. Ameeta Chatterjee, have duly furnished the required declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

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 includes criteria for 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, Seven (7) Board meetings and Five (5) meetings of the Committee of Directors were held.

Your Directors wish to inform that the functioning of the Board is supplemented by various committees (Board sub-committees and management committees), which have been constituted from time to time, such as Audit Committee, Committee of Directors, CSR Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Valuation Committee, Investment Committee, Risk Management Committee, Broker Empanelment Committee, Operating Committee, Compliance Committee, Proxy Voting Committee, Information Security Risk Management Committee, etc. to name a few. Each of the aforesaid Committees

has been constituted in order to ensure due compliance with the applicable laws and to ensure the highest levels of corporate governance. 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. Kanu H. Doshi [Independent Director], Mr. S. C. Tripathi [Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Jai Anmol Ambani [Director] and Mr. Akira Shibata [Director].

During the year, Six (6) meetings of the Audit Committee were held.

Other relevant details in this regard have been provided in the Corporate Governance Report.

NOMINATION & REMUNERATION COMMITTEE

In terms of the requirements of Section 178 of the Act, the Nomination & Remuneration Committee of the Company consists of majority of Independent Directors. As on date of this report, it comprises Mr. Kanu H. Doshi [Independent Director], Mr. S. C. Tripathi [Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Jai Anmol Ambani [Director] and Mr. Minoru Kimura [Director].

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. Kanu H. Doshi [Independent Director], Mr. S. C. Tripathi [Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Jai Anmol Ambani [Director], Mr. Sundeep Sikka [CEO & Executive Director], Mr. Minoru Kimura [Director] and Mr. Akira Shibata [Director].

During the year 2018-19, two (2) meetings of the CSR Committee were held.

Other relevant details in this regard have been provided in the Corporate Governance Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of the requirements of Section 178 of the Act, the Stakeholders' Relationship Committee of the Company consists of

four members. As on date of this report, it comprises Mr. Kanu H. Doshi [Independent Director], Ms. Ameeta Chatterjee [Independent Director], Mr. Minoru Kimura [Director] and Mr. Sundeep Sikka [CEO & Executive Director].

During the year, three (3) meetings of the Stakeholders' Relationship Committee were held.

Other relevant details in this regard have been provided in the Corporate Governance Report.

AUDITORS' OF THE COMPANY - STATUTORY AND INTERNAL

Statutory Auditors:

M/s. S R Batliboi & Co. LLP, Chartered Accountants shall hold office as Statutory Auditors of the Company until the conclusion of 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 2018-19. Your Directors have also approved their re-appointment as such for the financial year 2019-20.

AUDITORS OF THE SCHEMES OF 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 Reliance 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. Haribhakti & Co. LLP, Chartered Accountants held office as Statutory Auditors of the Schemes of Reliance Mutual Fund for the financial year 2018-19.

INTERNAL AUDITORS:

During the year, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Internal Auditors of the Scheme of Reliance Mutual Fund and the portfolio management services division of the Company, for the financial year 2018-19. Your Directors have also approved their re-appointment as such for the financial year 2019-20.

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 do not call for any further comments under 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 2018-19. In this regard, the Report submitted by the Secretarial Auditor is annexed as Annexure C.

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

EXTRACT OF ANNUAL RETURN

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

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

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

➤ Game changing initiatives:

- **Conversational Commerce:** Co-created with Google, an industry first initiative that powers voice-based transactions in the mutual fund space. First ever across the BFSI Industry in APAC.
- **Business Easy 2.0:** Evolution of an Artificial Intelligence enabled, App-in-App construct led industry first Application for partners providing speed, agility and simplicity. The trio gears to drive transactions and servicing of partners and mutual fund distributors. Very well adopted with high ratings on Play Store and positive internal/ external feedback.
- **Electronic full KYC on Digital Assets:** Facing headwinds from regulators on the use of Aadhar KYC, enabled a completely self-serve, frictionless onboarding through video-based KYC for access by investors and partners.
- **WhatsApp for Business:** A contemporary channel for communicating and engaging with customers, distributors and employees. This also brought in the new age digital distribution channel.
- **Digital One Click Campaigns:** Increase effectiveness of investor cross-sell/ upsell campaigns by offering a seamless purchase experience; pre-filled customer

details, auto-save facility, drop-off win-back and more using Adobe campaign manager, Adobe tracking codes, adobe target and more.

➤ Key Results of 2018-2019:

- Digital contribution to overall business increased from 16% in March 2018 to 38% in March 2019.
- Digital purchase transactions in own assets surpassed 1.1 Million in the year.
- Average number of Digital Transactions in Q3 and Q4 crossed over to 1 Lakh + Transactions per month.
- Digital closing more purchase transactions than physical paper transactions in the year.
- Digital contributing to more than 50% of new investor acquisition per month.
- Focused approach on SIPs resulting in 2.5X growth enabling long term assets.
- Deeper Integration of our Assets on partners websites/ apps contributing over 40K purchase transaction per month.
- Mobile to Web ratio increasing towards mobile with every third digital purchase transaction concluding on mobile.

RESEARCH AND DEVELOPMENT:

➤ DIGITAL ADOPTION AND INNOVATION:

The year 2018-19 has been the most eventful and impactful year on the Digital front. Our righteous vision of bringing financial inclusion to the masses through Digital technology coupled with a razor-sharp execution focus has helped us broaden the lead between us and the competition in terms of Digital prowess.

Our aim has been to put in place a constantly evolving Digitech platform that has the capability to serve the diverse needs of a vast spectrum of consumers through various Digital distribution touch-points. With a 360°omni-channel approach geared to provide a unified experience, our strategy has been based on the following four key pillars:

- Acquiring and nurturing direct user base
- Digitally enabling our Partners & Distributors
- Building plug & play platforms that are world class and first of its kind
- Providing digital solutions for Corporate entities

Continuing with our tradition of being pioneers, this year also saw us taking many industry-first, new age solutions to our consumers. We not only delivered some best-in-class, innovative digital solutions and experiences but also unlocked new channels for investor acquisition and engagement. The year also saw us develop deeper integrations and stronger alliances with Digital partners which helped us garner greater penetration in the real Bharat.

Backed by the success of the year gone by, our endeavor now is to consolidate our current position of Digital leadership and pave the road for an integrated commerce strategy for the upcoming year.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company earned foreign exchange equivalent to ₹ 26.86 Cr (Previous Year: ₹ 28.69 Cr). The Company spent foreign exchange equivalent to ₹ 7.28 Cr (Previous Year: ₹ 8.34 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, 2019, 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, 2019 and of the profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the

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

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

Your Directors draw attention of the members to Note No. 30 to the financial statement which sets out related party disclosures.

PARTICULARS OF FRAUDS REPORTED BY THE AUDITORS'

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure to the Board's Report. Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended also forms part of this Report. However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting and any member interested in obtaining the same 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:

■ 2 Statutory Report | Board's Report

- No. of complaints received: Nil
- No. of complaints disposed of: N.A.

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 RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED

Kanu H. Doshi
Director
(DIN: 00577409)

Sundeep Sikka
Executive Director & CEO
(DIN: 02553654)

Place : Mumbai

Dated : April 29, 2019

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

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

- Mr. Minoru Kimura (Director)
- Mr. Akira Shibata (Director)
- Mr. Kanu H. Doshi (Independent Director)

- General Ved Prakash Malik (Retired) (Independent Director)
- Mr. S. C. Tripathi (Independent Director)
- Ms. Ameeta Chatterjee (Independent Director)
- Mr. Sundeep Sikka (Executive Director & CEO)
- Mr. Jai Anmol Ambani (Director)

3. Average net profit of the company for last three financial years: ₹ 595.37 Crore

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 11.91 Crore

5. Details of CSR spend for the financial year :

- Total amount spent for the financial year : ₹ 12.00 Crore**
- Amount Unspent, if any: Nil**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR Project/Activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the state and district where projects or programs were undertaken	Amount outlay (Budget) Project or Programs wise (in crore)	Amount spent on the project or programs sub-heads: (1) Direct expenditure on projects and programs (2) Overheads (in crore)	Cumulative expenditure up to the reporting period (in crore)	Amount spent: direct (D) or through implementing Agency* (IA) (in crore)
1	Catering to wide range of health care needs of needy people from primary health care to acute illness, mal-nutrition and developing medical infrastructure facilities	Promoting healthcare including preventive healthcare	Maharashtra	6.50	6.50	28.63	<ul style="list-style-type: none"> • Mandke Foundation (D) • Himalayan Institute Hospital Trust (D) • Americares India (IA) • Indian Cancer Society (IA) • M.M. Hospital (IA)
			Madhya Pradesh	-	-	5.00	<ul style="list-style-type: none"> • Ujjain Charitable Trust (D)
			Gujarat	0.50	0.50	1.00	<ul style="list-style-type: none"> • Deepak Foundation (IA)
2	Development of infrastructure facilities Vocational training /Skills	Promoting education, enhancing Vocational Skills	Rajasthan	-	-	2.00	<ul style="list-style-type: none"> • Ratanlal Kanwarlal Patni Foundation (D)
			Maharashtra	-	-	4.00	<ul style="list-style-type: none"> • Shri Aillak Pannalal Digambar Jain Pathashala (D) • Vedanta Foundation (IA)
			Pan India	1.50	1.50	1.50	<ul style="list-style-type: none"> • Udyogini (IA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR Project/Activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the state and district where projects or programs were undertaken	Amount outlay (Budget) Project or Programs wise (in crore)	Amount spent on the project or programs sub-heads: (1) Direct expenditure on projects and programs (2) Overheads (in crore)	Cumulative expenditure up to the reporting period (in crore)	Amount spent: direct (D) or through implementing Agency* (IA) (in crore)
3	Measures for the benefit of armed/ para-military forces veteran, war widows and their dependents	Armed Forces Welfare	Pan India	2.00	2.00	2.00	<ul style="list-style-type: none"> • Bharat Ke Veer (D) • Army Central Welfare Fund (D)
4	Providing training / infrastructure to Indian athletes	Training for Sports	Pan India	1.50	1.50	1.50	<ul style="list-style-type: none"> • Foundation for promotion of Sports and Games (IA)
5	Rural Development	Rural Development	Rajasthan	-	-	0.23	<ul style="list-style-type: none"> • KK Birla Memorial Society (D)
Total				12.0	12.0	45.86	

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

Place: Mumbai
Dated: April 29, 2019

Kanu H. Doshi
Director
(DIN : 00577409)

Sundeep Sikka
Director & CEO
(DIN : 02553654)

ANNEXURE – B

NOMINATION AND REMUNERATION POLICY

Reliance Nippon Life Asset Management Limited ("the Company" or "RNAM") 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 RNAM, 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 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 SMP:

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

6. Remuneration

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

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

CEO's ESOP:

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

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

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

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

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

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

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

ESOPs to all Other Employees:

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

7. Nomination & Remuneration of the Directors:

- a) While considering the candidature of any person for the office of the Director, the Committee would consider the integrity, qualification, positive attributes, independence, area of expertise, previous achievements and number of directorships & memberships already held by that person. The Committee would also review the skill set held by that person, ability to contribute to the Company's growth and complementary skills in relation to the other Board Members. Based on the Committee's recommendation, the Board would further consider and take the appropriate decision in this regard.
- b) The remuneration of Directors / Managing Directors / Whole-time Directors shall be governed by the provisions of the Companies Act, 2013 and the rules made thereunder, from time to time and the Listing Regulations.
- c) Non-Executive Directors shall be entitled to receive the Sitting Fees for attending the meetings of the Board and

the Committees thereof, as approved by the 'Board of Directors' from time to time. However, any Directors, who is in employment of any of the Reliance Group Companies, shall not be entitled for the payment of the Sitting Fees. The Board upon the recommendation of the Nomination Committee, shall review the Sitting Fees, from time to time, subject to the limits, as specified under the Companies Act, 2013 or rules made thereunder.

- d) Upon the recommendation of the NRC, the Board shall review and approve the other components of the remuneration payable to the Directors (including Non-Executive Directors) of the Company, within the overall limits as specified under the Companies Act, 2013 (including rules made thereunder) and the Listing Regulations and if required, the same shall be placed for the consideration and approval of the Shareholders.

8. Remuneration Structure for all employees:

The Remuneration structure shall include the following components:

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

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

9. Retention Features as part of Compensation Package:

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

10. Modification and Amendment:

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

ANNEXURE – C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
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 Reliance Nippon Life 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, 2019, 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, 2019 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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

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

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

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

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

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

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

1. 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.;
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Stamp Acts and Registration Acts of respective States;
4. Labour Welfare Act of respective States; and
5. 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

■ 2 Statutory Report | Board's Report

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.

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

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

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

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

- (i) The Company on April 18, 2018, inter-alia, approved the following matters through Postal ballot,
 - a) Ratification of the existing ESOP and ratification for extension of benefits of ESOP (if deemed fit) to the employees of the Company's Holding and Subsidiary Companies;

- b) Amendment in Articles of Association (AoA)(removal of part B); and
 - c) Approval and ratification of the shareholders rights under Articles 166 and 167 of the AoA.
- (ii) At the Annual General Meeting of the members held on September 18, 2018, inter-alia, the following resolutions were passed:
 - a) Declaration of Final dividend of Re. 1 per Equity share;
 - b) Revision in the terms of remuneration of Mr. Sundeep Sikka, the executive Director & CEO (by Ordinary Resolution); and
 - c) To enhance the FPI Investment limit in the Company (by Special Resolution).
 - (iii) At the Board Meeting held on January 22, 2019 the Board, inter-alia, declared an interim dividend of ₹ 3 per equity share.

**For M Siroya and Company
Company Secretaries**

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

**Date: 29.04.2019
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,
Reliance Nippon Life Asset Management Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M Siroya and Company
Company Secretaries**

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

Date: 29/04/2019
Place: Mumbai

ANNEXURE – D

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

I. Registration and Other Details:

CIN	L65910MH1995PLC220793
Registration Date	February 24, 1995
Name of the Company	Reliance Nippon Life Asset Management Limited
Category / Sub-Category of the Company	Company limited by Shares / Non-govt company
Address of the Registered office and contact details	Reliance Centre, 7 th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400 055 Contact: +91 22 4303 1000 • Fax: +91 22 4303 7662 e-mail: Rnam.investorrelation@relianceada.com Website: www.reliancemutual.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower – B Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032 Toll free no. (India) : 1800 4250 999 Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791 E-mail : rnaminvestor@karvy.com Website: www.karvyfintech.com

II. Principal Business Activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Reliance Asset Management (Mauritius) Limited Unit 1, 4C, 4 th Floor, 19, Bank Street, Cybercity, Ebene 72201, Republic of Mauritius	Not Applicable	Subsidiary	100	2(87)
2	Reliance Asset Management (Singapore) Pte. Ltd. 9 Raffles Place, # 18-05 Republic Plaza, Singapore 048619	Not Applicable	Subsidiary	100	2(87)
3	Reliance AIF Management Company Limited Reliance Centre, 7 th Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U74999MH2000PLC127497	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
4	Reliance Capital Pension Fund Limited Reliance Centre, 7 th Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U66020MH2009PLC191340	Associate	49	2(6)

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

i) Category-Wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (April 01, 2018)				No. of shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/ HUF	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	26,23,95,000	0	26,23,95,000	42.88	26,23,95,000	0	26,23,95,000	42.88	0.00
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	26,23,95,000	0	26,23,95,000	42.88	26,23,95,000	0	26,23,95,000	42.88	0.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	26,23,95,000	0	26,23,95,000	42.88	26,23,95,000	0	26,23,95,000	42.88	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	26,23,95,000	0	26,23,95,000	42.88	26,23,95,000	0	26,23,95,000	42.88	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	52,47,90,000	0	52,47,90,000	85.76	52,47,90,000	0	52,47,90,000	85.76	0.00
B. Public shareholding									
1. Institutions									
a) Mutual Funds	2,78,85,862	0	2,78,85,862	4.56	2,29,12,150	0	2,29,12,150	3.74	-0.81
b) Banks / FI	79,062	0	79,062	0.01	1,52,139	0	1,52,139	0.02	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	59,038	-	59,038	0.01	0.01
g) FIs/ FPIs	1,98,19,947	0	1,98,19,947	3.24	1,82,54,216	0	1,82,54,216	2.98	-0.26
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other									
Alternate Investment Funds	1,65,41,214	0	1,65,41,214	2.70	1,84,94,900	0	1,84,94,900	3.02	0.32
Sub-total (B)(1)	6,43,26,085	0	6,43,26,085	10.51	5,98,72,443	0	5,98,72,443	9.78	-0.73
2. Non- institutions									
a) Bodies Corp.									
i) Indian	30,67,135	0	30,67,135	0.50	41,31,017	0	41,31,017	0.68	0.17

Category of shareholders	No. of shares held at the beginning of the year (April 01, 2018)				No. of shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Overseas	1,07,96,700	0	1,07,96,700	1.76	1,07,96,700	0	1,07,96,700	1.76	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	66,98,990	10	66,99,000	1.09	91,94,641	10	91,94,651	1.50	0.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	11,13,866	0	11,13,866	0.18	23,35,471	0	23,35,471	0.38	0.20
c) Others									
Employee Trusts	2,11,801	0	2,11,801	0.03	300	0	300	0.00	-0.03
Non Resident Indians	1,85,123	0	1,85,123	0.03	4,37,858	0	4,37,858	0.07	0.04
Clearing Members	8,10,290	0	8,10,290	0.13	4,41,560	0	4,41,560	0.07	-0.06
Sub-total (B)(2)	2,28,83,905	10	2,28,83,915	3.73	2,73,37,547	10	2,73,37,557	4.46	0.73
Total Public shareholding (B)=(B)(1)+ (B)(2)	8,72,09,990	10	8,72,10,000	14.24	8,72,09,990	10	8,72,10,000	14.24	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	61,19,99,990	10	61,20,00,000	100.00	61,19,99,990	10	61,20,00,000	100.00	0.00

ii) Shareholding of Promoters

Sr. no.	Shareholder's name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Reliance Capital Limited	26,23,95,000	42.88	0.00	26,23,95,000	42.88	0.00	0.00
2	Nippon Life Insurance Company	26,23,95,000	42.88	0.00	26,23,95,000	42.88	0.00	0.00
	total	52,47,90,000	85.76	0.00	52,47,90,000	85.76	0.00	0.00

iii) Change in Promoters' Shareholding: No Change

Sr. no.	Shareholder's name	Shareholding at the beginning of the year (April 01, 2018)		Cumulative shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
i)	Reliance Capital Limited				
1.	At the beginning of the year	26,23,95,000	42.88	26,23,95,000	42.88
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year	No Change			
3.	At the End of the year	26,23,95,000	42.88	26,23,95,000	42.88

Sr. no.	Shareholder's name	Shareholding at the beginning of the year (April 01, 2018)		Cumulative shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
ii)	Nippon Life Insurance Company				
1.	At the beginning of the year	26,23,95,000	42.88	26,23,95,000	42.88
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year	No Change			
3.	At the End of the year	26,23,95,000	42.88	26,23,95,000	42.88

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

Sr. no.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited - HDFC Prudence Fund	2,01,31,350	3.29	-57,23,518	1,44,07,832	2.35
2	Valiant Mauritius Partners FDI Limited	1,07,96,700	1.76	0	1,07,96,700	1.76
3	IIFL Special Opportunities Fund	80,24,348	1.31	0	80,24,348	1.31
4	IIFL Special Opportunities Fund - Series 2	53,66,273	0.88	0	53,66,273	0.88
5	Steinberg India Emerging Opportunities Fund Limited	18,50,000	0.30	27,50,000	46,00,000	0.75
6	Abu Dhabi Investment Authority - Behave	30,42,941	0.50	4,14,166	34,57,107	0.56
7	UTI - Focussed Equity Fund - Series IV (1104 Days)	14,30,650	0.23	12,19,411	26,50,061	0.43
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life MIP II-Wealth 25 Plan	36,59,618	0.60	-10,23,753	26,35,865	0.43
9	IIFL Special Opportunities Fund - Series 3	19,29,297	0.32	0	19,29,297	0.32
10	Valiant Mauritius Partners Offshore Limited	6,17,945	0.10	9,92,339	16,10,284	0.26

v) Shareholding of Directors and Key Managerial Personnel:

Sr. no.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sundeep Sikka				
	At the beginning of the year		70,000		0.01
	Date wise Increase / Decrease in Share holding during the year (Market Purchase)	04-05-2018	7,500		0.00
		11-05-2018	12,000		0.00
	At the End of the year	18-05-2018	10,500		0.00
		24-08-2018	10,000		0.00
		31-03-2019		1,10,000	0.02

V. Indebtedness

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

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

VI. Remuneration of Directors and Key Managerial Personnel

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

Amount (₹ in Lakh)

Sr. no.	Particulars of Remuneration	Mr. Sundeep Sikka (ED & CEO)	Mr. Ajay Patel (Manager)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,056.0	105.0
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.3	–
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–
2	Stock Option (Number of Options granted in FY 2018-19)	2,14,760 Options	28,505 Options
3	Sweat Equity	–	–
4	Commission	–	–
5	Others, please specify (PLI & Others)	–	–
	Total (A)	1,056.3	105.0
	Ceiling as per the Act	4617.89	

B. Remuneration to other Directors:

Amount (₹ in Lakh)

Independent Directors					
Particulars of Remuneration	Name of Directors				Total Amount
	Kanu H. Doshi	S.C. Tripathi	Ameeta Chatterjee	General Ved Prakash Malik (Retd.)	
1. Independent Directors					
• Fee for attending board / committee meetings	9.40	7.00	8.50	5.40	30.30
• Commission	–	–	–	–	–
• Others, please specify	–	–	–	–	–
Total (1)	9.40	7.00	8.50	5.40	30.30

Amount (₹ in Lakh)

Non-executive Directors			
Particulars of Remuneration	Name of Directors		Total Amount
	Akira Shibata	Minoru Kimura	
2. Other Non-Executive Directors			
• Fee for attending board / committee meetings	4.30	4.60	8.90
• Commission	–	–	–
• Others, please specify	–	–	–
Total (2)	4.30	4.60	8.90
Total (B) (1+2)			39.20
Total Managerial Remuneration (A+B)			1190.6
Overall Ceiling as per the Act			5079.67

- Mr. V. N. Kaul, Mr. Kazuhide Toda and Mr. Takayuki Murai resigned w.e.f. April 25, 2018 and did not attend any meetings during the year. Hence, no sitting fees were paid to them.
- No Sitting fee is paid to the Executive Director or any other Director, who is employed in any of the Reliance group companies
- As indicated by Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Akira Shibata and Mr. Minoru Kimura (being nominees of NLI) was paid to NLI.

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

(₹ in Lakhs)

Sl. no.	Particulars of remuneration	Key Managerial Personnel		
		Mr. Prateek Jain (CFO)	Mr. Deepak Mukhija (Company Secretary till September 18, 2018)	Ms. Nilufer Shekhawat (Company Secretary w.e.f. November 1, 2018)
1	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	211.8	40.3	15.2
(b)	Value of perquisites under Section 17(2) Income Tax Act, 1961	–	–	–
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–
2	Stock Options (Number of Options granted in FY 2018-19)	99766 Options	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify (PLI & Others)	–	–	–
5	Others, please specify	–	–	–
	Total (1+2+3+4+5)	211.8	40.3	15.2

VII. Penalties / Punishment/ Compounding of Offences:

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

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

Place: Mumbai
Dated: April 29, 2019

Kanu H. Doshi
Director
(DIN: 00577409)

Sundeep Sikka
Executive Director & CEO
(DIN: 02553654)

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDIAN ECONOMIC OVERVIEW

The Indian economy after growing robustly in first half of FY 2018-19, experienced a slowdown in the second half. Indian capital markets experienced liquidity tightness post the default of a Large Corporate. The liquidity crunch impacted the ability of various NBFCs to lend. Since, NBFCs played an important role in consumer sector growth in recent years, the decline in the credit growth of the NBFCs to the consumer sector led to consumption slowdown in Indian economy. India's GDP slowed down marginally to 6.98% in FY18-19 (as per CSO advanced estimates) vs. 7.17% in FY 2017-18.

Going into FY 2019-20, the outlook for the Indian economy appears to be much brighter. There are various factors which points towards a steady recovery in growth. Firstly, there are clear signs that private capex has started to pick-up. This is being reflected in domestic bank credit growth which having remained subdued for the last many years, is now growing sustainably in double-digits. Secondly, the Reserve Bank of India (RBI) is in the midst of a rate cut cycle, having cut the policy rate by 50bps already in this calendar year (CY19). Apart from lowering policy rates, the Central Bank has also been very proactive in providing domestic liquidity which will ultimately lead to transmission of lower policy rates to real life lending rates. Lastly, government support to the farm sector should aid recovery in rural incomes. Overall, the RBI forecasts that FY 2019-20 GDP growth is likely to mildly accelerate to 7.2%.

Inflation continued its downtrend in FY 2018-19, averaging 3.5% versus 3.6% in FY 2017-18, primarily due to lower food prices. The outlook for FY 2019-20 also remains benign. The RBI forecasts the CPI inflation to be between 2.9%-3.0% in H1FY 2019-20 and between 3.5%-3.8% in H2FY 2019-20. As per the RBI, current monetary stance is neutral, but space remains open for further rate cuts if inflation continues to trend below RBI's target of 4%.

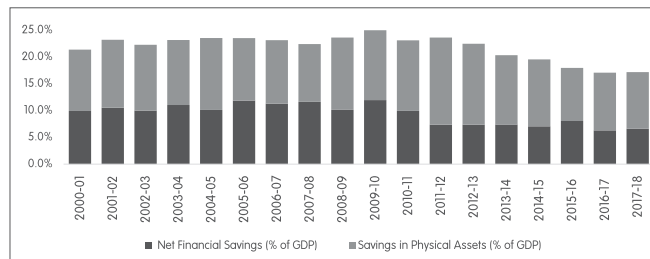
In FY2018-19, India's external sector faced significant headwinds due to higher oil prices as well as capital outflows. This in turn resulted in sharp depreciation of the currency with the INR depreciating by 8% during the financial year. However, both these headwinds appear to have receded with oil prices down 16% from their recent peak along with sharp revival in foreign inflows. This should provide stability to the currency going forward.

India's Household Savings

While India's overall household savings (as a % of GDP) has been on a declining trend since FY 2011-12, the bulk of the decline is attributable to fall in physical savings rather than financial savings. Indeed, the decline in household physical savings accounts for 85% of the total fall in household savings since FY 2011-12 while financial savings has been relatively more stable. The main reason behind this appears to be falling or stagnating returns in real estate and gold as opposed to higher returns in equity and debt markets. As of FY18, net financial savings is about 38% of the total household savings with a headroom to grow even further driven by structural drop in inflation and ongoing formalization of economy. Within

financial assets, the share of non-bank deposit instruments like mutual funds and insurance are on the rise.

Chart 1: Household Financial Savings have been more stable than Physical Savings

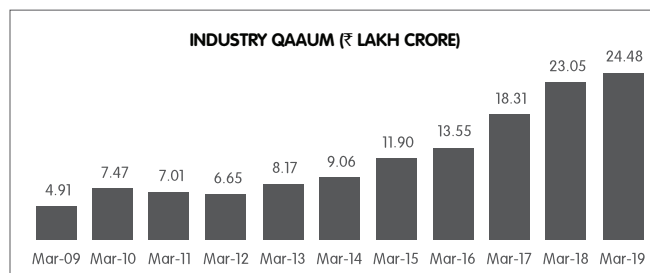


Source: CMIE Economic Outlook

II. MUTUAL FUND SECTOR

Industry Overview

Indian MF Industry has been growing at a steady pace in the last decade and has grown from ₹ 4.91 lakh crore to ₹ 24.48 lakh crore approx. 5 times increase in a span of 10 years. Further, during the year Industry saw a healthy growth of 15% in total folios largely due to increasing awareness and higher retail participation.



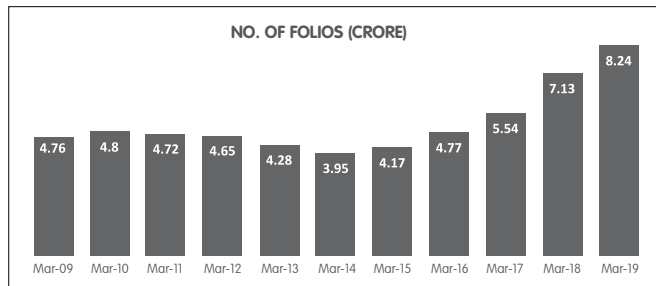
Source: AMFI

The industry witnessed 6.1% growth from ₹ 23.05 lakh crore in FY 18 to touch ₹ 24.48 lakh crore in FY 19. Retail participation remained robust, having registered 18% YoY growth. Retail investors contributed ~58% to the incremental industry assets. Equities accounted for most of these inflows during the year, reflecting the increasing risk appetite and confidence of the retail investors despite high volatility. Out of the ~₹ 1,43,200 lakh crore growth witnessed in mutual funds in FY 2018-19, about ₹ 74,800 crore was contributed by the equities. This year witnessed rising yield curve and major credit events, which triggered liquidity crisis and resulted in flight to safety towards liquid and money market funds. This primarily contributed to Debt outflows of ~ ₹ 98,500 crore

Increasing Participation from Retail Investors

This year has seen continued growth in participation, especially from retail investors. The MF industry added ~1.1 crore folios during FY2018-19 nearly 89% of these folios were in equity funds, taking

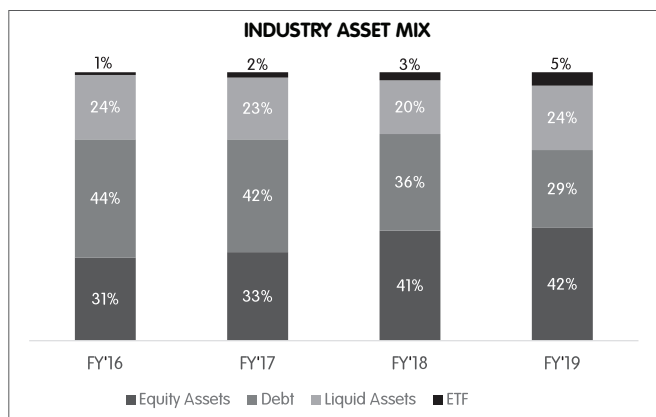
the total number of folios to 8.24 crore. The total number of retail investor folios increased from 6.71 crore as of March 2018 to 7.73 crore as on March 2019, an addition of ~ 1 crore folios.



Source: AMFI

Asset Mix

Equity AUM as a proportion of Total AUM has gone up from 31% in FY 16 to 42% in FY 19 which can be attributed to increasing awareness, financialization of savings, rise in SIP etc. The share of debt-oriented schemes is down from 44% in FY 16 to 29% in FY 19 which can be attributed to rising in yield curve, credit events.



Source: QAAUM, AMFI

Equity: Equity Funds invest a major chunk of corpus in listed 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 of equity funds, we also have Balanced/Hybrid Funds which invest both in equity and debt instruments and strive to provide growth as well as regular income.

Equity AUM contributes 41.8 % to total Industry assets & grown by 8%.

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 29.1 % to total Industry assets & degrown by 12%.

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.

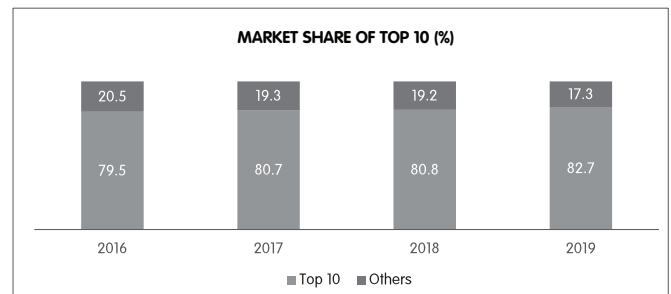
Liquid AUM contributes 24.1 % to total Industry assets & grown by 26 %.

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

ETF AUM contributes 4.9% to total Industry assets & grown by 56.8%.

Top 10 AMC's AUM trends:

Indian MF industry has a total of 44 AMCs comprising private sector companies, joint ventures with foreign entities and NBFC/bank sponsored AMCs.

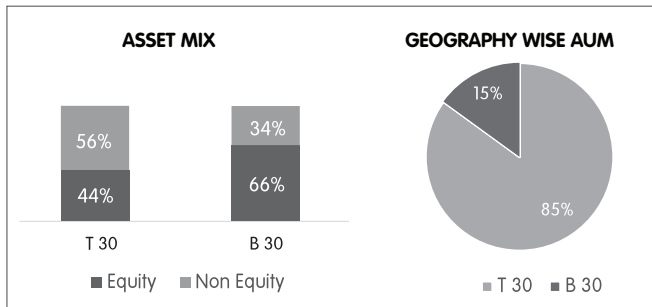


Source: QAAUM, AMFI

The Indian MF industry remains largely consolidated in top 10 AMCs, which account for >80% of the industry's total AUM since March 2016. Currently, Top-10 players manage ₹ 20.2 lakh crore which accounts for 82.7 % of the industry AUM, their proportion of assets has been increasing year after year.

Geographic Mix:

Historically AUM has been concentrated in the Top 30 (T-30) cities due to presence of Institutional Investors and they have higher concentration of assets in non-equity schemes. The T-30 cities hold the majority of MF assets with a share of 85%, whereas beyond the Top-30 or B-30 cities held 15% of assets as of Mar'19. 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.

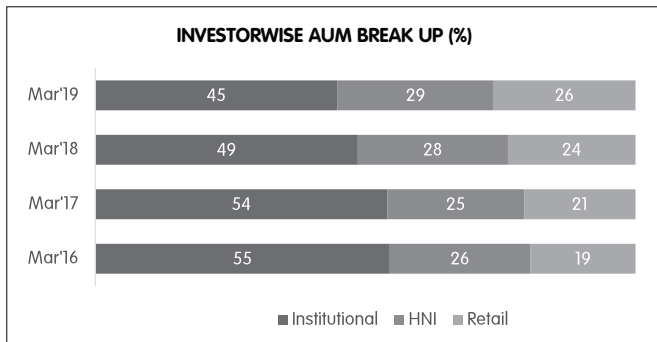


Source: AMFI

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 35%, 26%, 14% respectively and Retail contribution to Industry AUM has increased from 19% in Mar’16 to 26% in Mar’19.



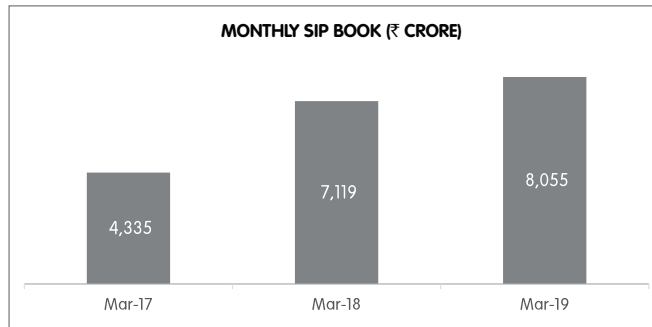
Source: AMFI

The Retail investor MAAUM increased from ₹ 5.4 lakh crore in March 2018 to ₹ 6.4 lakh crore in March 2019, registering a growth of 18%, whereas HNI investors MAAUM increased from ₹ 6.3 lakh crore in March 2018 to ₹ 7.1 lakh crore in March 2019, growth of 13%. Retail investors tend to invest a higher proportion of their assets in equity-oriented funds about 63%.

The Institutional investors MAAUM remained flat for the year at ₹ 11 lakh crore. Majority of institutional investor AUM is into fixed income funds.

SIP Inflow continues to grow

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



Source: AMFI

Despite volatility, Systematic Investment Plans (SIP) inflows continue to grow this financial year especially among retail investors indicating their evolving behaviour and long-term investment horizon. According to AMFI, the total inflows through SIPs in FY2018-19 was ₹ 92,693 crore and has grown by 38% compared to previous year. The total number of SIP accounts stood at 2.62 crore as of March 2019, with an addition of 51 lakh accounts since March 2018. In addition to a gradual increase in participation from the retail segment, the rising prominence of SIPs also lends stability to industry inflows.

Regulatory Update

Revision of TER

Market Regulator (SEBI) had announced revision to the Total Expense Ratio (TER) slab structure for mutual funds. Below are the revised slab rates.

Earlier TER

AUM Slab (₹ Crores)	TER for Equity oriented schemes	TER for other schemes (excl. Index, ETFs and Fund of Funds)
0-100	2.50%	2.25%
100-400	2.25%	2.00%
400-700	2.00%	1.75%
> 700	1.75%	1.50%

Revised TER

AUM Slab (₹ Crores)	TER for Equity oriented schemes	TER for other schemes (excl. Index, ETFs and Fund of Funds)
0-500	2.25%	2.00%
500-750	2.00%	1.75%
750-2,000	1.75%	1.50%
2,000-5,000	1.60%	1.35%
5,000-10,000	1.50%	1.25%
10,000-50,000	TER reduction of 5 bps for every increase in AUM by 5,000 crore or part thereof	TER reduction of 5 bps for every increase in AUM by 5,000 crore or part thereof
>50,000	1.05%	0.80%

For Closed Ended Schemes, TER reduced from 2.25% to 1.25%.

The revised TER structure is applicable from 1st April 2019. The revised TER slabs reduce the cost of investments for MF investors and making them even more attractive.

Other Updates

Further there was a SEBI Circular issued with effect from 22nd Oct.'18 which mentioned

- No Upfront Commission on Lumpsum investment
- Upfront Commission allowed only on SIP from New investors
- All Scheme related expenses to be paid from Scheme Only, and not from AMC
- Incentive for inflows from B-30 cities now be based only on retail investors

Outlook

Mutual fund AUM as a percentage of GDP rose from 5.6% in FY00 to 12.9% in FY18. However, the industry still has tremendous potential for growth, considering India is a large untapped market with the favourable demographics of a young population. India's mutual fund penetration (AUM to GDP) is significantly lower than the world average of 62% and lower than many developed economies like US (101%), France (76%), Canada (65%) and UK (57%) and even emerging economies like Brazil (59%) and South Africa (49%).

Indians household savings is about 30% of GDP compared with a global average of 25%. Household savings have witnessed a steady shift from physical assets like gold and real estate to financial instruments i.e. mutual funds in the recent years. Indeed, net financial savings have clocked ~10% CAGR over the past 5 years (compared to a mere 0.1% for physical assets) and the proportion of financial assets in total household savings now stands at >40%.

Favourable demographic dividend, increased awareness and confidence amongst investors, rising SIP flows, higher participation from retail investors are expected to ensure robust growth for the Mutual Fund industry, going ahead.

III. ALTERNATIVE INVESTMENT FUNDS

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

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

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

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

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

Over the years, AIF industry has grown rapidly in terms of funds raised and has resulted in as one of the most attractive investment options in recent times. There has been increasing awareness and acceptance among high net-worth individuals and institutions who are looking beyond the traditional investment options, which provide adjusted returns. The industry has also seen emergence of wide variety of offerings ranging from simple to esoteric to accommodate differentiated offerings.

As on June 2018, Commitments Raised is approx. ₹ 1.8 lakh crore of which Funds Raised is approx. 54% i.e. ₹ 0.97 lakh crore. Within Funds Raised Funds Category II (58%) represent the largest segment while Category III (31%) growing strongly. SEBI has permitted more than 450 AIFs to be set up since 2012; participants include AMCs, Private Equity, Venture Capital firms, Hedge Funds, Corporates, Boutique Investment Funds, Individuals etc. (Source: SEBI).

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 vehicle. It is the most suitable investment vehicle for meaningful/concentrated, benchmark-agnostic, bottom-up stock picking. The minimum investment amount under PMS is ₹ 25,00,000

The PMS industry has seen a robust growth of 18% CAGR in the last five years between January 2014 to January 2019, with asset under management rising from ₹ 6.04 lakh crore to ₹ 13.70 lakh crore.

V. PENSION FUND

National Pension Scheme (NPS), launched in 2004, is a voluntary defined contribution retirement scheme administered and regulated by Pension Fund Regulatory and Development Authority (PFRDA). This scheme has already been made mandatory for Central Government employees who joined their service on or after 01st January 2004 (except the armed forces). Most of the state governments have also joined NPS for their employees, who joined their service on or after 1st Jan 2004. Central Government employees who have joined services on or after 1st January 2004 will Contribute 10% of salary & DA and 14% contribution by government announced in Budget 2019-20. While the scheme was initially designed for government employees only, it was opened up for all citizens of India in 2009 and it is an attempt by the government to create a pensioned society in India.

Currently, there are eight pension fund managers in the country. NPS offers an option to invest in four broad categories of investment- equity, corporate bonds, government securities and alternate investment schemes. It offers a deduction of ₹ 50,000 from taxable income under Section 80 CCD (1B) over and above the Section 80C limit under the Income Tax Act, 1961 of ₹ 1,50,000. The cap of equity investment has been increased to maximum limit of 75% from current permissible limit of 50% in active choice for private sector subscribers under NPS, with tapering off the equity allocation after attaining the age of 50 years by subscriber.

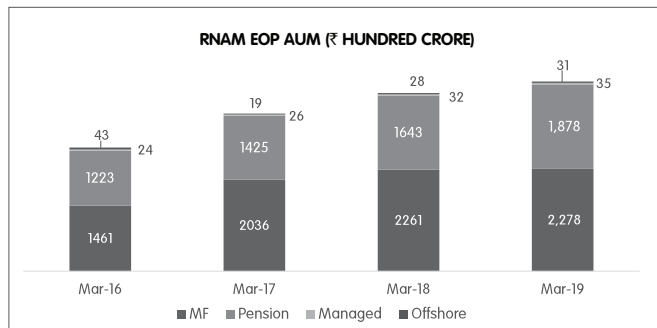
VI. COMPANY OVERVIEW

True Blue Asset Management Player

Reliance Nippon Life Asset Management Limited (RNAM or the Company) is one of the largest asset management companies in India with over 23 years of track record, total AUM of ₹ 4.2 lakh crore as of March 31, 2019. 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 following table illustrates the closing AUM of the Company's respective offerings:



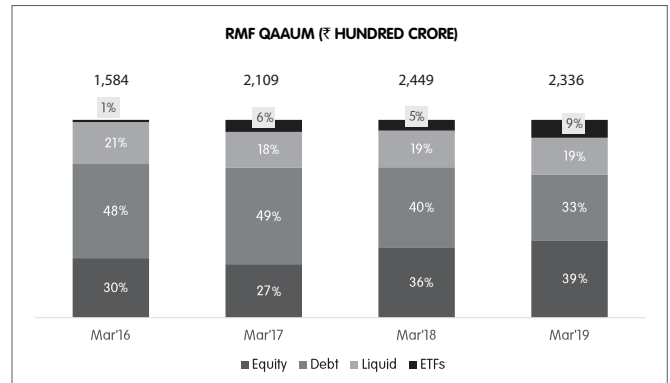
Source: Company, AMFI

Mutual Fund:

Reliance Mutual Fund (RMF) 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, 2019, the Company managed QAAUM of ₹ 2,33,617 crore. Reliance Mutual Fund (RMF) manages 58 open ended schemes (including 17 ETFs), 163 close ended and interval schemes of RMF as of March 31, 2019.

RMF is the only AMC in India with more than 17 years' experience in managing ETFs. During the financial year, two CPSE ETF Further Fund Offer were launched and garnered a tremendous response

across all investor categories, where the issue size was ₹ 27,000 crore.

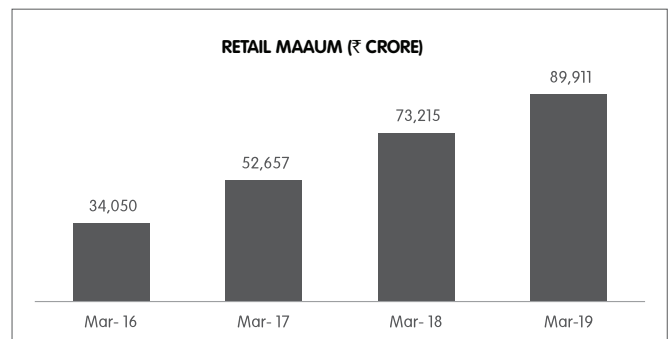


Source: Company, AMFI

Business Strengths:

No.1 in Retail Assets & Growth

RNAM has always been known for its strength in the Retail segment. Over the last 2 decades, we have meticulously built our assets in this category and created long-term wealth for over 90.67 lakh investor folios. RNAM will continue to focus and enhance these offerings to expand its investor base even further. Our retail assets have grown by ₹ 16,696 crore, the highest in the industry during this fiscal, which helped the Company in growing its retail assets by 23% to ₹ 89,911 crore. RNAM's retail AAUM contribution to total AAUM is amongst the highest in the industry at 38%. We continue to build on our 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.



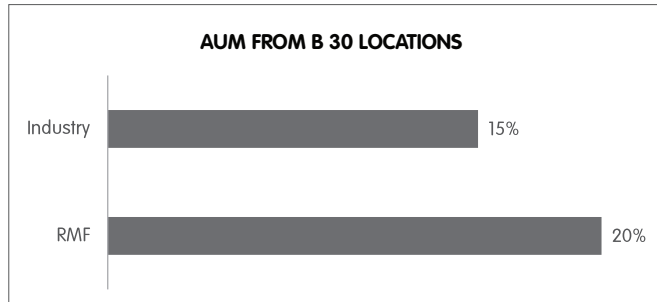
Source: Company

RNAM Retail AUM has grown at a CAGR of 38% over last 3 years.

Higher Share of AUM from Beyond Top 30 Locations:

RNAM 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 ₹ 45,061 crore, out of which 66% were equity assets. For RNAM, 20% of total assets are sourced from beyond top 30 cities, higher than the industry average. In smaller locations

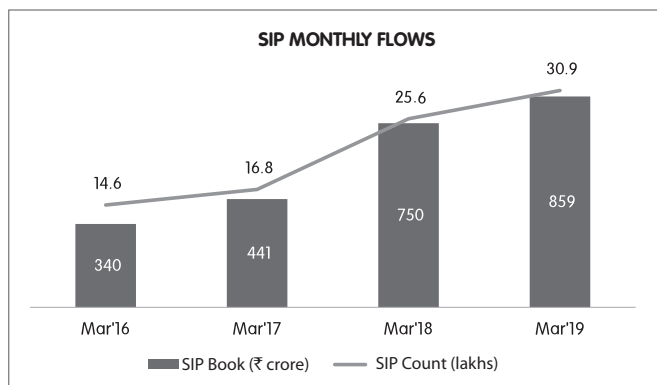
there is particular need for face-to-face communication to get new investors into the MF Industry. RMF holds one of the largest on-ground presences at 300 locations pan India and we endeavour to provide an all-round interface for our investors – both online and offline.



Source: Company, AMFI

SIP - Long Term & stable Inflows

SIP is one of the strong pillars of the Industry and provides long-term sustainable inflows. It also inculcates a ‘savings habit’ among investors and ensures steady disciplined approach to investing rather than ad-hoc. At RMF, we hold ₹ 859 crore of SIPs which is a recurring monthly inflow resulting in annualized inflows of ~ ₹ 10,300 crore. Our SIP Book is contributed by approx. 31 lakh SIPs which has grown by 17% this year. The SIP book grew by 15% in FY2018-19. About 78% of the incremental SIPs have tenure over 5 years. Average ticket size of SIP book is about ₹ 2,800 as against industry average of about ₹ 3,070.



Source: Company

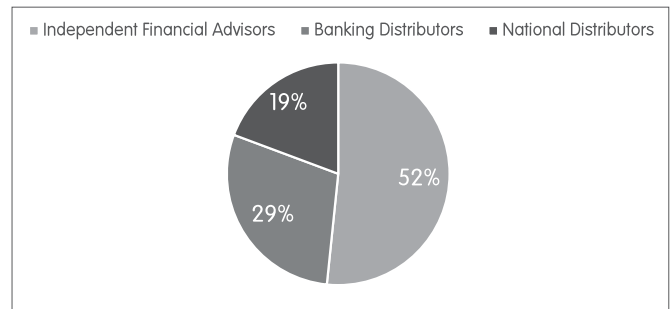
The trend on the new SIP counts has seen a strong traction. New SIP counts addition have almost trebled growing from 30,422 in March 2016 to 85,064 in March 2019. We continue to garner SIPs for long term and look to serve investors through SIPs of every scale starting from ₹ 100.

De Risked distribution Model:

Traditional

The Company has multi-channel distribution network comprising of Independent Financial Advisors (IFAs), foreign banks, Indian private and public sector banks, national distributors and digital platforms.

RNAM has over 73,400 empanelled distributors pan India as of March 31, 2018, amongst the highest in the Industry. As a result of RNAM's well-diversified and geographically spread distribution network, none of its distributors account for over 5% of AUM.



Excluding Direct AUM

Source: Company

Digital

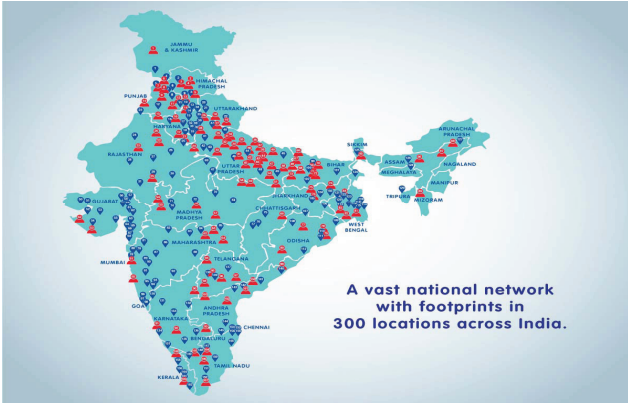
RNAM has a significant online presence to capture the business of tech-savvy investors that undertake financial transactions on the Company's website as well as its mobile application. Further, enabled intermediaries to digitally access the investors through a Dedicated Partner App.

Key Highlights:

- Digital contribution to overall business increased from 16% in Mar 2018 to 38% in March 2019
- Digital purchase transactions in own assets surpassed 11 lakh in the year
- Mobile to Web ratio increasing towards mobile with every third digital purchase transaction concluding on mobile
- Digital contributing to more than 50% of new investor acquisition per month
- Focused approach on SIPs resulting in 2.5X growth
- Deeper Integration of our Assets on partners websites/ apps contributing over 40,000 purchase transaction per month

Penetrating Deeper into India:

Currently, RNAM has a pan-India network of 300 locations, which is amongst the highest in the industry. The Company added 18 locations to its overall network during the year. 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, Reliance AIF Management Company Limited (RAIF), manages 12 schemes of alternative investment funds across Category II & Category III AIFs. RAIF offers various strategies under high yield real estate debt, listed equity, credit and commodity AIFs, which are privately pooled investment vehicles registered with SEBI.

Out of the above, 8 Schemes are closed for subscription, while 3 schemes are currently open to investors for subscription. As on March 31, 2019, RAIF has raised capital commitments of over ₹ 2,500 crore across various AIF schemes.

Key highlights:

- (a) Crossed milestone of raising commitments of ₹ 1,000 crore in listed equity space across four schemes (three of which are closed for subscription); the company had launched the first equity scheme under category III AIF in the previous year
- (b) The company has launched / incubated the first Commodity Fund which is the first Category III open ended fund offered by the company
- (c) The company has also launched the first offshore real estate fund, a category II AIF which is currently open for subscription.

PMS

The Company provides portfolio management services to high net worth individuals and institutional investors including the Employees’ Provident Fund Organisation (EPFO), Coal Mines Provident Fund Organisation (CMPFO), The Pension Fund Regulatory and Development Authority (PFRDA). During the year the company has been awarded the prestigious mandate of Employee State Insurance Corporation (ESIC) to manage its funds and the only AMC to have these four prestigious mandates.

National Pension Scheme

Reliance Capital Pension Fund Limited (‘RCPFL’) is acting as one of the Pension Fund Managers for managing the pension assets under the National Pension System (NPS). The assets under management of RCPFL during the current fiscal year to ~ ₹ 289 crore.

As of March 31, 2019, the Company’s total AUM increased to ₹ 1,91,300 crore, as part of the managed accounts business, as compared with ₹ 1,67,500 crore in the previous year, registering a 14% growth.

Offshore funds and advisory mandates:

The Company manages offshore funds through its subsidiaries in Singapore and Mauritius and has a representative office at Dubai, which enables the company to cater to Institutional and High Net Worth Investors across Asia, Australia, Europe, Middle East, UK and US. As of March 2019, the Company had a total AUM of approx. ₹ 3,087 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 South Korea. Further, as of March 2019, the Company had a total AUM of approximately ₹ 5,542 crore of international Advisory mandates.

During the year:

1. RNAM has launched the UCITS India Fixed Income Fund, this product will be distributed across all geographies excluding India and US via our existing distribution network.
2. Launched an India focused Real Estate Fund, our first international Real Estate Fund with participation from Japanese Institutional clients.

VII. OPPORTUNITIES & THREATS

Opportunities

- Under-penetration of mutual funds in India
- Ongoing financialization of savings in India
- Increasing per capita GDP
- Rising inflows into Systematic Investment Plans
- Increasing flows from smaller cities/towns.
- A strong owned distribution network with extensive reach across 300 locations in India
- Deepening digital channel distribution contributing to disintermediation and de-risking of sales and distribution
- Leveraging Nippon Life’s Global network for international tie-ups and partnerships
- On-going consolidation in the industry
- New frontiers of growth in emerging areas of business like AIF, International Markets

Threats

- Overall slowdown in the economy
- Sustained muted market performance impacting flows into mutual fund schemes
- Intense competition amongst AMCs to garner higher AUMs can increase pressure on commissions
- Regulatory impact on fees, charges, reduction of exit loads
- Credit events impacting confidence of MF investors

VIII. FINANCIAL PERFORMANCE

The financials statements of the Company for the year ended March 31, 2019 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 01, 2018. (April 01, 2017 being the transition date). The financial statements for the year ended March 31, 2018 and the opening Balance Sheet as at April 01, 2017 have been restated in accordance with Ind AS for comparative information. Detailed explanation, reconciliation and information on effect of transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and statement of Cash flow are provided in note no. 31 to the financial statements. Significant accounting policies used for the preparation of the financial statements are disclosed in Note 3 to the financial statements.

Consolidated Financial Performance

Revenue

The Company's consolidated total revenue stood at ₹ 1,649.92 crore compared to ₹ 1,748.62 crore in the previous year. Revenue from operations - management fees stood at ₹ 1,478.64 crore as against ₹ 1,591.77 crore in previous year and mainly comprised investment management fees (net of Goods & Service tax) from asset management activities of ₹ 1,446.43 crore and portfolio management fees (including advisory fees net of service tax) of ₹ 32.21 crore as against ₹ 1,552.62 crore and ₹ 39.15 crore respectively in previous years.

Other income stood at ₹ 171.28 crore as against ₹ 156.85 crore in the previous year.

Expenditure

Total consolidated total expenditure for the year was ₹ 949.68 crore as against ₹ 1,093.02 crore in the previous year, decrease of 13%.

Fee and Commission expenses for the year were ₹ 258.29 crore against ₹ 310.51 crore in the previous year, decrease of 17%.

Employee benefit expenses for the year were ₹ 293.49 crore against ₹ 257.23 crore in the previous year, an increase of 14%.

Depreciation for the year was ₹ 10.07 crore as against ₹ 8.53 crore in the previous year, an increase of 18%.

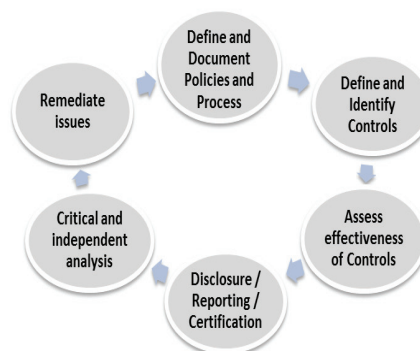
Other expenses for the year were ₹ 387.83 crore as against ₹ 514.58 crore in the previous year, decrease of 25%.

The Profit for the period stood at ₹ 486.09 crore as against ₹ 455.74 crore respectively in the previous year, an increase of 7%.

Total Comprehensive Income for the year stood at ₹ 484.93 crore as against ₹ 458.21 crore respectively in the previous year, an increase of 6%.

IX. COMPLIANCE

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



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

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

X. RISKS AND CONCERNS

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

Liquidity and Interest Rate Risk

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

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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. The company has foreign exchange receivable of ₹ 5.64 crore and the foreign exchange payable ₹ 1.85 crore as on March 31, 2019 which is unhedged.

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 RNAM 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 Reliance Nippon Life Asset Management have obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

Information & Cyber security risk

RNAM 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.

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. Reliance Mutual Fund has adopted 19 districts across the country as part of the SEBI adopted districts program & conducted the Investor awareness programs at these districts. A total of 107 programs were conducted across these 19 districts covering over 5,600 investors.

Also, during 2018-19 the Company conducted 1,312 programs pan India covering over 67,900 investors. The split across B-30 and T-30 cities is as below:

Top 30 / Beyond 30	No. of Programs Conducted	Participants Covered
Top 30 Cities	602	28,462
Beyond 30 Cities	710	39,447
Total	1,312	67,909

We recently launched a mobile app – MFx exclusively for Investor education. The app provides all relevant information in a simple audio video format related to MF at the click of a button, which can be accessed any time by the prospective investor.

XII. INFORMATION TECHNOLOGY & DIGITAL INITIATIVES

The company aim has been to put in place a constantly evolving Digitech platform that has the capability to serve the diverse needs of a vast spectrum of consumers through various **Digital distribution touch-points**. With a **360°omni-channel approach** geared to provide a unified experience, our strategy has been based on the following four key pillars:

- Acquiring and nurturing direct user base
- Digitally enabling our Partners & Distributors
- Building plug & play platforms that are world class and first of its kind
- Providing digital solutions for Corporate entities

Unique Initiatives:

- **Conversational Commerce:** Co-created with Google, an industry first initiative that powers voice-based transactions in the mutual fund space. One of the first ever across the BFSI Industry in APAC.
- **Business Easy 2.0:** Evolution of an Artificial Intelligence enabled, App-in-App construct led industry first Application for partners providing speed, agility and simplicity. The trio gears to drive transactions and servicing of partners and mutual fund distributors
- **Electronic full KYC on Digital Assets:** Regulatory challenges on the use of Aadhar for KYC purpose got implemented mid-year. RNAM was quick to evolve a completely self-serve, frictionless onboarding through video-based KYC for investors and partners

- **WhatsApp for Business:** A contemporary channel for communicating and engaging with customers, distributors and employees. This also brought-in the new age digital distribution channel
- **Digital One Click Campaigns:** Increase effectiveness of investor cross-sell/ upsell campaigns by offering a seamless purchase experience; pre-filled customer details, auto-save facility, drop-off win-back and more using Adobe campaign manager, Adobe tracking codes, Adobe target and more

XIII. INTERNAL CONTROLS

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

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

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

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

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

XIV. HUMAN RESOURCES

The Company had a workforce of 1,145 people as on March 31, 2019. The average age of the workforce is 34 years.

We have a large investment team comprising of 68 employees and Risk Management Team comprises of 11 members. We also have one of the largest and experienced credit research team comprising of 8 members in the Indian MF industry. Members of our senior investment team have an average of approximately 20 years of investment management experience and are a valuable resource to our company

At RNAM, we understand that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels the ambitions of the company's talent leading to better retention. We ensure that our internal talent is groomed for the next level responsibilities. We run 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 our leaders are home grown, and many more are getting future ready. In line with the organization's vision to go digital, we have moved our HR processes to digital platforms to increase efficiency, effectiveness and better employee experience. We have invested in 'Workplace' by Facebook for better collaboration, iLearn for anywhere learning, Taleo for improving our hiring processes and Oracle for seamless HR transactions. For a very high focus on people, culture and some of the best practices in HR, the Company has been recognised twice as AON Best Employer 2016 & 2018 and has also featured in India's Best Companies To Work For in 2018 by Great Place To Work.

XV. CORPORATE SOCIAL RESPONSIBILITY

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

The Company initiated projects in the areas of promoting preventive healthcare, education & skill development and community development in Maharashtra, and Gujarat. The Company contributed of ₹ 12 crore in FY2018-19, inter-alia, through non-profit centres engaged in the provision of healthcare, education and rural development.

The Company participated in various projects through NGO's towards improvisation of health for underserved people and people affected with disaster, advancement of education and skilling youth and promoting training of Olympic Sports.

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

Forward looking Statement / Cautionary Statement

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

The financial statement are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Nippon Life Asset Management Limited ("RNAM" 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", "Reliance", "RNAM" or "Reliance Nippon Life Asset Management Ltd" are to Reliance Nippon Life 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** : Reliance Nippon Life Asset Management Limited
3. **Registered address** : Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz - (East), Mumbai - 400055
4. **Website** : www.reliance mutual.com
5. **E-mail id** : rnam.investorrelation@relianceada.com
6. **Financial Year reported** : 2018-19

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

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

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

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

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**
Mutual Fund, Portfolio Management Services and Alternate Investment Funds (AIF)
9. **Total number of locations where business activity is undertaken by the Company**
 - (a) Number of International Locations: Singapore (Subsidiary), Mauritius (Subsidiary), Dubai (Representative office)
 - (b) Number of National Locations: RNAM conducts its operations through a network of 300 physical touch points, including owned branches as well as Regional Representative locations.
10. **Markets served by the Company**
RNAM serves the Indian markets, along with the international customers through its above-mentioned offices.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 612 crore
2. **Total Turnover (INR)** : 1479 crore
3. **Total profit after taxes (INR)** : 486 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2.51%

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

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 ₹ 12 crore in FY2018-19, inter-alia, through non-profit centres engaged in the provision of healthcare, education, skilling youth and promoting training of Olympic Sports, and rural development.

The details of CSR activities are also available in annexure on CSR which forms part of the Annual report for FY2019.

SECTION C: OTHER DETAILS

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

There are 3 subsidiary companies as on March 31, 2019.

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
6	Indicate the link for the policy to be viewed online?	https://www.reliancemutual.com/InvestorServices/Pages/Investor-Policies.aspx**								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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:

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

3. Governance related to BR

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

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

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

The Company published its maiden report on Business Responsibility for financial year 2017-18. The Company would publish this Report on an annual basis. It forms part of the Annual Report and is available on the website of the Company viz., www.reliancemutual.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	5	5	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) Paperless Video KYC Launched as a substitute for Biometric KYC (Biometric KYC was Aadhaar based service which was discontinued basis Supreme Court Judgement in this FY). Video KYC enables Paperless KYC Fulfilment thereby reducing the usage of Physical Forms
- b) 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.
- c) 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.
- d) 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 RNAM and has now become an Industry practice.
- e) Free Life Insurance along with Mutual Fund investments: RNAM 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 1145 on rolls as on March 31, 2019.

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

There are approximately 412 employees.

3. Please indicate the Number of permanent women employees.

There are 181 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	No case reported	Not Applicable
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 – 85%

Permanent Women Employees – 80%

Casual/Temporary/Contractual Employees - 65%

Employees with Disabilities – 0%

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

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

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

The company has contributed towards Army Central Welfare Fund, Bharat Ke Veer, Udyogini, and Foundation for promotion of Sports and Games.

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 Group 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.**
RNAM is committed to achieve the global standards of health, safety and environment. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all the personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
Not Applicable.
3. **Does the company identify and assess potential environmental risks?**
Not Applicable.
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
Not Applicable.
5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.**
Yes. Through several initiatives, a consistent and ongoing endeavour is undertaken to reduce the overall carbon footprint.

We are using highly efficient Star Rated Air-conditioning for offices for conservation of electricity

We are using LED light wherever we are setting up new branches / relocating existing for conservation of energy.
6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**
Not Applicable
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.**
Not received any notice from CPCB / SPCB.

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
Yes, 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 (JCCI)
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.**
Employees above 40 years old can avail free health check-up facility.

Employees have supported initiatives of "Give India" through the Payroll Giving program

We involve our employees to donate shoes, old clothes, medicines, stationery etc. for NGOs.

RNAM has also adopted 19 districts across the country as part of the SEBI adopted districts program & conducted the Investor awareness programs at these districts.

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?

RNAM has contributed ₹ 12 crore for FY 2018-19 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.

RNAM, 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 participated in various projects through NGO's towards improvisation of health for underserved people.

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

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

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

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

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

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

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

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

KANTAR IMRB, has conducted surveys on customer satisfaction across our mutual fund investors & distributors.

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Reliance Nippon Life Asset Management Limited (the "Company") follows the highest standards of corporate governance principles and best practices. The Company's corporate governance practice is guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the 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 are adequately maintained with respect to the needs of our 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 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 Investment Committee, Valuation Committee, Operating Committee, Risk Management Committee, Technology Committee and Compliance Committee, to name a few.

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

(c) Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/

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

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

(d) Tenure of Independent Directors

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

(e) Familiarisation of Board Members

The Board members are periodically provided with an update with respect to the Industry, domestic and global economic scenarios, ongoing trends in capital markets, Company's business plan and strategies, new business initiatives, internal controls, training & education initiatives, performance review, regulatory developments and various other aspects, which are pertinent to keep them updated and familiarized with respect to Company and its business.

The details of programme for familiarisation of independent directors is put on the website of the Company at the following link:

<https://www.reliance mutual.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.

(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 are as under:

Category	Name of Director & DIN
Independent Directors	Mr. Kanu H. Doshi (DIN – 00577409)
	Mr. S. C. Tripathi (DIN – 00941922)
	Ms. Ameeta Chatterjee (DIN – 03010772)
	Gen. Ved Prakash Malik (Retd.) (DIN – 00006628)
Non-executive & Nominee Directors	Mr. Minoru Kimura (DIN: 07497568)
	Mr. Akira Shibata (DIN: 08107588)
	Mr. Jai Anmol Ambani (DIN: 07591624)
Executive & Nominee Director	Mr. Sundeep Sikka (DIN: 02553654)

Notes:

- 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.
- None of the Directors have received any loans and advances from the Company during the year.
- 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:

- 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.

- Monitoring the effectiveness of the Company's governance practices and making changes when needed.
- 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.
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- 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.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation framework.

3. Board meetings

The Board held as many as 7 (seven) meetings during the financial year 2018-19 i.e. on April 25, 2018, June 28, 2018, July 25, 2018, October 31, 2018, December 11, 2018, January 22, 2019 and March 11, 2019. The maximum time gap between any two meetings during the year under review was 98 days and the minimum gap was 27 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 2018-19 and the last AGM held on September 18, 2018 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, 2019 are as under:

Name of Director	Number of Board meetings attended	Attendance at the last AGM held on September 18, 2018	Number of directorships (including the Company)	Details on Directorships in listed entities (other than the Company)		Committee(s) Chairmanship / Membership (including RNAM)	
				Names of Listed Entity	Category of Directorship	Membership	Chairmanship
Mr. Jai Anmol Ambani*	2	Present	10	<ul style="list-style-type: none"> • Reliance Capital Ltd. • Reliance Home Finance Limited 	<ul style="list-style-type: none"> • Executive Director • Non-Executive Director 	4	0
Mr. Kanu H. Doshi	7	Present	3	-	-	3	2
Mr. Akira Shibata*	6	Present	4	-	-	1	0
Mr. Minoru Kimura*	7	Present	6	-	-	1	0
Mr. S. C. Tripathi	7	Present	8	<ul style="list-style-type: none"> • Mothers on Sumi Systems Limited • Ginni Filaments Limited • Religare Enterprise Limited 	<ul style="list-style-type: none"> • Independent Director • Independent Director • Independent Director 	8	3
Ms. Ameeta Chatterjee	7	Absent	10	-	-	5	1
General Ved Prakash Malik (Retd.)	5	Present	3	-	-	3	0
Mr. Sundeep Sikka	7	Absent	7	-	-	1	0
Mr. Kazuhide Toda#	Nil	NA	NA	-	-	NA	NA
Mr. Takayuki Murai#	Nil	NA	NA	-	-	NA	NA
Mr. V. N. Kaul#	Nil	NA	NA	-	-	NA	NA

* Appointed as Associate Directors during the year.

Ceased to be Directors of the Company on April 25, 2018.

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. 2018-19, this meeting of the Independent Directors was held on March 11, 2019.

7. Details of directors

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

Mr. Minoru Kimura (Non-executive & Nominee Director) currently serves as the Executive Officer, Head of Asia Pacific at Nippon Life Insurance Company (Nippon). In his 28-year professional career with Nippon, Mr. Kimura has engaged in corporate planning for more than 10 years. Also, Mr. Kimura has worked for Nissay Asset Management Corporation in Investment Planning for 5 years from 2010 to 2015. Additionally, Mr. Kimura has also spent his professional career in Nissay Deutsche Asset Management Europe Limited and NLI Investments Europe Limited, where he carried the position of Chief Executive Officer for 4 years (2003 to 2007). Mr. Kimura is Bachelor of Laws from Kyoto University, Japan.

As on March 31, 2019, Mr. Kimura does not hold any share in the Company.

Mr. Akira Shibata (Non-executive & Nominee Director) currently serves as the General Manager / Global Business Planning Department at Nippon Life Insurance Company (Nippon). In his 20-year professional career with Nippon, Mr. Shibata has engaged in Finance Planning & Management business for 3 years. Also, Mr. Shibata has been engaged in Public & Investors Relations for 3 years. Other than above, Mr. Shibata has also spent his professional career in Nippon's U.S. group insurance subsidiary, Nippon Life Insurance Company of America, where he carried the position of Vice President for 4 years (2008 to 2012). Mr. Shibata is Bachelor of Laws from University of Tokyo and MBA from A.B. Freeman School of Business, Tulane University.

As on March 31, 2019, Mr. Shibata does not hold any share in the Company.

Mr. Kanu H. Doshi (Non-executive Independent Director) is a fellow member of the Institute of Chartered Accountants of India and was partner of Kanu H. Doshi Associates, Chartered Accountants. He is also the Dean - Finance, at Welingkar Institute of Management, Mumbai, where he teaches Corporate Tax Planning and Financial Management for Master's Degree of Mumbai University in Management. He regularly contributes articles to leading journals and periodicals, including leading websites. He is the co-author of "Tax Holidays", "Financial Accounting", and "Treatise on Special Economic Zones".

As on March 31, 2019, Mr. Doshi 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, 2019, General Malik (Retd.) does not hold any share in the Company.

Mr. S. C. Tripathi (Non-executive Independent Director) has experience of over 20 years at senior levels in Govt. including as Principal Secretary (Finance and Industry-Govt. of UP); Joint Secretary (Economic Affairs); Additional Secretary (Mines); Secretary for Education and Petroleum & Natural Gas. He has held representative positions internationally in Energy, Education, Industry, Public Finance, Investment promotion & Banking. He was the Chief Executive of Bharat Aluminium Co. Ltd., National Aluminium Co. Ltd. and UP Industrial and Investment Co. Ltd. He is a Member of Energy Institute, UK; Institute of Electronics and Telecom Engg, India; Computer Society of India; AIMA; IIPA and Supreme Court Bar Association.

As on March 31, 2019, Mr. Tripathi 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 in UK and in India.

In 2010, she moved to corporate sector as GM- Investments & Acquisitions at Leighton India Contractors Pvt. Ltd where she worked on mergers and acquisitions and various joint venture projects & also oversaw the finance, tax and secretarial matters.

Since September 2011, she has been working as an independent consultant advising companies on strategic growth, financing solutions and transaction advisory. She is also the Founder Trustee of Ekam Foundation, Mumbai working in the area of child healthcare in Maharashtra and West Bengal.

As on March 31, 2019, Ms. Chatterjee does not hold any share in the Company.

Mr. Sundeep Sikka (Executive & Nominee Director) is Executive Director & CEO of the Company and brings with him rich experience in Asset Management. He became the youngest CEO in Asset Management Industry of India when he was designated as President and CEO of the Company. He has also held positions of Vice-Chairman & Chairman of MF industry body i.e. AMFI. He has been a member of the various committees, including RBI - Technical Advisory Committee on Money, FX & Govt. Securities Markets; NSDL - Executive Committee & FICCI - Capital Markets Committee & Asset Management Sub-Group of Capital Markets committee. Apart from these, Mr. Sikka also serves on Boards of various companies, including Association of Mutual Funds of India and Institution for Mutual Fund Intermediaries.

As on March 31, 2019, Mr. Sikka held 1,10,000 equity shares in the Company.

Mr. Jai Anmol Ambani 28 years, (Non-executive & Nominee Director) studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009. Mr. Anmol completed his undergraduate studies – BSC in Management – from Warwick Business School, UK. He has 4 years of experience in financial services. He is a member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee of the Board. He serves on the board of Reliance Capital Limited as an executive director and Reliance Home Finance Limited. He is the member of the audit committee of Reliance Capital Limited.

As on March 31, 2019, Mr. Jai Anmol Ambani does not hold any share in the Company.

During the Financial Year 2018 – 19, none of the Independent Directors resigned before the expiry of their tenure.

8. Insurance Coverage

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

9. Skill Sets/ Expertise/ Competencies of Directors

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

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. Kanu H. Doshi (Chairman), Mr. S. C. Tripathi, General Ved Prakash Malik (Retd.), Ms. Ameeta Chatterjee, Mr. Jai Anmol Ambani and Mr. Akira Shibata as its members. All the members of the Committee have suitable knowledge and expertise in the areas of finance, accounting & auditing. The Audit Committee, inter-alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved. In addition thereto, the Audit Committee looks at the appointment or changes in the auditors (statutory as well as internal), the audit reports that are periodically presented by the auditors, the business plan and annual budget and performs all other duties and functions, as are required under the applicable laws.

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

- (a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommend the appointment, remuneration and terms of appointment of the auditors including statutory auditors (for company and for company's various businesses such as Mutual Funds etc.), Internal auditors (for company and for company's various businesses such as Mutual Funds, Portfolio Management Services etc.) and the Secretarial Auditors;
- (c) Approve payment to statutory auditors for any other services rendered by them;
- (d) Review with the management, the annual financial statements and auditor's report thereon (as received from various sets of auditors) before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub-Section (3) of Section 134 of the Companies Act;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;

- (vi) disclosure of any related party transactions; and
- (vii) modified opinion(s) in the draft audit report;
- (e) Review, with the management, the quarterly and any other partial year-period financial statements before submission to the board of directors for approval;
- (f) Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
- (g) 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) Scrutinise inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) Evaluate internal financial controls and risk management systems;
- (l) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) Discuss with internal auditors of any significant findings and follow up there on;
- (o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) To review the functioning of the whistle blower mechanism;
- (s) Approve the appointment of the Chief Financial Officer of the Company (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (t) Oversee the vigil mechanism established by the Company and the chairperson of the Audit Committee shall directly hear grievances of victimisation 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 2018-19

During the year, the Audit Committee held its meetings on April 25, 2018, June 28, 2018, July 25, 2018, October 31, 2018, January 22, 2019 and March 11, 2019. The maximum and minimum time gap between any two meetings, during the year under review was 98 days and 27 days, respectively. Following is the summary of attendance at the Audit Committee Meeting:

Members	Number of Meetings held during the tenure	Attended
Mr. Kanu H. Doshi	6	6
Mr. S. C. Tripathi	6	6
General Ved Prakash Malik (Retd.)	6	4
Ms. Ameeta Chatterjee	6	6
Mr. Jai Anmol Ambani*	5	1
Mr. Akira Shibata*	5	4
Mr. V. N. Kaul#	1	Nil
Mr. Takayuki Murai#	1	Nil

*Appointed as a member of this Committee on April 25, 2018.

#Ceased to be a member of this Committee on April 25, 2018.

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. Jai Anmol Ambani, Mr. Kanu H. Doshi, Mr. S. C. Tripathi, Mr. Minoru Kimura and Ms. Ameeta Chatterjee as members. The Company's Nomination & Remuneration Policy has been provided as an Annexure to the Board's Report.

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

- (i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to

the board of directors their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

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

- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (viii) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - 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.
 - 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 2018-19

The Nomination & Remuneration Committee held its meetings on April 25, 2018 (2 Meetings) and June 28, 2018. The maximum and minimum time gap between any two meetings, during the year under review was 64 days and less than a day, respectively. Following is the summary of attendance at the Nomination & Remuneration Committee Meeting(s):

Members	Number of Meetings held during the tenure	Attended
Mr. Kanu H. Doshi	3	3
Mr. S. C. Tripathi	3	3
General Ved Prakash Malik (Retd.)	3	3
Ms. Ameeta Chatterjee	3	3
Mr. Jai Anmol Ambani*	2	2
Mr. Minoru Kimura*	2	2
Mr. V. N. Kaul#	1	Nil
Mr. Kazuhide Toda#	1	Nil

*Appointed as member of this Committee on April 25, 2018.

#Ceased to be a member of this Committee on April 25, 2018.

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, 2019 is as follows:

Directors	Sitting fees (in ₹)
Mr. Kanu H. Doshi	9,40,000
Mr. Akira Shibata*	4,30,000
Mr. Minoru Kimura*	4,60,000
Mr. S. C. Tripathi	7,00,000
Ms. Ameeta Chatterjee	8,50,000
General Ved Prakash Malik (Retd.)	5,40,000

* At the request of Nippon Life Insurance Company (NLI), the sitting fees payable to Mr. Akira Shibata and Mr. Minoru Kimura (being nominees of NLI) is being paid to NLI.

Notes:

- There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.
- The Company has so far not issued any stock options to its Non-Executive Directors.
- Pursuant to the limits approved by the Board, all Non- Executive Directors, were paid sitting fees of ₹ 40,000/- for attending each meeting of the Board and the Audit Committee and ₹ 30,000/- for other Board sub-committees.
- There was no amount paid as commission to the Directors for the financial year 2018-19.
- No Sitting fee is paid to the Executive Director or any other Director, who is employed in any of the Reliance group companies.
- During the year, Mr. Sundeep Sikka, CEO & Executive Director was paid a remuneration of ₹ 1056.30 lakhs. Detailed Break up of his remuneration is given in Form No. MGT-9.

Employee Stock Option Scheme

With the perspective of promoting the culture of ownership and to attract, retain, motivate and incentivize senior as well as critical talent, the Company has formulated 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2017' ("Plan"). The Plan has been prepared in due compliance of the Companies Act and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, it has also been ratified on April 18, 2018 (i.e. after listing) by the Shareholders of the Company by way of postal ballot.

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. Kanu H. Doshi, Mr. Minoru Kimura and Mr. Sundeep Sikka as the members.

Attendance at the meeting of the Stakeholders Relationship Committee held during F.Y. 2018 - 19.

During the year, the Stakeholders Relationship Committee held its meetings on April 25, 2018, July 25, 2018 and January 22, 2019. The maximum and minimum time gap between any two meetings, during the year under review was 181 days and 91 days, respectively. Following is the summary of attendance at the Stakeholders Relationship Committee Meeting:

Members	Number of Meetings held during the tenure	Attended
Ms. Ameeta Chatterjee	3	3
Mr. Kanu H. Doshi	3	3
Mr. Minoru Kimura*	2	2
Mr. Sundeep Sikka	3	3
Mr. Kazuhide Toda#	1	Nil

* Appointed as a member of this Committee w.e.f. April 25, 2018.

Ceased to be a member of this Committee w.e.f. April 25, 2018.

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. Jai Anmol Ambani, Mr. Kanu

H. Doshi, Mr. S. C. Tripathi, General Ved Prakash Malik (Retd.), Mr. Minoru Kimura, Mr. Akira Shibata, Mr. Sundeep Sikka and Ms. Ameeta Chatterjee 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 2018-19.

The CSR Committee held its meetings on October 31, 2018 and March 11, 2019. The time gap between two meetings during the year under review was 131 days and following is the summary of attendance in the meetings of CSR Committee:

Members	Number of Meetings held during the tenure	Attended
Mr. Kanu H. Doshi	2	2
Mr. S. C. Tripathi	2	2
Gen. Ved Prakash Malik (Retd.)	2	2
Mr. Minoru Kimura*	2	2
Mr. Akira Shibata*	2	1
Mr. Sundeep Sikka	2	2
Ms. Ameeta Chatterjee	2	2
Mr. Jai Anmol Ambani*	2	0

* Appointed as a member on April 25, 2018.

Mr. V. N. Kaul, Mr. Kazuhide Toda and Mr. Takayuki Mura ceased to be Directors of the Company w.e.f. April 25, 2018 thereby, ceased to be members of the CSR Committee.

VII. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board has been constituted in accordance with the provisions of the Listing Regulations. The Committee presently comprises of Mr. Kanu H. Doshi as the Chairperson, Mr. Jai Anmol Ambani, Mr. Minoru Kimura, Mr. Akira Shibata, Mr. Sundeep Sikka and Mr. Milind Nesarikar as the 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	Whether any special resolution Passed or not
2018-19 AGM	September 18, 2018 03:35 P. M.	Yes
2017-18 AGM	June 28, 2017 09:30 A. M.	Yes
2016-17 AGM	June 27, 2016 09:30 A. M.	No

The above AGMs were held at the Registered Office of the Company except the meeting dated September 18, 2018 which was held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

IX. POSTAL BALLOT

The Company initiated a postal ballot exercise on March 14, 2018 for the purpose of seeking Members' approval for the following matters by way of special resolution(s):

- To ratify 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2017'
- To ratify the grant of Employee Stock Options to the employees / directors of Subsidiary Companies and Holding Company (if any) of the Company under ESOP
- To amend the Articles of Association
- To approve and ratify Article 166 and 167 of the Articles of Association of the Company

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 the postal ballot and remote e-voting process in a fair and transparent manner.

All the above resolutions were passed with the requisite majority by the Members on April 18, 2018 and a Scrutinizer's report was issued on even date, to this effect.

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

X. MEANS OF COMMUNICATION

- 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: www.reliancecmutual.com

- 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.

- Website:** The Company's website contains a separate dedicated section, identifiable as 'RNAM 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.

- 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 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company emails the soft copies of this Annual Report to all those members whose e-mail IDs are available with its Registrar and Transfer Agent or Depositories.

- 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.
- 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.
- Designated e-mail id:** The Company also has a designated e-mail id rn.am.investorrelation@relianceada.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, 2019, 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.

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 2018-19, 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.

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.

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:

₹ In Mn.

Particulars	RNAM	Subsidiaries	Total Fees Paid
Fees paid to S.R. Batliboi & Affiliates	2.50	2.36	4.86

i. Code of Conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website, i.e. www.reliancecmutual.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 2018- 19."

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, 2019 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIV. POLICY ON INSIDER TRADING

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

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

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

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

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on April 01, 2018	1	59
Number of shareholders to whom shares were transferred from suspense account during the period April 01, 2018 to March 31, 2019	1	59
Aggregate number of shareholders and the outstanding shares in the suspense account lying on March 31, 2019	0	0

Wherever shareholders have claimed the share(s), after proper verifications, the shares were credited to the respective beneficiary account.

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 2018-19.

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

Sr. no.	Particulars	Regulation	Compliance status	Compliance observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Review of compliance reports & compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Risk assessment and management • Performance evaluation
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
4.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
5.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> • Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> • Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party Transactions • No material Related Party Transactions
8.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> • Review of financial statements of subsidiary by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors
9.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> • Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Persons, Director and Promoter
11.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> • Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance

Sr. no.	Particulars	Regulation	Compliance status	Compliance observed
12.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> • Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism /Whistle-blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization programmes imparted to Independent Directors

Auditors Certificate

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

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

1. The Corporate Governance Report prepared by Reliance Nippon Life Asset Management Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is 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 express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
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 key procedures performed include:
 - i. Reading and understanding of 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 w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of Postal Ballot conducted, Annual General Meeting, Board meeting and the following committee meetings held during the period April 1, 2018 to March 31, 2019:
 - (a) Audit committee;
 - (b) Nomination and remuneration committee;
 - (c) Corporate Social Responsibility committee
 - (d) Stakeholders Relationship Committee;
 - (e) Independent directors meeting; and
 - (f) Committee of Directors
 - v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
 - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

8. 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 stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. 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.
10. This report is addressed to and provided to the Board of Directors 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: 19102102AAAACA6177

Place of Signature: Mumbai

Date: April 29, 2019

Investor Information

IMPORTANT POINTS

To hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.

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;
- No stamp duty on electronic 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 Karvy, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

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

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

Deal only with SEBI registered intermediaries

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

Corporate benefits in electronic form

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

RTA.

Register e-mail address

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

Course of action in case of non-receipt of dividend, revalidation of dividend warrant etc.

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

Facility for a Basic services demat account (BSDA)

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

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

Annual General Meeting

The 24th Annual General Meeting will be held within the statutory timelines.

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 www.reliancemutual.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. rnam.investorrelation@relianceada.com for investors.

Registrar and Transfer Agent (RTA)

Karvy Fintech Private Limited
Unit: Reliance Nippon Life Asset Management Limited
Karvy Selenium Tower – B
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda, Hyderabad 500 032
Toll free no. (India) : 1800 4250 999
Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791
E-mail : rnaminvestor@karvy.com Website: www.karvyfintech.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 of Directors of the Company has also declared a second interim Dividend of ₹ 3 (30 per cent) per equity share of the Company.

Modes of payment of dividend

The dividend is paid under two modes viz.

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

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

Unclaimed Dividends

The status of the Unclaimed Dividend as on 31-03-2019 is as follows:

Dividend Year	Records	Amount (₹)
2017-18 (Interim Dividend)	1018	300565
2017-18 (Final Dividend)	1451	101863
2018-19 (Interim Dividend)	1448	360219

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, 2019	
	Number of shares	%
(A) Shareholding of promoter and promoter group		
(i) Indian	262395000	42.88
(ii) Foreign	262395000	42.88
Total shareholding of promoter and promoter group	524790000	85.76
(B) Public shareholding		
(i) Institutions	59872443	9.78
(ii) Non-institutions	27337557	4.46
Total public shareholding	87210000	14.24
(C) Shares held by custodians and against which depository receipts have been issued	0	0
(D) ESOS Trust	0	0
Grand total (A)+(B)+(C)+(D)	612000000	100.00

Distribution of shareholding

Number of Shares	No. of Shareholders as on 31.03.2019		Total equity shares as on 31.03.2019	
	Number	%	Number	%
1 to 500	79596	97.01	5435813	0.89
501 to 5,000	2123	2.59	3086059	0.50
5,001 to 1,00,000	281	0.34	4929134	0.81
Above 1,00,000	47	0.06	598548994	97.80
Total	82047	100.00	612000000	100.00

Status of Dematerialisation of Shares

As on March 31, 2019, 99.99 per cent of the Company's shares are held in Dematerialized form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2018-19	2017-18	2018-19	2017-18	31-03-2019	31-03-2018
SEBI	4	9	4	9	Nil	Nil
Stock Exchanges	1	0	1	0	Nil	Nil
NSDL/CDSL	0	0	0	0	Nil	Nil
Direct from investors	0	372	0	372	Nil	Nil
Total	5	381	5	381	Nil	Nil

Analysis of grievances

	2018 – 2019		2017 – 2018	
	Numbers	%	Numbers	%
Non-receipt of dividend	1	20.00	-	-
Non-receipt of share certificates	-	-	-	-
Others	4	80.00	381	100.0
Total	5	100.00	381	100.0

There were no complaints pending as on March 31, 2019.

Notes:

- The shareholder base was 82,047 (consolidated as per PAN) as of March 31, 2019.
- 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.

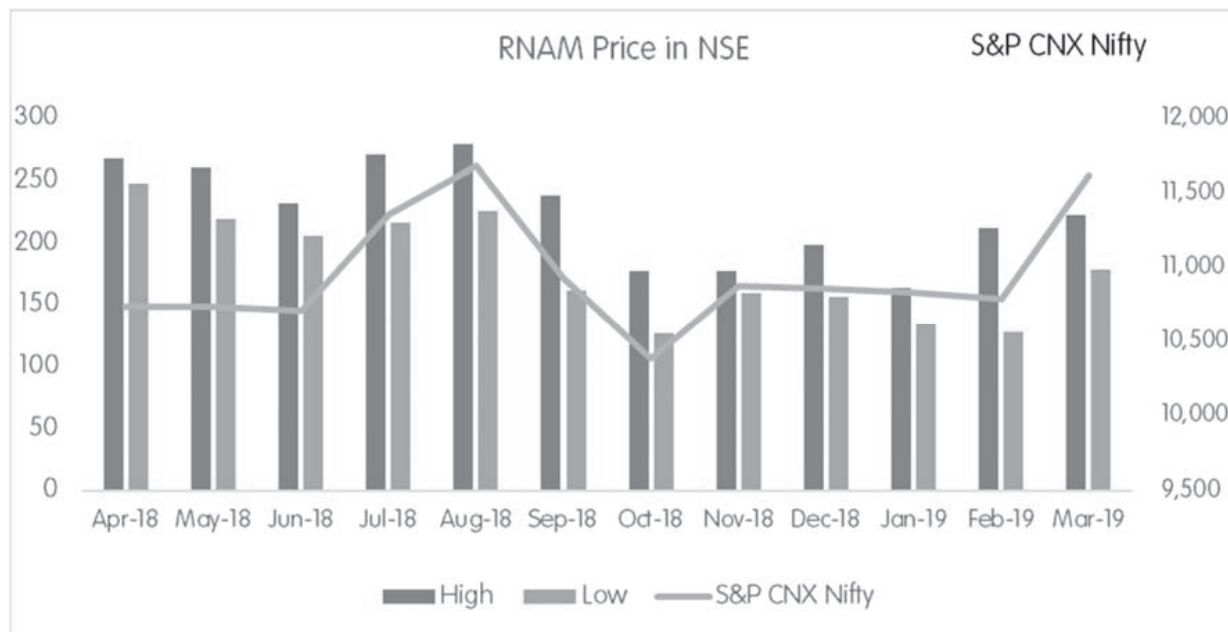
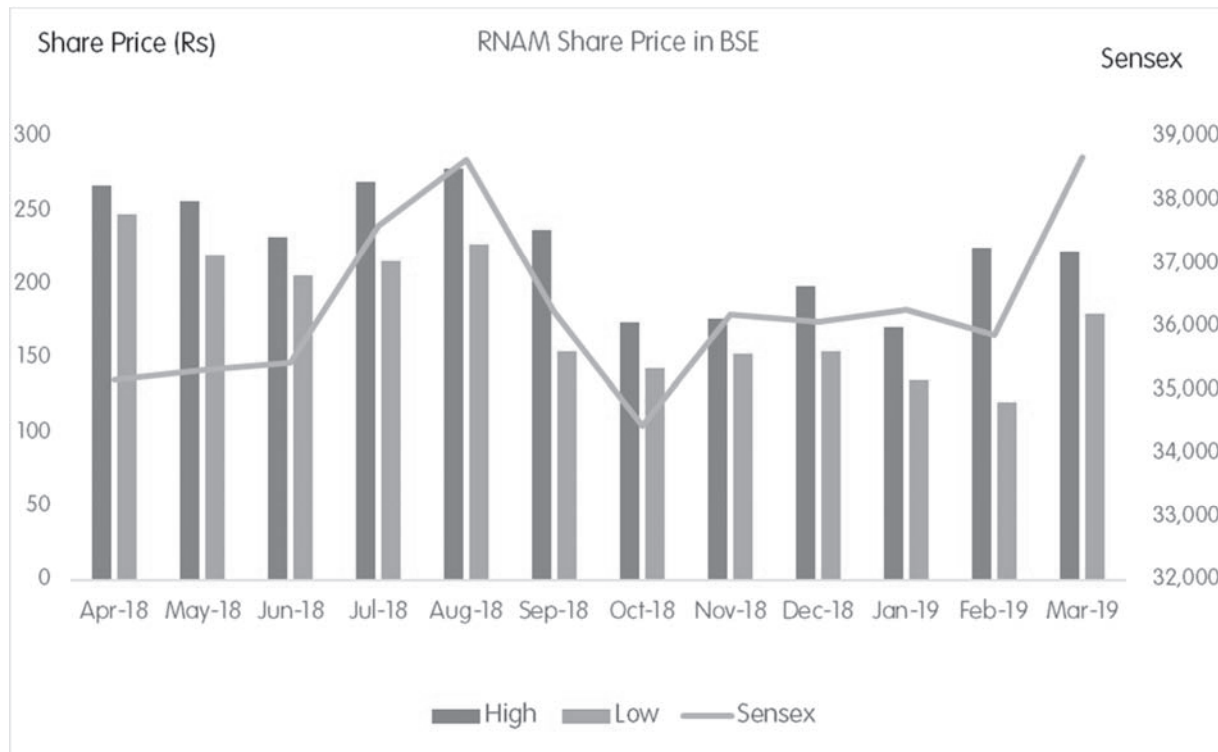
Equity History

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

Stock Price and Volume

2018-19	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2018	267.40	247.60	1,54,698	268.00	248.00	26,08,440
May, 2018	256.60	220.00	2,15,203	260.00	219.50	48,85,279
June, 2018	231.95	206.00	2,78,650	231.90	205.35	31,28,459
July, 2018	270.00	215.75	2,23,079	270.90	216.00	31,31,663
August, 2018	278.95	227.00	4,66,943	278.85	225.50	52,27,533
September, 2018	237.25	155.00	5,10,790	237.80	161.60	65,28,120
October, 2018	174.15	143.10	6,40,395	177.70	127.20	54,28,985
November, 2018	176.60	153.00	5,86,632	176.90	159.70	23,53,645
December, 2018	198.35	155.00	2,62,263	198.50	155.95	26,47,413
January, 2019	170.80	135.05	2,27,316	163.90	133.95	29,32,973
February, 2019	224.45	120.20	24,58,125	211.90	127.80	1,61,61,973
March, 2019	222.00	180.30	22,19,186	222.80	178.20	1,87,65,953

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index 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 : RNAM
ISIN for equity shares : INE298J01013

Payment of listing fees

Annual listing fee for the financial year 2019-20 has been paid by the Company to the stock exchanges

Key financial reporting dates for the financial year 2019-20

Unaudited results for the first quarter ended June 30, 2019	: On or before August 14, 2019
Unaudited results for the second quarter / half year ended September 30, 2019	: On or before November 14, 2019
Unaudited results for the third quarter ended December 31, 2019	: On or before February 14, 2020
Audited results for the financial year 2019-20	: On or before May 30, 2020

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 Futorex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 website: www.cdslindia.com.

Communication to Members

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

Karvy Fintech Private Limited

Unit: Reliance Nippon Life Asset Management Limited

Karvy Selenium Tower – B Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032

E-mail: rnaminvestor@karvy.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

Reliance Nippon Life Asset Management Limited

Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055

Tel.: 022 4303 1000 Fax: 022 4303 7662

E-mail: rnam.investorrelation@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer

Reliance Nippon Life Asset Management Limited

Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055

Tel.: 022 4303 1000 Fax: 022 4303 7662

E-mail: rnam.investorrelation@relianceada.com

Plant locations

The Company is engaged in the business of financial services and as such has no plant.

Dividend Policy

1. INTRODUCTION

The Board of Directors (the "Board") of Reliance Nippon Life Asset Management Limited (the "Company") at its meeting held on 25th April 2018, has adopted this Dividend Policy (the "Policy") in accordance with the Companies Act 2013, (the "Act") and regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

2. OBJECTIVE

The objective of this policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits
- v. In the event of any regulation or contractual restriction.

The Company may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

4. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

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

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

4.1 External Factors:

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

4.2 Internal Factors:

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

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

5. UTILIZATION OF RETAINED EARNINGS

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

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

6. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

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

will be determined, if and when the Company decides to issue other class of shares.

7. REVIEW

This policy will be reviewed periodically by the Board.

8. LIMITATION AND AMENDMENT

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing regulations shall prevail over this policy. Any subsequent amendment/modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

9. DIVIDEND RANGE

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Company will endeavor to maintain a Dividend pay-out in the range of 60%-90% of profits after tax (PAT) on standalone financials. However, the Company may amend the pay-out range or declare dividend outside the payout range for a particular financial year, whenever considered appropriate by it, keeping in mind the external and internal factors which are having a bearing on the dividend pay-out.

Independent Auditor's Report

To the Members of Reliance Nippon Life Asset Management Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Reliance Nippon Life Asset Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 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 ("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, 2019, 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, 2019. 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 Matter	How our audit addressed the key audit matter
Revenue recognition (as described in note 2.11 of the Ind AS financial statements)	
<p>Revenue 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"> - Management fees ₹ 1376.29 crore - Portfolio Management Services ₹ 38.97 <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>We have performed the following procedures in relation to revenue recognised and accrued:</p> <ul style="list-style-type: none"> • understood the significant revenue items and identified where there is a higher risk of error, due to manual processes, complex contractual terms, and areas of judgement. • tested the operating effectiveness of key controls in place across the Company relevant to these revenue calculations, including the assets under management, set up and maintenance of contractual terms and fee billing. • obtained and assessed independent assurance reports for the relevant controls at the third-party administrators and considered whether there was any impact on our audit.

Key Audit Matter	How our audit addressed the key audit matter
<p>In addition to the complexity of interpreting the agreements, there is a risk of error as the calculation involves manual components and may involve some complexity.</p> <p>Any discrepancy in such computations could give rise to a material misstatement of the financial statements. Accordingly, revenue is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> • on a sample basis, we agreed key inputs in to the systems back to contracts, and re-performed calculations involving manual processes. • re-performed a sample of Portfolio Management Services Fee calculations to check that the said fees were appropriately calculated. We tested the data used by agreeing the basis of calculation to the contractual terms with the relevant agreements.
<p>Impairment of financial instruments (expected credit losses) (as described in note 2.8 D of the Ind AS financial statements)</p>	
<p>Loans given to corporate clients carry a credit risk that exposes the Company to a potential loss if its client or counterparty is unable to meet its financial commitments. The existence of a credit risk is assessed for each financial asset individually. Loans outstanding as at March 31, 2019 is ₹ 442.20 crore, which is 16% of the total assets of ₹ 2711.78 crore.</p> <p>The Company recognizes expected credit losses to cover the credit risks inherent to its activities and makes accounting estimates to measure the level of impairment of individual loans.</p> <p>Ind AS 109 requires the Company to provide for impairment of its financial instruments using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ol style="list-style-type: none"> a) Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted. b) Determining whether the effect of less frequent past events is to be considered for determining the future probability of default. c) Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process. <p>Any discrepancy in making these estimates could give rise to a material misstatement of the financial statements. Accordingly, expected credit loss is considered to be a key audit matter.</p>	<p>We performed the following procedures in relation to impairment testing of financial instruments</p> <p>We familiarized ourselves with the expected credit loss measurement process adopted by the Company.</p> <p>We tested the key controls set up by Management for determining the assumptions and parameters used as a basis for this measurement.</p> <p>We performed substantive tests including:</p> <ul style="list-style-type: none"> • reading the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. • examining the assumptions used by the Company for staging of loans into various categories and default buckets and their appropriateness for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. • testing of loans on sample basis to assess whether any loss indicators were present requiring them to be classified under stage 1 or 2. • testing the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • assessing that the assumptions used for management overlay are in line with the governance framework approved by the Board of Directors. • assessed that the assumptions used by the management for estimation of allowance for expected credit losses as at March 31, 2019 are appropriately presented and disclosed in the Ind AS financial statements. • read and assessed the disclosures made by the management in the financial statements

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 the 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 are 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 system 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, 2019 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

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated April 25, 2018 and April 22, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 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 Ind AS financial statements – Refer Note 34 to the 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

Place of Signature: Mumbai

Date: April 29, 2019

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

Re: Reliance Nippon Life Asset Management Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities 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 applicable to it.
- (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 29, 2019

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Reliance Nippon Life Asset Management Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Reliance Nippon Life Asset Management Limited

We have audited the internal financial controls over financial reporting of Reliance Nippon Life Asset Management Limited ("the Company") as of March 31, 2019 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, 2019, 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 29, 2019

Statement of Assets and Liabilities

as at March 31, 2019

(₹. in crore)

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	3	13.18	24.54	4.76
Bank balance other than above	4	477.29	535.69	7.29
Receivables				
(I) Trade receivables	5A	90.17	37.31	40.65
(II) Other receivables	5B	-	0.01	-
Loans	6	431.81	439.06	428.66
Investments	7	1,279.96	950.90	1,124.74
Other financial assets	8	54.10	57.31	46.56
Sub-total - financial assets		2,346.51	2,044.82	1,652.66
Non-financial assets				
Current tax assets (net)	9	6.45	13.61	21.68
Deferred tax assets (net)	24	12.22	8.34	3.29
Property, plant and equipment	10	12.33	12.18	8.48
Capital work-in-progress		0.70	2.59	0.89
Other intangible assets	11	243.55	245.22	242.46
Other non-financial assets	12	90.02	263.22	236.34
Sub-total - Non financial assets		365.27	545.16	513.14
Total Assets		2,711.78	2,589.98	2,165.80
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	13	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	42.29	112.21	108.27
Subordinated Liabilities	14	-	-	30.00
Other financial liabilities	15	55.08	55.74	30.71
Sub-total - financial liabilities		97.37	167.95	168.98
Non-financial Liabilities				
Provisions	16	43.04	29.35	20.90
Other non-financial liabilities	17	39.12	52.46	8.16
Sub-total - Non financial liabilities		82.16	81.81	29.06
EQUITY				
Equity share capital	18	612.00	612.00	11.52
Other equity	19	1,920.25	1,728.22	1,956.24
Total equity		2,532.25	2,340.22	1,967.76
Total Liabilities and Equity		2,711.78	2,589.98	2,165.80

The accompanying notes are integral part of these financial statements.

This is the statement of assets and liabilities referred to in our report of even date.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**

Partner

Membership Number : 102102

For and on behalf of the Board of Directors of

Reliance Nippon Life Asset Management Limited

Sundeep Sikka

Executive Director & CEO

DIN No. 02553654

Kanu Doshi

Director

DIN No. 00577409

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Nilufer Shekhawat

Company Secretary

Mumbai, April 29, 2019

Statement of profit and loss

for the year ended March 31, 2019

(₹. in crore)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	20	1,415.26	1,531.98
Other income	21	173.78	148.61
Total income		1,589.04	1,680.59
Expenses			
Finance costs		-	2.17
Fee and commission expenses		232.13	284.99
Employee benefits expenses	22	277.42	242.38
Depreciation, amortisation and impairment		9.99	8.45
Others expenses	23	382.78	506.27
Total expenses		902.32	1,044.26
Profit before tax		686.72	636.33
Income tax expense:			
- Current tax	24	215.42	193.82
- Deferred tax	24	(3.87)	(5.06)
Total tax expense		211.55	188.76
Profit for the year		475.17	447.57
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Change in fair value of FVOCI instrument		-	1.86
"- Remeasurements of post-employment benefit obligations"		(3.15)	(1.28)
- Income tax relating to these items		0.98	0.44
Other comprehensive income for the year		(2.17)	1.02
Total comprehensive income for the year		473.00	448.59
Earnings per equity share			
- Basic (₹)	33	7.77	7.49
- Diluted (₹)		7.77	7.48

The accompanying notes are integral part of these financial statements.

This is the statement of assets and liabilities referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Kanu Doshi
Director
DIN No. 00577409

Ajay Patel
Manager

Mumbai, April 29, 2019

Statement of cash flow

for the year ended March 31, 2019

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	686.72	636.33
Adjustments :		
Depreciation and amortisation	9.99	8.45
Net (gain) / loss on sale of property, plant and equipments	(0.04)	(0.02)
Allowance for expected credit loss (ECL) on inter corporate deposits	9.37	0.54
Remeasurement of defined benefit obligations	(2.18)	(0.84)
Employee share based payments	11.32	1.39
(Profit) / Loss on sale / fair value of Investments (net)	(58.18)	(44.84)
Dividend income	(9.75)	(17.10)
Interest income	(103.83)	(80.49)
Operating profit before working capital changes	543.42	503.42
Adjustments for (increase)/ decrease in operating assets:		
Trade and other receivables	(52.84)	3.33
Other financial assets	5.00	(7.59)
Other non-financial assets	173.20	(26.89)
Loans and advances to employees	0.57	(0.44)
Capital work-in-progress	1.89	(1.70)
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	(69.92)	3.94
Other financial liabilities	(0.66)	25.03
Provisions	13.69	8.45
Other non-financial liabilities	(13.34)	44.30
Cash generated from operations	601.01	551.85
Less : Income taxes paid (net of refunds)	208.26	185.74
Net cash inflow from operating activities	392.75	366.11
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	102.04	75.55
Dividend received	9.75	18.89
Sales proceeds from disposal of property, plant and equipments	0.09	0.02
Purchase / sale of investments (net)	(270.88)	220.55
Fixed deposits placed with financial institution	58.40	(528.40)
Inter corporate deposit repayment	75.00	36.76
Inter corporate deposit given	(77.70)	(47.26)
Purchase of property, plant and equipments and intangible assets	(8.52)	(14.92)
Net cash outflow from investing activities	(111.82)	(238.81)

Statement of cash flow

for the year ended March 31, 2019

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM FINANCING ACTIVITIES :		
Redemption of preference share capital	-	(30.00)
Issue of equity share capital	-	616.90
Share issue expenses	-	(28.03)
Dividend paid (including dividend distribution tax)	(292.29)	(666.39)
Net cash outflow from financing activities	(292.29)	(107.52)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(11.36)	19.78
Add : Cash and cash equivalents at the beginning of the year	24.54	4.76
Cash and cash equivalents at the end of the year	13.18	24.54

The accompanying notes are integral part of these financial statements.

This is the statement of assets and liabilities referred to in our report of even date.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**

Partner

Membership Number : 102102

For and on behalf of the Board of Directors of

Reliance Nippon Life Asset Management Limited

Sundeep Sikka

Executive Director & CEO

DIN No. 02553654

Kanu Doshi

Director

DIN No. 00577409

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Nilufer Shekhawat

Company Secretary

Mumbai, April 29, 2019

Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital

(₹ in crore)

Particulars	Number	Amount
As at April 1, 2017	1,15,20,000	11.52
As at March 31, 2018	61,20,00,000	612.00
As at March 31, 2019	61,20,00,000	612.00

B. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total other equity
	Securities premium	Capital Redemption reserve	General reserve	Surplus/ (deficit) in the statement of profit and loss	Share based options outstanding account	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
As at April 1, 2017"	555.29	0.44	126.51	1,269.76	-	4.24	-	1,956.24
Profit for the year	-	-	-	447.57	-	-	-	447.57
Other comprehensive income	-	-	-	-	-	1.86	(0.84)	1.02
Total Comprehensive Income for the year	-	-	-	447.57	-	1.86	(0.84)	448.59
Transactions with owners in their capacity as owners:								
- Issue of equity share, net of transaction cost	564.38	-	-	-	-	-	-	564.38
- Utilized for issue of bonus shares	(545.56)	(30.44)	-	-	-	-	-	(576.00)
- Amount transferred on redemption of Preference shares	-	30.00	(30.00)	-	-	-	-	-
- Share based payments:								-
Stock option expense for the year	-	-	-	-	1.39	-	-	1.39
- Interim dividend on equity shares	-	-	-	(306.00)	-	-	-	(306.00)
- Final dividend on equity shares	-	-	-	(247.68)	-	-	-	(247.68)
- Tax on dividend	-	-	-	(112.71)	-	-	-	(112.71)
As at March 31, 2018"	574.11	-	96.51	1,050.94	1.39	6.10	(0.84)	1,728.22
Profit for the year	-	-	-	475.17	-	-	-	475.17
Other comprehensive income	-	-	-	-	-	-	(2.17)	(2.17)
Total Comprehensive Income for the year	-	-	-	475.17	-	-	(2.17)	473.00
- Share based payments:								
Stock option expense for the year	-	-	-	-	11.33	-	-	11.33
Options lapsed during the year	-	-	0.01	-	(0.01)	-	-	-

Particulars	Reserves and Surplus					Other Comprehensive Income		Total other equity
	Securities premium	Capital Redemption reserve	General reserve	Surplus/ (deficit) in the statement of profit and loss	Share based options outstanding account	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
- Interim dividend on equity shares	-	-	-	(183.60)	-	-	-	(183.60)
- Final dividend on equity shares	-	-	-	(61.20)	-	-	-	(61.20)
- Tax on dividend	-	-	-	(47.49)	-	-	-	(47.49)
As at March 31, 2019"	574.11	-	96.52	1,233.82	12.71	6.10	(3.01)	1,920.25

The accompanying notes are integral part of these financial statements.

This is the statement of assets and liabilities referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Kanu Doshi
Director
DIN No. 00577409

Ajay Patel
Manager

Mumbai, April 29, 2019

Significant Accounting Policies and Notes to Accounts

for the year ended March 31, 2019

(Currency : Indian Rupees)

1 CORPORATE INFORMATION

Reliance Nippon Life Asset Management Limited ('the Company') was incorporated on February 24, 1995.

The Company's principal activity is to act as an investment manager to 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 for the year ended March 31, 2019 are the first financial statements that the Company has prepared in accordance with Ind AS.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP") used for its statutory reporting requirement in India immediately before applying Ind AS as mentioned above. The financial statements for the year ended March 31, 2018 and the opening balance sheet as at April 1, 2017 have been restated in accordance with Ind AS for comparative information. Detailed explanation, reconciliation and information on effect on transition from Previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flow are provided in note no 31. 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 including the preparation of the opening Ind AS balance sheet as at April 1, 2017 being the date of transition to Ind AS. "

(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.

■ 3 Statutory Report | Standalone

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

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.6 Segment Reporting

"Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Executive Director who has been identified as the Chief Operating Decisions Maker."

2.7 Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

2.8 Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting

B. Subsequent Measurement

Financial Assets measured at Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets measured at Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

C. Equity instruments

All equity investments are measured at fair value with value changes recognised in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 31 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

D. Impairment of Financial Asset

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an expense in the statement of profit or loss.

2.9 Financial Liabilities

A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

2.10 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115

2.11 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

- (i) Investment Management Fees (net of tax)
Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Reliance Mutual Fund schemes.
- (ii) Advisory Fees (net of tax)
Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.
- (iii) Portfolio Management Fees (net of tax)
Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.
- (iv) Interest income
Interest income is recognized using the effective interest rate.
- (v) Dividend income
Dividend income is recognized in the statement of profit or loss on the date that the company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.12 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred Tax

"Deferred tax is recognised on temporary differences arising between carrying amounts of asset and liabilities in financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period."

2.13 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

2.14 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognised over the lock in period for investment in the schemes.

2.15 Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Reliance Mutual Fund are charged to the statement of profit and loss under respective heads. Distribution cost is recognised over the lock in period for investment in the schemes

2.16 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Provisions

"Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost."

2.18 Employee-Benefits Expense

(i) Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the

services rendered by employees are recognised as an expense during the period when the employees render the service.

(ii) Post-employment obligations

Defined contribution plans

The Company recognises contribution payable to provident fund scheme as an expense, when the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 31 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(iii) **Other long-term employee benefit obligations**

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

Phantom shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price. The present value of the obligation under such plan is determined based on actuarial valuation.

2.19 Share-based payments

Employee Stock Option Scheme (ESOS)

Equity settled share based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a

corresponding increase in equity. At the end of each reporting period, the Company revives its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefits Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

2.20 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

Notes to financial statement

as at March 31, 2019

3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash on hand	–	–	–
Cheques on hand	–	–	–
Balances with banks:			
In current accounts	13.18	24.54	4.76
Total	13.18	24.54	4.76

4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balances with banks:			
In earmarked accounts			
– unclaimed dividend	0.04	–	–
In deposit accounts			
Term Deposits against the bank guarantee	14.31	19.69	7.29
Other Term Deposits	462.94	516.00	–
Total	477.29	535.69	7.29

5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables considered good – Secured	–	–	–
Receivables considered good – Unsecured	90.17	37.31	40.65
(Less): Allowance for impairment loss	–	–	–
Total	90.17	37.31	40.65

5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables considered good – Secured	–	–	–
Receivables considered good – Unsecured	–	0.01	–
(Less): Allowance for impairment loss	–	–	–
Total	–	0.01	–

6. Loans

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Term loans (unsecured)			
Loans and advances to related parties	62.20	14.50	2.50
Loans and advances to employees	0.31	0.88	0.44
Loans and advances Others	380.00	425.00	426.50
Total (A) – Gross	442.51	440.38	429.44
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)
Total (A) – Net	431.81	439.06	428.66
Secured by property, plant and equipments	–	–	–
Secured by intangible assets	–	–	–
Covered by bank/government guarantees	–	–	–
Unsecured	442.51	440.38	429.44
Total (B) – Gross	442.51	440.38	429.44
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)
Total (B) – Net	431.81	439.06	428.66
Loans in India			
– Public sector	–	–	–
– Others	442.51	440.38	429.44
Total (C) – Gross	442.51	440.38	429.44
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)
Total (C) – Net	431.81	439.06	428.66

Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.31	1.01	–	1.32
New assets originated / change in inputs to ECL model	0.71	8.67	–	9.38
Assets derecognised or repaid	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(0.09)	0.09	–	–
Transfers to Stage 3	–	–	–	–
Amounts written off	–	–	–	–
Closing balance	0.93	9.77	–	10.70

(₹ in crore)

Particulars	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.52	0.26	–	0.78
New assets originated / change in inputs to ECL model	0.15	0.39	–	0.54
Assets derecognised or repaid	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(0.36)	0.36	–	–
Transfers to Stage 3	–	–	–	–
Amounts written off	–	–	–	–
Closing balance	0.31	1.01	–	1.32

7. Investments

(₹ in crore)

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2019					
Mutual funds	–	–	1,084.25	1,084.25	1,084.25
Debt securities	135.18	–	–	–	135.18
Equity Shares	–	–	0.05	0.05	0.05
Subsidiaries	31.30	–	–	–	31.30
Associates	12.73	–	–	–	12.73
Others	–	–	16.45	16.45	16.45
Total (A) – Gross	179.21	–	1,100.75	1,100.75	1,279.96
(Less): Impairment loss allowance	–	–	–	–	–
Total (A) – Net	179.21	–	1,100.75	1,100.75	1,279.96
Investments outside India	30.79	–	–	–	30.79
Investments in India	148.42	–	1,100.75	1,100.75	1,249.17
Total (B) – Gross	179.21	–	1,100.75	1,100.75	1,279.96
(Less): Impairment loss allowance	–	–	–	–	–
Total (B) – Net	179.21	–	1,100.75	1,100.75	1,279.96
As at March 31, 2018					
Mutual funds	–	–	748.96	748.96	748.96
Debt securities	135.35	–	–	–	135.35
Equity Shares	–	–	0.05	0.05	0.05
Preference shares	–	–	–	–	–
Subsidiaries	31.30	–	–	–	31.30
Associates	12.73	–	–	–	12.73
Others	–	–	22.51	22.51	22.51
Total (A) – Gross	179.38	–	771.52	771.52	950.90
(Less): Impairment loss allowance	–	–	–	–	–
Total (A) – Net	179.38	–	771.52	771.52	950.90

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
Investments outside India	30.79	–	–	–	30.79
Investments in India	148.59	–	771.52	771.52	920.11
Total (B) – Gross	179.38	–	771.52	771.52	950.90
(Less): Impairment loss allowance	–	–	–	–	–
Total (B) – Net	179.38	–	771.52	771.52	950.90
As at April 1, 2017					
Mutual funds	–	–	864.59	864.59	864.59
Government securities	–	–	–	–	–
Venture capital units	–	–	–	–	–
Debt securities	135.51	–	–	–	135.51
Equity Shares	–	8.92	–	8.92	8.92
Subsidiaries	57.27	–	–	–	57.27
Associates	–	–	–	–	–
Others	–	–	58.45	58.45	58.45
Joint Ventures/AIF	–	–	–	–	–
Total (A) – Gross	192.78	8.92	923.04	931.96	1,124.74
(Less): Impairment loss allowance	–	–	–	–	–
Total (A) – Net	192.78	8.92	923.04	931.96	1,124.74
Investments outside India	30.79	–	–	–	30.79
Investments in India	161.99	8.92	923.04	931.96	1,093.95
Total (B) – Gross	192.78	8.92	923.04	931.96	1,124.74
(Less): Impairment loss allowance	–	–	–	–	–
Total (B) – Net	192.78	8.92	923.04	931.96	1,124.74

8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits	21.00	24.36	19.55
Interest accrued on loans	17.19	18.48	18.14
Interest accrued on others	12.73	9.65	5.04
Dividend receivable	–	–	1.79
Accrued Fee Income	3.18	4.82	2.04
Total	54.10	57.31	46.56

9. Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax paid in advance	6.45	13.61	21.68
Total	6.45	13.61	21.68

10 Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
Year ended March 31, 2018						
Gross carrying amount						
Cost as at April 1, 2017	22.51	1.07	9.30	2.83	13.95	49.66
Additions	5.39	-	1.03	0.09	3.32	9.83
Less: Disposals and transfers	0.12	-	0.28	0.16	0.59	1.15
Closing gross carrying amount	27.78	1.07	10.05	2.76	16.68	58.34
Accumulated depreciation						
Opening accumulated depreciation	19.06	0.81	7.88	2.43	11.00	41.18
Depreciation charge during the year	3.14	0.13	0.56	0.12	2.17	6.12
Less: Disposals and transfers	0.12	-	0.28	0.15	0.59	1.14
Closing accumulated depreciation	22.08	0.94	8.16	2.40	12.58	46.16
Net carrying amount as at March 31, 2018	5.70	0.13	1.89	0.36	4.10	12.18
Year ended March 31, 2019						
Gross carrying amount						
Cost as at April 1, 2018	27.78	1.07	10.05	2.76	16.68	58.34
Additions	2.68	0.05	0.96	0.16	3.93	7.78
Less: Disposals and transfers	0.66	-	0.65	0.29	2.11	3.71
Closing gross carrying amount	29.80	1.12	10.36	2.63	18.50	62.41
Accumulated depreciation						
Opening accumulated depreciation	22.08	0.94	8.16	2.40	12.58	46.16
Depreciation charge during the year	3.39	0.13	0.73	0.08	3.25	7.58
Less: Disposals and transfers	0.65	-	0.63	0.28	2.10	3.66
Closing accumulated depreciation	24.82	1.07	8.26	2.20	13.73	50.08
Net carrying amount as at March 31, 2019	4.98	0.05	2.10	0.43	4.77	12.33

11 Intangible assets

(₹ in crore)

Particulars	Computer software / Licensing cost	Asset management rights	Total
Year ended March 31, 2018			
Gross carrying amount			
Cost as at April 1, 2017	13.07	250.14	263.21
Additions	5.09	-	5.09
Less: Disposals and transfers	-	-	-
Closing gross carrying amount	18.16	250.14	268.30
Accumulated amortisation			
Opening accumulated amortisation	10.61	10.14	20.75
Amortisation during the year	2.33	-	2.33
Less: Disposals and transfers	-	-	-

(₹ in crore)

Particulars	Computer software / Licensing cost	Asset management rights	Total
Closing accumulated depreciation	12.94	10.14	23.08
Net carrying amount as at March 31, 2018	5.22	240.00	245.22
Year ended March 31, 2019			
Gross carrying amount			
Cost as at April 1, 2018	18.16	250.14	268.30
Additions	0.74	-	0.74
Less: Disposals and transfers	-	-	-
Closing gross carrying amount	18.90	250.14	269.04
Accumulated amortisation			
Opening accumulated amortisation	12.94	10.14	23.08
Amortisation during the year	2.41	-	2.41
Less: Disposals and transfers	-	-	-
Closing accumulated depreciation	15.35	10.14	25.49
Net carrying amount as at March 31, 2019	3.55	240.00	243.55

12 Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advances to Vendors	5.62	21.29	8.87
GST Input tax credit	24.74	61.33	43.23
Prepaid expenses	59.66	180.60	184.24
Total	90.02	263.22	236.34

13 Trade payable

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	42.29	112.21	108.27
Total	42.29	112.21	108.27

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, 2019	As at March 31, 2018	As at April 1, 2017
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:			
- Principal amount	-	-	-
- Interest due thereon	-	-	-

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
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 Subordinated Liabilities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Redeemable Preference Share Capital*	-	-	30.00
Total	-	-	30.00

*On July 18, 2017, the Company has redeemed 3,000,000 6% Non-Convertible Non-Cumulative Redeemable Preference shares of ₹ 100 each at par out of free reserves of the Company

15 Other financial liability

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other payables	55.04	55.74	30.71
Unclaimed dividend	0.04	-	-
Total	55.08	55.74	30.71

16 Provisions

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Employee benefits			
Leave encashment	3.25	3.31	4.28
Gratuity	0.03	-	-
Phantom Shares	36.47	21.86	13.10
Compensated Absence Cost	3.29	4.18	3.52
Total	43.04	29.35	20.90

17 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Statutory dues		39.12		52.46		8.16
Total		39.12		52.46		8.16

18 Equity share capital

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Authorised shares						
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00	12,000,000	12.00
Preference shares of ₹ 100 each	3,000,000	3.00	3,000,000	3.00	3,000,000	3.00
Issued, subscribed & fully paid-up shares						
Equity shares of ₹ 10 each	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52
Total	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52

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, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Outstanding at the beginning of the year	612,000,000	612.00	11,520,000	11.52	11,520,000	11.52
Stock options exercised under the ESOS	-	-		-	-	-
Bonus Shares issued during the year	-	-	576,000,000	576.00	-	-
Shares issued / (redeemed) during the year	-	-	24,480,000	24.48	-	-
Outstanding at the end of the year	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 29.

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	% holding	Number	% holding	Number	% holding
Reliance Capital Limited*	262,395,000	42.88	262,395,000	42.88	5,875,200	51.00
Nippon Life Insurance Company	262,395,000	42.88	262,395,000	42.88	5,134,800	44.57

* Including shares held jointly with nominee shareholders

19 Other Equity

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account	574.11	574.11	555.29
Capital redemption reserve	-	-	0.44
General reserve	96.52	96.51	126.51
Surplus in the statement of profit and loss	1,233.82	1,050.94	1,269.76
Share based options outstanding account	12.71	1.39	-
Other comprehensive income	3.09	5.26	4.24
Total	1,920.25	1,728.22	1,956.24

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account			
Opening balance	574.11	555.29	555.29
Add/(Less) : Changes during the year			
Fresh issue of equity shares	-	592.42	-
Amount utilised for issue of bonus shares	-	(545.56)	-
Amount utilised towards expenses for Initial public offer	-	(28.04)	-
Closing balance	574.11	574.11	555.29
Capital Redemption reserve			
Opening balance	-	0.44	0.44
Add/(Less) : Changes during the year			
Amount transferred for redemption of Preference shares	-	30.00	-
Amount transferred for issue of bonus shares	-	(30.44)	-
Closing balance	-	-	0.44
General reserve			
Opening balance	96.51	126.51	126.51
Add/(Less) : Changes during the year			
Amount transferred for redemption of Preference shares	-	(30.00)	-
Share based options outstanding account	0.01	-	-

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Closing balance	96.52	96.51	126.51
Surplus/(deficit) in the statement of profit and loss			
Opening balance	1,050.94	1,269.76	-
Net profit for the period	475.17	447.57	-
Dividends:			
Interim dividend on equity shares	(183.60)	(306.00)	-
Final dividend on equity shares	(61.20)	(247.68)	-
Tax on dividend (net of refund)	(47.49)	(112.71)	-
Closing balance	1,233.82	1,050.94	1,269.76
Share based options outstanding account			
Opening balance	1.39	-	-
Add: Stock option expense for the year	11.33	1.39	-
Less: Transferred to General Reserve	(0.01)	-	-
Closing balance	12.71	1.39	-

Other Comprehensive Income

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
As at April 01, 2017	4.24	-	4.24
Remeasurements of post-employment benefit obligations	-	(1.28)	(1.28)
Deferred tax	-	0.44	0.44
Changes in fair value of FVOCI equity instruments	1.86	-	1.86
Deferred tax	-	-	-
As at March 31, 2018	6.10	(0.84)	5.26
Remeasurements of post-employment benefit obligations	-	(3.15)	(3.15)
Deferred tax	-	0.98	0.98
Changes in fair value of FVOCI equity instruments	-	-	-
Deferred tax	-	-	-
As at March 31, 2019	6.10	(3.01)	3.09

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. 29)

20 Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Management Fees	1,376.29	1,486.20
Portfolio Management Fees (including advisory fees)	38.97	45.78
Total	1,415.26	1,531.98

21 Other Income

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	103.83	80.50
Dividend income	9.75	17.10
Gain on sale of Investment	58.18	46.71
Miscellaneous income	2.02	4.30
Total	173.78	148.61

22 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	248.20	222.86
Contribution to provident and other funds	10.51	9.08
Employee stock option scheme	11.33	1.39
Staff welfare expenses	7.38	9.05
Total	277.42	242.38

23 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Marketing, advertisement and publicity	96.98	170.20
Outsourced business service	87.86	121.32
Legal and Professional charges	27.04	21.90
Information technology	25.59	24.99
Rent	24.93	21.27
Scheme expenses	19.88	48.43
Communication Costs	17.24	24.07
Office administration	13.98	11.16
Conveyance and travelling	12.03	14.44
Corporate Social Responsibility	12.00	10.25
Rates, taxes and energy costs	5.62	1.04
Repairs and maintenance	5.48	4.17
Filing fees and stamp duty	5.13	6.11
Seminar and training	4.55	3.28

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Membership and subscription	4.53	3.92
Electricity	3.68	2.49
Insurance	3.56	1.65
Printing and stationery	1.41	11.91
Director's fees allowances and expenses	0.39	0.63
Auditor's fees and expenses	0.25	0.60
Donation	0.06	0.09
Net loss on foreign currency transactions and translations	(0.01)	0.15
Miscellaneous expenses	10.60	2.20
Total	382.78	506.27

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit fees	0.12	0.16
Certification matters	0.09	0.18
Other matters	0.04	0.26
Out of pocket expenses	0.00	0.00
Total	0.25	0.60

b) Contribution for corporate social responsibility (CSR)

CSR amount required to be spent as per section 135 of the companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 11.91 Crore (Previous Year ₹ 10.18 Crore). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 12.00 Crore (previous year ₹ 10.25 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Promoting healthcare including preventive healthcare	7.00	4.02
Promoting education, enhancing Vocational Skills	1.50	6.00
Armed Forces Welfare	2.00	-
Training for Sports	1.50	-
Rural Development	-	0.23
Total	12.00	10.25

24 Income tax

a) The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	217.64	191.39
Adjustment in respect of current income tax of prior years	(2.22)	2.43
Deferred tax	(3.87)	(5.06)
Total	211.55	188.76

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, 2019 and March 31, 2018 is, as follows:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	686.72	636.33
Tax at India's statutory income tax rate of 34.944% (previous year 34.608%)	239.97	220.22
Tax effect of the amount which are not taxable in calculating taxable income :		
- Adjustment in respect of current income tax of previous years	(2.22)	2.43
- Corporate Social responsibility expenditure	4.21	1.79
- Disallowance of estimated expenditure to earn tax exempt	1.06	1.59
- Tax free interest	(3.71)	(3.67)
- Exempt Income-Dividend	(3.38)	(5.70)
- Profit on investments not taxable	(15.33)	(16.76)
- Relating to origination and reversal of temporary differences	(3.87)	(5.06)
- Others	(5.18)	(6.09)
Income tax expense at effective tax rate	211.55	188.76
Effective tax rate	30.806%	29.664%

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 April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Deferred tax liability :				
FVTPL of financial instruments	11.37	(1.85)	-	9.52
Total (a)	11.37	(1.85)	-	9.52
Deferred tax asset :				
Property, plant and equipment	7.16	(0.02)	-	7.14
Leave Encashment	1.48	(0.32)	-	1.16
Compensated absense cost	1.22	0.24	-	1.46
Phantom Shares	4.53	3.11	-	7.64

(₹ in crore)

Particulars	As at April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
FVTPL of financial instruments	-	-	-	-
Impairment allowance for financial assets	0.27	0.19	-	0.46
Other	-	-	-	-
Total (b)	14.66	3.20	-	17.86
Net deferred tax (asset)/liability (a -b)	(3.29)	(5.06)	-	(8.34)

(₹ in crore)

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liability :				
Property, plant and equipment	9.52	4.49	-	14.01
Total (a)	9.52	4.49	-	14.01
Deferred tax asset :				
Property, plant and equipment	7.14	0.32	-	7.46
Leave Encashment	1.16	(0.02)	-	1.14
Compensated absense cost	1.46	(0.31)	-	1.15
Phantom Shares	7.64	5.10	-	12.74
Impairment allowance for financial assets	0.46	3.28	-	3.74
Total (b)	17.86	8.37	-	26.23
Net deferred tax (asset)/liability (a -b)	(8.34)	(3.87)	-	(12.22)

25 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, 2019	Year ended March 31, 2018
Provident fund	6.90	5.73
Superannuation fund	0.07	0.07
Pension fund	1.45	1.41

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) **Balance Sheet**

(₹ in crore)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2017	15.66	15.93	(0.27)
Current service cost	1.82	-	1.82
Interest expense/(income)	1.14	1.16	(0.02)
Return on plan assets (excl. Interest Income)	-	(0.32)	0.32
Actuarial loss / (gain) arising from change in financial assumptions	(0.60)	-	(0.60)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	1.56	-	1.56
Liability Transferred In/ Acquisitions	0.18	-	0.18
Employer contributions	-	3.69	(3.69)
Benefit payments	(3.00)	(3.00)	-
As at March 31, 2018	16.76	17.46	(0.70)
Current service cost	1.94	-	1.94
Interest expense/(income)	1.29	1.35	(0.06)
Return on plan assets (excl. Interest Income)	-	(0.25)	0.25
Actuarial loss / (gain) arising from change in financial assumptions	0.19	-	0.19
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	-	2.72
Liability Transferred In/ Acquisitions	(0.01)	0.02	(0.03)
Reversal of the liability	-	-	-
Employer contributions	-	4.28	(4.28)
Benefit payments	(2.64)	(2.64)	-
As at March 31, 2019	20.25	20.22	0.03

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Present value of plan liabilities	20.25	16.76	15.66
Fair value of plan assets	20.22	17.46	15.93
Plan liability (net of plan assets)	0.03	-	-

ii) **Statement of Profit and Loss**

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employee Benefit Expenses:		
Current service cost	1.94	1.82
Total	1.94	1.82
Net Interest Cost	(0.06)	(0.02)
Net impact on the profit before tax	1.88	1.80

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	0.25	0.32
Actuarial gains/(losses) arising from changes in financial assumptions	0.19	(0.60)
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	1.56
Net impact on the other comprehensive income before tax	3.16	1.28

iii) **Defined benefit plans assets**

(₹ in crore)

Category of assets (% allocation)	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Insurer managed funds			
- Government securities	44.63%	29.95%	28.14%
- Deposit and money market securities	1.92%	16.17%	13.55%
- Debentures / bonds	29.11%	35.12%	26.69%
- Equity shares	19.82%	18.76%	18.39%
- Others	4.52%	0.00%	13.23%
Total	100.00%	100.00%	100.00%

iv) **Actuarial assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.59%	7.71%	7.28%
Salary escalation rate*	6.00%	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, 2019	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.50)	1.71
Salary escalation rate	1.00%	1.72	(1.54)
Employee Turnover	1.00%	0.15	(0.17)

As at March 31, 2018	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.26)	1.44
Salary escalation rate	1.00%	1.45	(1.30)
Employee Turnover	1.00%	0.15	(0.17)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	1.46	1.30
2nd Following Year	1.37	1.14
3rd Following Year	1.40	1.17
4th Following Year	1.49	1.19
5th Following Year	1.70	1.25
Sum of 6 to 10 Years	9.32	7.67
Sum of 11 Year and above	25.38	22.21

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

c) Phantom Stock Option Scheme:

i) Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

Date of grant	01 December 2015
Appreciation as per Phantom stock Option	Excess of 'fair market value of share on the date of exercise' / 'NAV of unit on the date of exercise' determined in term of the Phantom Stock Option Scheme over 'the Base Price' / 'the Base NAV'
Exercise Period	In case of continuation of employment: Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and
	In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

ii) The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The Projected benefit obligation is calculated using Project Unit Credit Method. The valuation of the shares/units is done considering the intrinsic value and the progression of share/unit price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 5 years.

iii) For the current year the Company has created provision of ₹ 14.61 crore (Previous year ₹ 8.76 crore).

26 Segment information

The Company is in the business of providing asset management services to the schemes of Reliance Mutual Fund and portfolio management service to clients. The primary segment is identified as asset management services. Portfolio management services does not qualify as reportable segment as per the criteria mentioned under Ind AS 108 and hence not disclosed separately.

27 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, 2019

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At Amortised Cost					
Cash and cash equivalents	13.18	-	-	-	13.18
Investments	179.21	-	-	-	179.21
Bank balance other than cash and cash equivalents above	477.29	-	-	-	477.29
Receivables					
(I) Trade receivables	90.17	-	-	-	90.17
(II) Other receivables	-				-

As at March 31, 2019

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Loans	431.81	-	-	-	431.81
Other financial assets	54.10	-	-	-	54.10
At Fair Value Through Profit/Loss					
Investments	-	1,100.75	-	-	1,100.75
Total financial assets	1,245.76	1,100.75	-	-	2,346.51
Financial liabilities					
At Amortised Cost					
Payables	42.29	-	-	-	42.29
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	55.08	-	-	-	55.08
Total financial liabilities	97.37	-	-	-	97.37

As at March 31, 2018

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At Amortised Cost					
Cash and cash equivalents	24.54	-	-	-	24.54
Investments	179.38	-	-	-	179.38
Bank balance other than cash and cash equivalents above	535.69	-	-	-	535.69
Receivables					
(I) Trade receivables	37.31	-	-	-	37.31
(II) Other receivables	0.01	-	-	-	0.01
Loans	439.06	-	-	-	439.06
Other financial assets	57.31	-	-	-	57.31
At Fair Value Through Profit/Loss					
Investments	-	771.52	-	-	771.52
Total financial assets	1,273.30	771.52	-	-	2,044.82
Financial liabilities					
At Amortised Cost					
Payables	112.21	-	-	-	112.21
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	55.74	-	-	-	55.74
Total financial liabilities	167.95	-	-	-	167.95

As at April 1, 2017

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At Amortised Cost					
Cash and cash equivalents	4.76	-	-	-	4.76
Investments	192.78	-	-	-	192.78
Bank balance other than cash and cash equivalents above	7.29	-	-	-	7.29

As at April 1, 2017

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Receivables					
(I) Trade receivables	40.65	-	-	-	40.65
(II) Other receivables	-				-
Loans	428.66	-	-	-	428.66
Other financial assets	46.56	-	-	-	46.56
At Fair Value Through Profit/Loss					
Investments	-	931.96	-	-	931.96
Total financial assets	720.70	931.96	-	-	1,652.66
Financial liabilities					
At Amortised Cost					
Payables	108.27	-	-	-	108.27
Subordinated Liabilities	30.00	-	-	-	30.00
Other financial liabilities	30.71	-	-	-	30.71
Total financial liabilities	168.98	-	-	-	168.98

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

28 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. The company's risk management is carried out by a risk department under policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the company's operating units.

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. Credit risk on the same is limited as we generally invest in deposit with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
2. RNAM has extended loans to various parties. Credit risk on the loans has been managed by the company through external credit assessments done 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. Trade receivable amounting to ₹ 85.5 Cr (95%) is receivable from Reliance Mutual Fund for whom Reliance Nippon Life Asset Management Limited is the Asset manager and hence the credit risk from trade receivable on the reporting date is very limited.

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions.

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 out at local level in accordance with practice and limits set by the company. In addition, the company also projects cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

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, 2019

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	13.18	-	-	13.18
Bank balance other than cash and cash equivalents above	-	463.37	13.92	477.29
Receivables				
(I) Trade receivables	-	90.17	-	90.17
(II) Other receivables	-	-	-	-
Loans	-	370.23	61.58	431.81
Investments	1,076.97	59.36	143.63	1,279.96
Other financial assets	-	54.10	-	54.10
Total assets	1,090.15	1,037.23	219.13	2,346.51
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	42.29	-	42.29
Subordinated Liabilities	-	-	-	-
Other financial liabilities	-	55.08	-	55.08
Total liabilities	-	97.37	-	97.37
Net	1,090.15	939.86	219.13	2,249.14

As at March 31, 2018

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	24.54	-	-	24.54
Bank balance other than cash and cash equivalents above	-	535.39	0.30	535.69
Receivables				
(I) Trade receivables	-	37.31	-	37.31
(II) Other receivables	-	0.01	-	0.01
Loans	-	424.78	14.28	439.06
Investments	772.82	29.28	148.80	950.90
Other financial assets	-	57.31	-	57.31
Total assets	797.36	1,084.08	163.38	2,044.82

As at March 31, 2018

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	112.21	-	112.21
Subordinated Liabilities	-	-	-	-
Other financial liabilities	-	55.74	-	55.74
Total liabilities	-	167.95	-	167.95
Net	797.36	916.13	163.38	1,876.88

As at April 1, 2017

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	4.76	-	-	4.76
Bank balance other than cash and cash equivalents above	-	-	7.29	7.29
Receivables				
(I) Trade receivables	-	40.65	-	40.65
(II) Other receivables	-	-	-	-
Loans	-	351.52	77.14	428.66
Investments	1,018.07	27.21	79.47	1,124.74
Other financial assets	-	46.56	-	46.56
Total assets	1,022.83	465.94	163.89	1,652.66
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	108.27	-	108.27
Subordinated Liabilities	-	30.00	-	30.00
Other financial liabilities	-	30.71	-	30.71
Total liabilities	-	168.98	-	168.98
Net	1,022.83	296.96	163.89	1,483.68

C Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

i) Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, YEN & AED. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the entity. The risk is measured through a forecast of highly probable foreign currency cash flows.

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (all other variables being constant) of the Company's statement of profit and loss and equity.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2019	As at March 31, 2018
USD Rates - Increase 5%	2.25	0.12
USD Rates - Decrease 5%	(2.25)	(0.12)
YEN Rates - Increase 5%	0.12	0.16
YEN Rates - Decrease 5%	(0.12)	(0.16)

ii) Interest Rate Risk

Loans extended by the company to various parties are at fixed rate of interest and accordingly the company does not perceive any interest rate risk.

iii) Price risk**Exposure**

The company's exposure to mutual fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss (note 7).

To manage its price risk arising from investments in mutual fund, the group diversifies its portfolio across various scheme categories.

The majority of the company's investments are in equity & Debt mutual funds and are closely linked to movement in equity and bond market indices.

Sensitivity Analysis

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2019	As at March 31, 2018
NAV - Increase 5%	54.21	37.45
NAV - Decrease 5%	(54.21)	(37.45)

29 Employee share based payments**Employee stock option scheme (Equity settled)**

The Company introduced ESOS 2017 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 2017:

	ESOS 2017	
Date of Grant	August 08, 2017	April 25, 2018
Price of Underlying Stock (₹)	204.25	256.1
Exercise / Strike Price (₹)	204.25	256.1
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%
Expected Dividend Yield	3.09%	3.25%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50
Expected Volatility	13.92% to 20.81%	14.21%
Weighted Average Fair Value (₹)	10.82	45.71

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, 2019	
	August 08,2017	April 25,2018
Date of Grant		
Outstanding at the beginning of the year	4,906,047	4,598,134
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
Lapsed/expired during the year	141,219	133,305
Outstanding at the end of the year	4,764,828	4,464,829
Vested and exercisable	903,159	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
August 08,2017	August 08,2024	204.25	4,764,828	4,906,047	-
April 25,2018	April 25,2025	256.10	4,464,829	-	-
Total			9,229,657	4,906,047	-

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 during the year ended March 31, 2019 included:

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Expected - Weighted average volatility	13.92% to 20.81%	14.21%
Expected dividends	3.09%	3.25%
Expected term (In years)	4	4
Risk free rate	6.20%- 6.34%	7.06%- 7.15%
Exercise price	204.25	256.1
Market price	209.7	247.45
Grant date	August 08,2017	April 25,2018
Expiry date	August 08, 2024	April 25, 2025
Fair value of the option at grant date	10.82	45.71

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, 2019	Year ended March 31, 2018
Employee stock option scheme (equity settled)	11.33	1.39

30 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
	1	Major Investing Party
	i)	Reliance Capital Limited
	ii)	Nippon Life Insurance Company
	2	Key Managerial Personnel
	i)	Sundeep Sikka (Whole Time Director)
	3	Subsidiary
	i)	Reliance Asset Management (Singapore) Pte Limited
	ii)	Reliance Asset Management (Mauritius) Limited
	iii)	Reliance AIF Management Company Limited
	iv)	Reliance Japan Equity Fund (upto May 2, 2018)*
	v)	Reliance ETF Long Term Gilt Fund (upto May 2, 2018 and from May 15, 2018 to September 18, 2018)*
	vi)	Reliance ETF Dividend Opportunities Fund (upto September 13, 2018)*
	vii)	Reliance ETF Nifty 100 Fund (upto September 13, 2018)*
	viii)	Reliance ETF Consumption Fund (upto September 20, 2018)*
	ix)	Reliance Commodity Plus AIF Scheme - 1 (w.e.f February 28, 2019)*
	4	Associate
	i)	Reliance Capital Pension Fund Limited
	ii)	Reliance ETF Long Term Gilt Fund (Associate from April 4, 2018 to April 5, 2018)*
	5	Subsidiary of Investing company
	i)	Reliance General Insurance Company Limited
	ii)	Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)
	iii)	Reliance Commercial Finance Limited (formerly Reliance Gilts Limited)
	iv)	Reliance Securities Limited
	v)	Nissay Asset Management 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	2018-2019		2017-2018	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	0.09	-	0.15	-
		(ii) Reimbursement of expenses charged	-	-	8.49	-
		(iii) Reimbursement of expenses paid	0.45	-	0.76	-
2	Reliance Capital Limited	(i) Management fees	6.00	-	6.00	-
		(ii) Reimbursement of expenses paid	3.75	-	2.75	-
		(iii) Reimbursement of expenses charged	-	-	8.49	-
		(iv) Investment Activities	-	-	4.90	-
		(v) Loans and advances to Related Parties	-	0.96	-	-
		(vi) Payable towards reimbursement of expenses charged	-	-	-	0.13
3	Sundeep Sikka	(i) Remuneration paid to Sundeep Sikka	10.48	-	5.94	-
4	Reliance AIF Management Company Ltd.	(i) Inter corporate deposit given	77.70	-	32.26	-
		(ii) Repayment of inter corporate deposit	30.00	-	20.26	-
		(iii) Interest income	3.89	-	0.72	-
		(iv) Reimbursement of expenses charged	1.48	-	1.76	-
		(v) Reimbursement of expenses paid	-	-	0.02	-
		(vi) Inter corporate deposit	-	62.20	-	14.50
		(vii) Receivable for staff deputation	-	0.09	-	0.08
5	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.12	-	0.12	-
		(ii) Reimbursement of expenses paid	-	-	0.01	-
6	Reliance Asset Management (Singapore) Pte Ltd	(i) Advisory Fees	6.76	-	6.63	-
		(ii) Offshore advisory fee receivable	1.75	-	-	0.63
		(iii) Reimbursement of expenses paid	-	-	0.21	-
		(iv) Reimbursement of expense payable	-	-	-	0.21
7	Reliance Asset Management (Mauritius) Limited	(i) Reimbursement of expenses paid	-	-	0.04	-
		(ii) Reimbursement of expenses payable	-	-	-	0.04
8	Reliance Japan Equity Fund	(i) Management fee	0.01	-	0.34	0.00
		(ii) Sale of Investment	3.00	-	-	-
9	Reliance ETF Long Term Gilt Fund	(i) Management fee	0.00	-	0.02	0.00
		(ii) Sale of Investment	17.76	-	-	-
10	Reliance ETF Dividend Opportunities Fund	(i) Management fee	0.00	-	0.00	0.00
		(ii) Sale of Investment	20.85	-	0.86	-
		(iii) Purchase of Investment	4.97	-	-	-
11	Reliance ETF Nifty 100 Fund	(i) Management fee	0.03	-	0.06	0.00
		(ii) Sale of Investment	1.20	-	2.18	-
		(iii) Purchase of Investment	-	-	1.09	-
12	Reliance ETF Consumption Fund	(i) Management fee	0.00	-	0.01	0.00
		(ii) Sale of Investment	6.33	-	17.59	-
		(iii) Purchase of Investment	-	-	9.94	-

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2018-2019		2017-2018	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
13	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	8.60	-	0.52	-
		(ii) Reimbursement of expenses paid	0.63	-	-	-
		(iii) Advance towards insurance policies	-	0.52	-	-
14	Reliance Securities Limited	(i) Repayment of inter corporate deposit	15.00	-	-	-
		(ii) Interest income	1.60	-	0.08	-
		(iii) Brokerage	1.81	-	0.34	-
		(iv) Inter corporate deposit given	-	-	15.00	-
		(v) Inter corporate deposits receivable	-	15.00	-	-
15	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	5.05	-	2.19	-
		(ii) Reimbursement of expenses paid	-	-	0.02	-
		(iii) Advance towards insurance availed	-	0.05	-	-
16	Nissay Asset Management Ltd	(i) Advisory Fees Income	19.12	-	-	-
		(iii) Offshore advisory fees charges	0.06	-	-	-
		(iii) Advisory Fee Payable	-	0.02	-	-
		(iv) Off shore fees payable	-	1.00	-	-
17	Reliance Money Solutions Private Limited	(i) Brokerage	0.00	-	0.01	-
18	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	0.01	-	-	-
19	Reliance Wealth Management Limited	(i) Brokerage	-	-	0.27	-
20	Reliance Communication Limited*	(i) Networking / communication expenses	-	-	0.77	-
		(ii) Advance payable towards communication expense	-	-	-	0.13
21	Reliance IDC Limited*	(i) Networking / communication expenses	-	-	0.41	-
22	Reliance Webstore Limited*	(i) Networking / communication expenses	-	-	0.68	-
23	Reliance Exchangenext Limited	(i) Investment Activities	-	-	4.90	-
24	Reliance Corporate Advisory Services Limited	(i) Investment Activities	-	-	4.90	-

Note: Above figures are excluding GST

*** Ceased to be related parties w.e.f. 12th July 2017**

31 First-time adoption of Ind AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019 the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act

(previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Optional exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The company has applied same exemption for investment in subsidiaries, associates and joint ventures.

ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

iii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity investments.

iv) Leases

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

v) Investments in subsidiaries and associate

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- a) cost determined in accordance with Ind AS 27; Or
- b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

The Company has availed the exemption and has measured its investment in subsidiaries/associates at deemed cost being the previous GAAP carrying amount.

The disclosures required under para 31 of Ind AS 101 are as follows:

the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount

(₹ in crore)

Particulars	Carrying value as deemed cost
Reliance Asset Management (Mauritius) Limited	8.77
Reliance Asset Management Singapore Pte Limited	22.02
Reliance AIF Management Company Ltd.	0.51
Reliance Capital Pension Fund Limited	12.73

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

(₹ in crore)

Particulars	As at March 31, 2018	As at April 1, 2017
Total equity (reserves and surplus) as per previous GAAP	2,245.49	1,820.35
Adjustments:		
Fair valuation of investments in Mutual funds through profit and loss	57.37	117.30
Fair valuation of investments in Mutual funds through other comprehensive income	1.86	4.24
Impairment on financial assets (ECL)	(1.32)	(0.78)

(₹ in crore)

Particulars	As at March 31, 2018	As at April 1, 2017
Reliance Capital Asset Management Employees Benefits Trust Consolidation	2.59	29.46
ESOP reserve on recognition of expense at fair value	(1.39)	-
Reversal of lease equalisation reserve	1.88	1.48
Reversal of amortisation of Asset Management Rights	25.01	-
Other adjustments		
Tax Impact of Ind AS Adjustments	8.74	(4.29)
Total adjustments	94.73	147.41
Total equity as per Ind AS	2,340.22	1,967.76

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(₹ in crore)

Particulars	Year ended March 31, 2018
Net profit after tax as per previous GAAP	504.85
Adjustments:	
Fair valuation of investments in Mutual funds through profit and loss	(59.94)
Impairment on financial assets (ECL)	(0.54)
Reliance Capital Asset Management Employees Benefits Trust Consolidation	(26.87)
ESOP reserve on recognition of expense at fair value	(1.39)
Reversal of lease equalisation reserve	0.40
Reversal of fair valuation of investments in equity instruments through other comprehensive income	(6.10)
Reversal of amortisation of Asset Management Rights	25.01
Interest on Redeemable preference share capital classified as liability	(2.17)
Remeasurements of post employment benefit obligations	1.28
Tax impact on above items	13.04
Profit after tax as per Ind AS	(57.28)
Other Comprehensive Income:	
Fair valuation of investment in equity shares measured at FVOCI	1.86
Remeasurements of post employment benefit obligations	(1.28)
Tax impact on above items	0.44
Total comprehensive income as per Ind AS	448.59

iii) Impact of Ind AS adoption on the standalone statements of cash flows for the year ended March 31, 2018

(₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	391.57	(25.46)	366.11
Net cash flow from investing activities	(223.65)	(15.16)	(238.81)
Net cash flow from financing activities	(109.71)	2.19	(107.52)
Net increase/(decrease) in cash and cash equivalents	58.21	(38.43)	19.78
Cash and cash equivalents as at April 1, 2017	4.74	0.02	4.76
Cash and cash equivalents as at March 31, 2018	62.95	(38.41)	24.54

32 Dividend during the year

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Dividend during the year		
Dividends on ordinary shares:		
Final dividend for FY 2017-18: 1 per share (FY 2016-17: 4.22 per share post bonus adjusted)	61.20	247.68
Interim dividend for FY 2018-19: 3 per share (FY 2017-18: 5 per share)	183.60	306.00
Dividend Distribution tax on the above	50.32	112.71
Total dividends paid	295.12	666.39
B. Proposed (not recognised as a liability)		
Dividend on ordinary shares:		
Interim dividend for FY 2018-19: 3 per share (FY 2017-18: 1 per share)	183.60	61.20
Dividend Distribution tax on the above	37.74	12.58

33 Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net profit after tax available for equity shareholders (₹ in crores)	475.17	447.57
Weighted average number of equity shares	612,000,000	597,312,000

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share	7.77	7.49
Effect of outstanding stock options	-	0.01
Diluted earnings per share	7.77	7.48

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, 2019	Year ended March 31, 2018
Weighted average number of shares for computation of Basic EPS	612,000,000	597,312,000
Dilutive effect of outstanding stock options	-	815,691
Weighted average number of shares for computation of Diluted EPS	612,000,000	598,127,691

34 Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Claims not acknowledged as debts in respect of:			
- Guarantees to banks and financial institutions	21.00	23.51	11.11
- Claims against Company not acknowledged as debt	1.41	5.69	5.87

There are numerous interpretative issues relating to the Supreme court (SC) judgement on provident fund dated 28th Feb 2019. As a matter of caution, the company has made a provision on prospective basis from the date of the SC order. The company will update its provisions, on receiving further clarity on the subject.

35 Capital commitments

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.47	7.77	2.41

36 Operating lease commitments

Company as lessee

The Company have taken office premises / branches under operating leases, which expire between October 2019 to October 2021 (Previous Year: August 2017 to December 2025). Rent includes gross rental expenses of ₹ 24.40 Crore (Previous Year ₹ 21.23 Crore). The committed lease rentals in the future are:

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	2.39	2.56	-
Later than one year and not later than five years	2.11	1.97	-
Later than five years	-	-	-

37 Expenditure in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling Expenses	0.64	0.82
Legal & Professional Fees	1.76	3.41
Salary and benefits	2.60	2.94
Rent	0.28	-
Other expenses	2.00	1.17
Total	7.28	8.34

Earning in foreign currency

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Advisory fees	26.86	28.69
Total	26.86	28.69

38 The details of utilisation of IPO proceeds ₹ 588.85 crore (net of IPO related expenses) are as follows:

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilised upto March 31, 2019	Unutilised amount as of March 31, 2019
Setting up new branches and relocating certain existing branches	38.31	4.01	34.30
Upgrading the IT system	40.65	16.52	24.13
Advertising, marketing and brand building activities	72.09	12.84	59.25
Lending to our Subsidiary (Reliance AIF Management Company Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	39.75	85.25
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	100.00	-

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilised upto March 31, 2019	Unutilised amount as of March 31, 2019
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
Total	588.85	220.92	367.93

39 Events occurring after the reporting period

The Board of Directors have approved an interim dividend of ₹ 3/- per equity share of ₹ 10/- each, aggregating ₹ 183.60 Crore including ₹ 37.74 Crore dividend distribution tax for the financial year 2018-19. This is in addition to the interim dividend of ₹ 3/- per equity share declared by the Board of Directors on January 22, 2019

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

Reliance Nippon Life Asset Management Limited**Sundeep Sikka**

Executive Director & CEO

DIN No. 02553654

Kanu Doshi

Director

DIN No. 00577409

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Nilufer Shekhawat

Company Secretary

Mumbai, April 29, 2019

Independent Auditor's Report

To the Members of Reliance Nippon Life Asset Management Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Reliance Nippon Life Asset Management Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, 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 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, 2019. 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
<p>Revenue recognition (as described in note 2.12 of the Ind AS financial statements)</p> <p>Revenue 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"> - Management fees ₹ 1,446.43 crore - Portfolio Management Services ₹ 32.21 crore <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>We have performed the following procedures in relation to revenue recognised and accrued:</p> <ul style="list-style-type: none"> • understood the significant revenue items and identified where there is a higher risk of error, due to manual processes, complex contractual terms, and areas of judgement. • tested the operating effectiveness of key controls in place across the Company relevant to these revenue calculations, including the assets under management, set up and maintenance of contractual terms and fee billing. • obtained and assessed independent assurance reports for the relevant controls at the third-party administrators and considered whether there was any impact on our audit.

Key audit matters	How our audit addressed the key audit matter
<p>In addition to the complexity of interpreting the agreements, there is a risk of error as the calculation involves manual components and may involve some complexity.</p> <p>Any discrepancy in such computations could give rise to a material misstatement of the financial statements. Accordingly, revenue is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> on a sample basis, we agreed key inputs in to the systems back to contracts, and re-performed calculations involving manual processes. re-performed a sample of Portfolio Management Services Fee calculations to check that the said fees were appropriately calculated. We tested the data used by agreeing the basis of calculation to the contractual terms with the relevant agreements.
<p>Impairment of financial instruments (expected credit losses) (as described in note 2.9 D of the Ind AS financial statements)</p>	
<p>Loans given to corporate clients carry a credit risk that exposes the Company to a potential loss if its client or counterparty is unable to meet its financial commitments. The existence of a credit risk is assessed for each financial asset individually.</p> <p>Loans outstanding as at March 31, 2019 is ₹ 380.31 crore, which is 14% of the total assets of ₹ 2,775.84 crore.</p> <p>The Company recognizes expected credit losses to cover the credit risks inherent to its activities and makes accounting estimates to measure the level of impairment of individual loans.</p> <p>Ind AS 109 requires the Company to provide for impairment of its financial instruments using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ol style="list-style-type: none"> Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted. Determining whether the effect of less frequent past events is to be considered for determining the future probability of default. Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process. <p>Any discrepancy in making these estimates could give rise to a material misstatement of the financial statements. Accordingly, expected credit loss is considered to be a key audit matter.</p>	<p>We performed the following procedures in relation to impairment testing of financial instruments</p> <p>We familiarized ourselves with the expected credit loss measurement process adopted by the Company.</p> <p>We tested the key controls set up by Management for determining the assumptions and parameters used as a basis for this measurement.</p> <p>We performed substantive tests including:</p> <ul style="list-style-type: none"> reading the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. examining the assumptions used by the Company for staging of loans into various categories and default buckets and their appropriateness for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. testing of loans on sample basis to assess whether any loss indicators were present requiring them to be classified under stage 1 or 2. testing the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. assessing that the assumptions used for management overlay are in line with the governance framework approved by the Board of Directors. assessed that the assumptions used by the management for estimation of allowance for expected credit losses as at March 31, 2019 are appropriately presented and disclosed in the Ind AS financial statements. read and assessed the disclosures made by the management in the financial statements

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the in the Director's Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis, Annual Return, Report on CSR activities, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its 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 its associate are responsible for assessing the ability of the Group and of its 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 its associate are also responsible for overseeing the financial reporting process of the Group and of its 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, 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 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, 2019 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 three subsidiaries, whose Ind AS financial statements include total assets of ₹ 75.72 crore as at March 31, 2019, and total revenues of ₹ 29.71 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 ₹ 0.03 crore for the year ended March 31, 2019, 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.
- (b) 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 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 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 Company and audited by us.
- (c) The accompanying consolidated Ind AS financial results include unaudited financial statements and other unaudited financial information in respect of five subsidiaries whose financials statements and other financial information reflects total revenue of ₹ 3.39 crore for the year ended on March 31, 2019. These unaudited financial statements and other financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1 crore for the year ended March 31, 2019. Our opinion, in so far as it relates to the affairs of these subsidiaries is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the group. Our opinion is not qualified in respect of this matter.

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, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate incorporated in India is disqualified as on March 31, 2019 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, 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 associate, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associate 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 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, its associate in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;
 - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate during the year ended March 31, 2019.

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 29, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Reliance Nippon Life Asset Management Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Reliance Nippon Life Asset Management Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, 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.

Other Matters

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 29, 2019

Consolidated Statement of Assets and Liabilities

as at March 31, 2019

(₹ in crore)

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	3	30.03	37.41	13.09
Bank balance other than cash and cash equivalents above	4	512.75	571.68	34.04
Receivables				
(I) Trade receivables	5A	102.57	40.40	43.16
(II) Other receivables	5B	-	0.01	-
Loans	6	369.61	424.56	426.16
Investments	7	1,289.98	993.35	1,144.39
Other financial assets	8	55.42	60.15	48.88
Sub-total - Financial assets		2,360.36	2,127.56	1,709.72
Non-financial assets				
Income tax assets (net)	9	11.05	16.57	24.27
Property, plant and equipment	10	12.53	12.44	8.66
Capital work-in-progress		0.70	2.59	0.89
Other intangible assets	11	243.58	245.26	242.50
Other non-financial assets	12	147.62	318.03	259.37
Sub-total - Non Financial assets		415.48	594.89	535.69
Total assets		2,775.84	2,722.45	2,245.41
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	47.37	132.86	113.45
Subordinated Liabilities	14	-	-	30.00
Other financial liabilities	15	60.61	64.14	33.54
Sub-total - financial liabilities		107.98	197.00	176.99
Non-financial Liabilities				
Income tax liabilities (net)				
Provisions	16	43.47	29.74	21.55
Deferred tax liabilities (net)	24	0.02	4.25	3.11
Other non-financial liabilities	17	54.35	60.77	13.69
Sub-total - Non financial liabilities		97.84	94.76	38.35
EQUITY				
Equity share capital	18	612.00	612.00	11.52
Other equity	19	1,958.02	1,753.31	1,973.15
Non Controlling Interest		-	65.38	45.40
Total equity		2,570.02	2,430.69	2,030.07
Total liabilities and equity		2,775.84	2,722.45	2,245.41

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

Mumbai, April 29, 2019

For and on behalf of the Board of Directors of
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Kanu Doshi
Director
DIN No. 00577409

Ajay Patel
Manager

Consolidated Statement of profit and loss

for the year ended March 31, 2019

(₹ in crore)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	20	1,478.64	1,591.77
Other income	21	171.28	156.85
Total income		1,649.92	1,748.62
Expenses			
Finance costs		-	2.17
Fee and commission expenses		258.29	310.51
Employee benefits expenses	22	293.49	257.23
Depreciation, amortisation and impairment	10	10.07	8.53
Others expenses	23	387.83	514.58
Total expenses		949.68	1,093.02
Profit before tax		700.24	655.60
Income tax expense:			
- Current tax	24	217.38	196.65
- Deferred tax	24	(4.21)	1.73
Total tax expense		213.17	198.38
Profit for the year		487.07	457.22
Share of profit / (loss) in associate		0.03	(0.02)
Net profit after tax and share of profit in associate		487.10	457.20
Profit attributable to non-controlling interest		1.01	1.46
Profit for the period		486.09	455.74
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Change in fair value of FVOCI instrument		-	1.86
- Remeasurements of post-employment benefit obligations		(3.15)	(1.30)
- Income tax relating to these items		0.98	0.45
Other comprehensive income / (loss) for the year		(2.17)	1.01
Total comprehensive income for the year		484.93	458.21
Earnings per equity share			
- Basic (₹)	36	7.94	7.63
- Diluted (₹)		7.94	7.62

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 29, 2019

For and on behalf of the Board of Directors of
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Prateek Jain
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Kanu Doshi
Director
DIN No. 00577409

Ajay Patel
Manager

Consolidated Statement of cash flow

for the year ended March 31, 2019

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	700.24	655.60
Adjustments :		
Depreciation and amortisation	10.07	8.53
Net (gain) / loss on sale of property, plant and equipments	(0.04)	(0.02)
Allowance for ECL on Inter Corporate Deposits, receivables etc	9.38	0.54
Foreign Currency Transactions and Translations	1.76	2.68
Remeasurement of defined benefit obligations	(2.18)	(0.85)
Employee share based payments	11.32	1.39
(Profit) / Loss on sale / fair value of Investments (net)	(57.47)	(43.78)
Dividend income	(9.76)	(17.10)
Interest income	(100.91)	(80.59)
Operating profit before working capital changes	562.41	526.40
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(62.16)	2.75
Other financial assets	6.47	(8.10)
Other Non-financial assets	170.41	(58.66)
Loans and advances to employees	0.57	(0.44)
Capital work-in-progress	1.89	(1.70)
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	(85.49)	19.41
Other financial liabilities	(3.53)	30.60
Provisions	13.73	8.19
Other Non-financial liabilities	(6.42)	47.08
Cash generated from operations	597.88	565.53
Less : Income taxes paid (net of refunds)	211.82	189.57
Net cash inflow from operating activities	386.06	375.96
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	99.17	75.64
Dividend received	9.76	18.89
Sales proceeds from disposal of property, plant and equipments	0.08	0.02
Purchase / Sale of investments (net)	(239.16)	196.68
Fixed deposits placed with financial institution	58.93	(537.64)
Inter corporate deposit repayment	45.00	16.50
Inter corporate deposit given	-	(15.00)
Purchase of property, plant and equipments and Intangible assets	(8.53)	(15.08)
Net cash outflow from investing activities	(34.75)	(259.99)

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM FINANCING ACTIVITIES :		
Redemption of preference share capital	-	(30.00)
Issue of equity share capital	-	616.90
Share issue expenses	-	(28.05)
Change in Non Controlling Interest	(66.39)	18.52
Dividend paid (including dividend distribution tax)	(292.29)	(669.02)
Net cash outflow from financing activities	(358.68)	(91.65)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(7.37)	24.32
Add : Cash and cash equivalents at the beginning of the year	37.41	13.09
Cash and cash equivalents at the end of the year	30.04	37.41

The accompanying notes are integral part of these financial statements.
This is the statement of cash flow referred to in our report of even date.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number : 102102

For and on behalf of the Board of Directors of
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Kanu Doshi
Director
DIN No. 00577409

Prateek Jain
Chief Financial Officer

Ajay Patel
Manager

Nilufer Shekhawat
Company Secretary

Mumbai, April 29, 2019

Consolidated Statement of changes in equity

for the year ended March 31, 2019

(₹ in crore)

A. Equity share capital

Particulars	Number	Amount
As at April 1, 2017	11,520,000	11.52
As at March 31, 2018	612,000,000	612.00
As at March 31, 2019	612,000,000	612.00

B. Other equity

Particulars	Reserves and surplus						Other comprehensive income		Total other equity
	Securities premium	Capital Redemption reserve	General reserve	Surplus/ (deficit) in the statement of profit and loss	Foreign currency translation reserve	Share based options outstanding account	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
As at April 1, 2017	555.29	0.44	126.51	1,250.70	35.97	-	4.24	-	1,973.15
Profit for the year	-	-	-	455.74	-	-	-	-	455.74
Other comprehensive income	-	-	-	-	-	-	1.86	(0.85)	1.01
Total comprehensive income for the year	-	-	-	455.74	-	-	1.86	(0.85)	456.75
Transactions with owners in their capacity as owners:									
- Issue of equity share, net of transaction cost	564.37	-	-	-	-	-	-	-	564.37
- Utilized for issue of bonus shares	(545.56)	(30.44)	-	-	-	-	-	-	(576.00)
- Amount transferred on redemption of Preference shares	-	30.00	(30.00)	-	-	-	-	-	-
- changes during the year	-	-	-	-	2.68	-	-	-	2.68
- Share based payments:									
Stock option expense for the year	-	-	-	-	-	1.39	-	-	1.39
- Interim dividend on equity shares	-	-	-	(306.00)	-	-	-	-	(306.00)
- Final dividend on equity shares	-	-	-	(247.68)	-	-	-	-	(247.68)
- loss of control	-	-	-	(2.63)	-	-	-	-	(2.63)
- Tax on dividend	-	-	-	(112.72)	-	-	-	-	(112.72)
As at March 31, 2018	574.10	-	96.51	1,037.41	38.65	1.39	6.10	(0.85)	1,753.31
Profit for the year	-	-	-	486.09	-	-	-	-	486.09
Other comprehensive income	-	-	-	-	-	-	-	(2.18)	(2.18)
Total comprehensive income for the year	-	-	-	486.09	-	-	-	(2.18)	483.91
- Share based payments:									
Stock option expense for the year	-	-	-	-	-	11.33	-	-	11.33
Options lapsed during the year	-	-	0.01	-	-	(0.01)	-	-	-
- changes during the year	-	-	-	-	1.76	-	-	-	1.76
- Interim dividend on equity shares	-	-	-	(183.60)	-	-	-	-	(183.60)
- Final dividend on equity shares	-	-	-	(61.20)	-	-	-	-	(61.20)
- Tax on dividend	-	-	-	(47.49)	-	-	-	-	(47.49)
As at March 31, 2019	574.10	-	96.52	1,231.21	40.41	12.71	6.10	(3.03)	1,958.02

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
Reliance Nippon Life Asset Management Limited

Sundeep Sikka
Executive Director & CEO
DIN No. 02553654

Kanu Doshi
Director
DIN No. 00577409

Prateek Jain
Chief Financial Officer

Ajay Patel
Manager

Nilufer Shekhawat
Company Secretary

Mumbai, April 29, 2019

Significant Accounting Policies and Notes to Accounts

to the Consolidated Financial Statement for the year ended March 31, 2019

(Currency : Indian Rupees)

1 CORPORATE INFORMATION

Reliance Nippon Life 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 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 for the year ended March 31, 2019 are the first financial statements that the group has prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2018, the group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP") used for its statutory reporting requirement in India immediately before applying Ind AS as mentioned above. The financial statements for the year ended March 31, 2018 and the opening balance sheet as at April 1, 2017 have been restated in accordance with Ind AS for comparative information. Detailed explanation, reconciliation and information on effect on transition from Previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flow are provided in note no 31. 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 including the preparation of the opening Ind AS balance sheet as at April 1, 2017 being the date of transition to Ind AS."

(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 amortised over the primary period of the lease on straight-line basis or useful life of asset, whichever is lower

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

2.4 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is 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.

2.5 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

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to

increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.7 Segment Reporting

"Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Executive Director who has been identified as the Chief Operating Decisions Maker."

2.8 Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item(i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

2.9 Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction Costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

Financial Assets measured at Amortized cost: Assets that are held for collection of contractual cash flows where those

cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 6. Interest income from these financial assets is recognized using the effective interest rate method.

Financial Assets measured at Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial Assets 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 recognised in consolidated statement of profit and loss, except for those equity investments for which the group has elected to present the value changes in 'Other Comprehensive Income'.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 31 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

D. Impairment of Financial Asset

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Group

recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an expense in the statement of profit or loss.

2.10 Financial Liabilities

A. Initial Recognition

All Financial liabilities are recognized at fair value and in case of borrowing/, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- i. The amount of the loss allowance; and
- ii. The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115

2.12 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

- (i) Investment Management Fees (net of tax)

Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Reliance Mutual Fund schemes.

- (ii) Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

- (iii) Portfolio Management Fees (net of tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

- (iv) Interest income

Interest income is recognized using the effective interest rate

- (v) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.13 Income Tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred Taxes

“Deferred is recognised on temporary differences arising between carrying amounts of asset and liabilities in financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.”

2.14 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

2.15 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for distribution cost which is recognised over the lock in period for investment in the schemes.

2.16 Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under Fee and Commission, Marketing, advertisement and publicity and scheme expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Reliance Mutual Fund are charged to the statement of profit and loss under respective heads. Distribution cost is recognised over the lock in period for investment in the schemes.

2.16 Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.17 Provisions

“Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.”

2.18 Employee-Benefits Expense

(i) Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the service.

(ii) Post-employment obligations

Defined contribution plans

The Company recognises contribution payable to provident fund scheme as an expense, when the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a

currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 31 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

2.19 Share-based payments

Employee Stock Option Scheme (ESOS)

Equity settled share based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revives its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Reliance Capital Asset Management Employees Benefit Trust

The Reliance Capital Asset Management Employees Benefit Trust is administered by the Company. The Company treats the trust as its extension and is consolidated in Company's financial statements. There are no shares pending to be allotted in the Trust.

2.20 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

3. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash on hand	0.01	-	-
Cheques on hand	-	-	-
Balances with banks:			
In current accounts	30.02	37.41	13.09
Total	30.03	37.41	13.09

4. Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balances with banks:			
In earmarked accounts			
- unclaimed dividend	0.04	-	-
In deposit accounts			
Term deposits against the bank guarantee	14.31	19.69	7.29
Other term deposits	498.40	551.99	26.75
Total	512.75	571.68	34.04

5A. Trade receivables

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables considered good - secured	-	-	-
Receivables considered good - unsecured	102.57	40.40	50.26
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
(less): Allowance for impairment loss	-	-	(7.10)
Total	102.57	40.40	43.16

5B. Other receivables

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables considered good - secured	-	-	-
Receivables considered good - unsecured	-	0.01	-
(less): Allowance for impairment loss	-	-	-
Total	-	0.01	-

6. Loans

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Term loans (unsecured)			
Loans and advances to employees	0.31	0.88	0.44
Loans and advances others	380.00	425.00	426.50
Total (A) - Gross	380.31	425.88	426.94
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total (A) - Net	369.61	424.56	426.16
Secured by property, plant and equipments	-	-	-
Secured by intangible assets	-	-	-
Covered by bank/government guarantees	-	-	-
Unsecured	380.31	425.88	426.94
Total (B) - Gross	380.31	425.88	426.94
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)
Total (B) - Net	369.61	424.56	426.16
Loans in India			
- Public sector	-	-	-
- Others	380.31	425.88	426.94
Total (C) - Gross	380.31	425.88	426.94
(Less): Impairment loss allowance	(10.70)	(1.32)	(0.78)
Total (C) - Net	369.61	424.56	426.16

Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.31	1.01	-	1.32
New assets originated / change in inputs to ECL model	0.71	8.67	-	9.38
Assets derecognised or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.09)	0.09	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	0.93	9.77	-	10.70

(₹ in crore)

Particulars	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	0.52	0.26	-	0.78
New assets originated / change in inputs to ECL model	0.15	0.39	-	0.54
Assets derecognised or repaid	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.36)	0.36	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	0.31	1.01	-	1.32

7. Investments

(₹ in crore)

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2019					
Mutual funds	-	-	1,084.25	1,084.25	1,084.25
Debt securities	135.18	-	-	-	135.18
Equity Shares	-	-	0.05	0.05	0.05
Subsidiaries	-	-	-	-	-
Associates	12.76	-	-	-	12.76
Others	-	-	57.74	57.74	57.74
Total (A) - Gross	147.94	-	1,142.04	1,142.04	1,289.98
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	147.94	-	1,142.04	1,142.04	1,289.98
Investments outside India	-	-	-	-	-
Investments in India	147.94	-	1,142.04	1,142.04	1,289.98
Total (B) - Gross	147.94	-	1,142.04	1,142.04	1,289.98
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	147.94	-	1,142.04	1,142.04	1,289.98
"As at March 31, 2018"					
Mutual funds	-	-	748.96	748.96	748.96
Debt securities	135.35	-	-	-	135.35
Equity Shares	-	-	64.88	64.88	64.88
Preference shares	-	-	-	-	-
Subsidiaries	-	-	-	-	-
Associates	12.71	-	-	-	12.71
Others	-	-	31.45	31.45	31.45
Total (A) - Gross	148.06	-	845.29	845.29	993.35
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	148.06	-	845.29	845.29	993.35
Investments outside India	-	-	-	-	-
Investments in India	148.06	-	845.29	845.29	993.35
Total (B) - Gross	148.06	-	845.29	845.29	993.35
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	148.06	-	845.29	845.29	993.35
As at April 1, 2017					
Mutual funds	-	-	886.65	886.65	886.65
Debt securities	142.15	-	-	-	142.15
Equity Shares	-	8.93	44.76	53.69	53.69
Subsidiaries	-	-	-	-	-
Associates	-	-	-	-	-
Others	-	-	61.90	61.90	61.90
Total (A) - Gross	142.15	8.93	993.31	1,002.24	1,144.39
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	142.15	8.93	993.31	1,002.24	1,144.39
Investments outside India	-	-	-	-	-
Investments in India	142.15	8.93	993.31	1,002.24	1,144.39
Total (B) - Gross	142.15	8.93	993.31	1,002.24	1,144.39
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	142.15	8.93	993.31	1,002.24	1,144.39

8. Other financial assets

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits	21.00	24.36	19.55
Interest accrued on loans	17.19	18.48	18.14
Interest accrued on others	12.93	9.90	5.28
Dividend receivable	-	-	1.79
Accrued Fee Income	2.62	4.24	1.63
Margin towards Future & Option	0.99	-	-
Others	0.69	3.17	2.49
Total	55.42	60.15	48.88

9. Income tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax paid in advance	11.05	16.57	24.27
Total	11.05	16.57	24.27

10. Property, plant and equipment

(₹ in crore)

Particulars	Data processing machineries	Vehicles	Office Equipments	Furniture and fixtures	Leasehold improvement	Total
Year ended March 31, 2018						
Gross carrying amount						
Cost as at April 1, 2017	22.63	1.21	9.31	3.03	14.47	50.65
Additions	5.40	0.15	1.03	0.09	3.32	9.99
Less: Disposals and transfers	0.12	-	0.28	0.16	1.11	1.67
Closing gross carrying amount	27.91	1.36	10.06	2.96	16.68	58.97
Accumulated depreciation						
Opening accumulated depreciation	19.13	0.95	7.88	2.51	11.52	41.99
Depreciation charge during the year	3.16	0.17	0.56	0.14	2.17	6.20
Less: Disposals and transfers	0.12	-	0.28	0.15	1.11	1.66
Closing accumulated depreciation	22.17	1.12	8.16	2.50	12.58	46.53
Net carrying amount as at March 31, 2018	5.74	0.24	1.90	0.46	4.10	12.44
Year ended March 31, 2019						
Gross carrying amount						
Cost as at April 1, 2018	27.91	1.36	10.06	2.96	16.68	58.97
Additions	2.68	0.06	0.96	0.17	3.93	7.80
Less: Disposals and transfers	0.66	-	0.65	0.29	2.11	3.71
Closing gross carrying amount	29.93	1.42	10.37	2.84	18.50	63.06
Accumulated depreciation						
Opening accumulated depreciation	22.17	1.12	8.16	2.50	12.58	46.53
Depreciation charge during the year	3.41	0.17	0.73	0.10	3.25	7.66
Less: Disposals and transfers	0.65	-	0.63	0.28	2.10	3.66
Closing accumulated depreciation	24.93	1.29	8.26	2.32	13.73	50.53
Net carrying amount as at March 31, 2019	5.00	0.13	2.11	0.52	4.77	12.53

11. Intangible assets

(₹ in crore)

Particulars	Computer software / Licensing cost	Asset management rights	Total
Year ended March 31, 2018			
Gross carrying amount			
Cost as at April 1, 2017	13.12	250.14	263.26
Additions	5.09	-	5.09
Less: Disposals and transfers	-	-	-
Closing gross carrying amount	18.21	250.14	268.35
Accumulated amortisation			
Opening accumulated amortisation	10.62	10.14	20.76
Amortisation during the year	2.33	-	2.33
Less: Disposals and transfers	-	-	-
Closing accumulated depreciation	12.95	10.14	23.09
Net carrying amount as at March 31, 2018	5.26	240.00	245.26
Year ended March 31, 2019			
Gross carrying amount			
Cost as at April 1, 2018	18.21	250.14	268.35
Additions	0.73	-	0.73
Less: Disposals and transfers	-	-	-
Closing gross carrying amount	18.94	250.14	269.08
Accumulated amortisation			
Opening accumulated amortisation	12.95	10.14	23.09
Amortisation during the year	2.41	-	2.41
Less: Disposals and transfers	-	-	-
Closing accumulated depreciation	15.36	10.14	25.50
Net carrying amount as at March 31, 2019	3.58	240.00	243.58

12. Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advances to vendors	6.16	22.04	9.41
GST Input tax credit	27.40	65.41	43.72
Prepaid expenses	114.06	230.58	206.24
Total	147.62	318.03	259.37

13 Trade payable

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises"	47.37	132.86	113.45
Total	47.37	132.86	113.45

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, 2019	As at March 31, 2018	As at April 1, 2017
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. Subordinated Liabilities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Redeemable Preference Share Capital*	-	-	30.00
Total	-	-	30.00

*On July 18, 2017, the Company has redeemed 3,000,000 6% Non-Convertible Non-Cumulative Redeemable Preference shares of ₹100 each at par out of free reserves of the Company

15. Other financial liability

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Others	60.57	64.14	33.54
Unclaimed dividend	0.04	-	-
Total	60.61	64.14	33.54

16. Provisions

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Employee benefits			
Leave encashment	3.45	3.49	4.54
Gratuity	0.18	0.13	0.31
Phantom Shares	36.47	21.86	13.10
Compensated Absence Cost	3.37	4.26	3.60
Total	43.47	29.74	21.55

17. Other non-financial liabilities

(₹ in crore)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Revenue received in advance	12.92	6.31	4.89
Statutory dues	41.43	54.26	8.80
Advance from Customers	-	0.20	-
Total	54.35	60.77	13.69

18. Equity share capital

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Authorised shares						
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00	12,000,000	12.00
Preference shares of ₹ 100 each	3,000,000	3.00	3,000,000	3.00	3,000,000	3.00
Issued, subscribed & fully paid-up shares						
Equity shares of ₹ 10 each	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52
Total	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

(₹ in crore)

Equity Shares

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Outstanding at the beginning of the year	612,000,000	612.00	11,520,000	11.52	11,520,000	11.52
Stock options exercised under the ESOS	-	-	-	-	-	-
Bonus Shares issued during the year	-	-	576,000,000	576.00	-	-
Shares issued / (redeemed) during the year	-	-	24,480,000	24.48	-	-
Outstanding at the end of the year	612,000,000	612.00	612,000,000	612.00	11,520,000	11.52

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 29.

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	% holding	Number	% holding	Number	% holding
Reliance Capital Limited*	262,395,000	42.88	262,395,000	42.88	5,875,200	51.00
Nippon Life Insurance Company	262,395,000	42.88	262,395,000	42.88	5,134,800	44.57

* Including shares held jointly with nominee shareholders

19. Other Equity

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account	574.10	574.10	555.29
Capital redemption reserve	-	-	0.44
General reserve	96.52	96.51	126.51
Surplus in the statement of profit and loss	1,231.21	1,037.41	1,250.70
Share based options outstanding account	12.71	1.39	-
Foreign currency translation reserve	40.41	38.65	35.97
Other comprehensive income	3.07	5.25	4.24
Total	1,958.02	1,753.31	1,973.15

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account			
Opening balance	574.10	555.29	555.29
Add/(Less) : Changes during the year			
Fresh issue of equity shares	-	592.42	-
Amount utilised for issue of bonus shares	-	(545.56)	-
Amount utilised towards expenses for Initial public offer	-	(28.05)	-
Closing balance	574.10	574.10	555.29
Capital Redemption reserve			
Opening balance	-	0.44	0.44
Add/(Less) : Changes during the year			
Amount transferred for redemption of Preference shares	-	30.00	-
Amount transferred for issue of bonus shares	-	(30.44)	-
Closing balance	-	-	0.44
General reserve			
Opening balance	96.51	126.51	126.51
Add/(Less) : Changes during the year			
Amount transferred for redemption of Preference shares	-	(30.00)	-
Share based options outstanding account	0.01	-	-
Closing balance	96.52	96.51	126.51
Surplus/(deficit) in the statement of profit and loss			
Opening balance	1,037.41	1,250.70	-
Net profit for the period	486.09	455.74	-
Dividends			
Interim dividend on equity shares	(183.60)	(306.00)	-
Final dividend on equity shares	(61.20)	(247.68)	-
Loss of control	-	(2.63)	-
Tax on dividend (net of refund)	(47.49)	(112.72)	-
Closing balance	1,231.21	1,037.41	1,250.70
Share based options outstanding account			
Opening balance	1.39	-	-
Add: Stock option expense for the year	11.33	1.39	-
Less: Transferred to General Reserve	(0.01)	-	-
Closing balance	12.71	1.39	-
Foreign currency translation reserve			
Opening balance	38.65	35.97	28.19
Add/(Less) : Changes during the year	1.76	2.68	7.78
Closing balance	40.41	38.65	35.97

Other Comprehensive Income

(₹ in crore)

Particulars	Equity Instruments through Other Comprehensive Income	Others	Total
As at April 01, 2017	4.24	-	4.24
Remeasurements of post-employment benefit obligations	-	(1.30)	(1.30)
Deferred tax	-	0.45	0.45
Changes in fair value of FVOCI equity instruments	1.86	-	1.86
Deferred tax	-	-	-
As at March 31, 2018	6.10	(0.85)	5.25
Remeasurements of post-employment benefit obligations	-	(3.16)	(3.16)
Deferred tax	-	0.98	0.98
Changes in fair value of FVOCI equity instruments	-	-	-
Deferred tax	-	-	-
As at March 31, 2019	6.10	(3.03)	3.07

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 29)

20. Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Management Fees	1,446.43	1,552.62
Portfolio Management Fees (including advisory fees)	32.21	39.15
Total	1,478.64	1,591.77

21. Other Income

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	100.91	80.59
Dividend income	9.76	17.10
Gain on sale of Investment	57.47	45.65
Miscellaneous income	3.14	13.51
Total	171.28	156.85

22. Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	263.04	236.59
Contribution to provident and other funds	11.62	9.96
Employee stock option scheme	11.33	1.39
Staff welfare expenses	7.50	9.29
Total	293.49	257.23

23. Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Marketing, advertisement and publicity	98.10	172.63
Outsourced business service	87.86	121.32
Legal and Professional charges	28.78	23.05
Information technology	25.73	25.02
Rent	25.60	21.88
Scheme expenses	19.96	48.61
Communication Costs	17.44	24.27
Office administration	13.99	11.17
Conveyance and travelling	12.21	14.53
Corporate Social Responsibility	12.19	10.42
Rates, taxes and energy costs	5.62	1.04
Repairs and maintenance	5.48	4.17
Filing fees and stamp duty	5.33	6.53
Seminar and training	4.55	3.28
Membership and subscription	4.71	4.02
Electricity	3.69	2.50
Insurance	3.99	2.00
Printing and stationery	1.46	11.94
Director's fees allowances and expenses	0.41	0.66
Auditor's fees and expenses	0.60	1.04
Donation	0.06	0.09
Net loss on foreign currency transactions and translations	(0.92)	0.73
Bad Debts	-	1.17
Miscellaneous expenses	10.99	2.51
Total	387.83	514.58

a) Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit fees	0.41	0.59
Certification matters	0.09	0.17
Other matters	0.10	0.27
Out of pocket expenses	0.00	0.01
Total	0.60	1.04

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 ₹ 12.10 Crore (Previous Year ₹ 10.35 Crore). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is ₹ 12.19 Crore (previous year ₹ 10.42 Crore), which comprise of following:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Promoting healthcare including preventive healthcare	7.00	4.02
Promoting education, enhancing Vocational Skills	1.50	6.00
Armed Forces Welfare	2.00	-
Training for Sports	1.50	-
Rural Development	-	0.23
Others	0.19	0.17
Total	12.19	10.42

24. Income tax

a) The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	219.60	194.22
Adjustment in respect of current income tax of prior years	(2.22)	2.43
Deferred tax	(4.21)	1.73
Total	213.17	198.38

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 April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Deferred tax liability :				
FVTPL of financial instruments	11.37	(1.85)	-	9.52
Brokerage	7.57	6.95	-	14.52
Total (a)	18.94	5.10	-	24.04
Deferred tax asset :				
Property, plant and equipment	7.16	(0.02)	-	7.14
Leave Encashment	1.55	(0.31)	0.01	1.25
Compensated absense cost	1.22	0.24	-	1.46
Phantom Shares	4.53	3.11	-	7.64
FVTPL of financial instruments	-	0.02	-	0.02
Impairment allowance for financial assets	0.27	0.19	-	0.46
Other*	1.10	0.14	-	1.83
Total (b)	15.83	3.37	0.01	19.79
Net deferred tax (asset)/liability (a - b)	3.11	1.73	(0.01)	4.25

*Other deferred tax asset is after adjustment of 0.59 Crore of deferred tax liability of (Reliance Capital Pension Fund Limited) subsidiary as on April 1, 2017 which ceases to be subsidiary and became associate w.e.f July 3, 2017.

(₹ in crore)

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liability :				
FVTPL of financial instruments	9.52	4.71	-	14.23
Brokerage	14.52	1.32	-	15.84
Total (a)	24.04	6.03	-	30.07
Deferred tax asset :				
Property, plant and equipment	7.14	0.32	-	7.46
Leave Encashment	1.25	(0.04)	0.00	1.21
Compensated absense cost	1.46	(0.31)	-	1.15
Phantom Shares	7.64	5.10	-	12.74
FVTPL of financial instruments	0.02	(0.02)	-	-
Impairment allowance for financial assets	0.46	3.27	-	3.73
Other	1.83	1.92	-	3.76
Total (b)	19.79	10.24	0.00	30.05
Net deferred tax (asset)/liability (a -b)	4.25	(4.21)	(0.00)	0.02

25. 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, 2019	Year ended March 31, 2018
Provident fund	7.03	5.83
Superannuation fund	0.08	0.07
Pension fund	1.47	1.43

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)

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2017	15.78	15.93	(0.15)
Current service cost	1.84	-	1.84
Interest expense/(income)	1.15	1.16	(0.01)
Return on plan assets (excl. Interest Income)	-	(0.32)	0.32
Actuarial loss / (gain) arising from change in financial assumptions	(0.58)	-	(0.58)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	1.54	-	1.54
Liability Transferred In/ Acquisitions	0.18	-	0.18
Employer contributions	-	3.69	(3.69)
Benefit payments	(3.00)	(3.00)	-

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	16.91	17.46	(0.55)
Current service cost	1.96	-	1.96
Interest expense/(income)	1.30	1.35	(0.05)
Return on plan assets (excl. Interest Income)	-	(0.25)	0.25
Actuarial loss / (gain) arising from change in financial assumptions	0.19	-	0.19
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	-	2.72
Liability Transferred In/ Acquisitions	(0.01)	0.02	(0.03)
Reversal of the liability	-	-	-
Employer contributions	-	4.28	(4.28)
Benefit payments	(2.65)	(2.65)	-
As at March 31, 2019	20.42	20.21	0.21

Particulars	Year ended March 31, 2019	As at March 31, 2018	As at April 1, 2017
Present value of plan liabilities	20.42	16.91	15.78
Fair value of plan assets	20.21	17.46	15.93
Plan liability net of plan assets	0.21	-	-

ii) Statement of Profit and Loss

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employee Benefit Expenses:		
Current service cost	1.96	1.84
Total	1.96	1.84
Net Interest Cost	(0.05)	(0.01)
Net impact on the profit before tax	1.91	1.83
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	0.25	0.32
Actuarial gains/(losses) arising from changes in financial assumptions	0.19	(0.58)
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	2.72	1.54
Net impact on the other comprehensive income before tax	3.16	1.28

iii) Defined benefit plans assets

Category of assets (% allocation)	Year ended March 31, 2019	As at March 31, 2018	As at April 1, 2017
Insurer managed funds			
- Government securities	44.63%	29.95%	28.14%
- Deposit and money market securities	1.92%	16.17%	13.55%
- Debentures / bonds	29.11%	35.12%	26.69%
- Equity shares	19.82%	18.76%	18.39%
- Others	4.52%	0.00%	13.23%
Total	100.00%	100.00%	100.00%

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Year ended March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.59%	7.71%	7.28%
Salary escalation rate*	6.00%	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, 2019	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.52)	1.73
Salary escalation rate	1.00%	1.74	(1.55)
Employee Turnover	1.00%	0.15	(0.17)

As at March 31, 2018	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(1.28)	1.46
Salary escalation rate	1.00%	1.47	(1.31)
Employee Turnover	1.00%	0.15	(0.17)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) **Maturity**

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1st Following Year	1.46	1.31
2nd Following Year	1.38	1.15
3rd Following Year	1.41	1.18
4th Following Year	1.50	1.19
5th Following Year	1.71	1.26
Sum of 6 to 10 Years	9.38	7.72
Sum of 11 Year and above	25.66	22.47

The weighted average duration of the defined benefit obligation is 10 years (previous year - 10 years)

These plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

c) Phantom Stock Option Scheme:

- i. Details of phantom stock/units granted subject to the terms and conditions as per Phantom stock scheme:

Date of grant	01 December 2015
Appreciation as per Phantom stock Option	Excess of 'fair market value of share on the date of exercise' / 'NAV of unit on the date of exercise' determined in term of the Phantom Stock Option Scheme over 'the Base Price' / 'the Base NAV'
Exercise Period	<p>In case of continuation of employment: Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and</p> <p>In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.</p>
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

- ii. The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The Projected benefit obligation is calculated using Project Unit Credit Method. The valuation of the shares/units is done considering the intrinsic value and the progression of share/unit price up to the exercise of the option. Fair Value of Phantom Stock Options was estimated on the date of grant on the assumptions of Discount Rate of 6.77% and Expected Life of 5 years.
- iii. For the current year the Company has created provision of ₹ 14.61 crore (Previous year ₹ 8.76 crore).

26. Segment information

The Company is in the business of providing asset management services to the schemes of Reliance Mutual Fund and portfolio management service to clients. The primary segment is identified as asset management services. Portfolio management services does not qualify as reportable segment as per the criteria mentioned under Ind AS 108 and hence not disclosed separately.

27. 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, 2019

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At amortised cost					
Cash and cash equivalents	30.03	-	-	-	30.03
Investments	147.94	-	-	-	147.94
Bank balance other than cash and cash equivalents above	512.75	-	-	-	512.75
Receivables					
(I) Trade receivables	102.57	-	-	-	102.57
(II) Other receivables	-	-	-	-	-
Loans	369.61	-	-	-	369.61
Other financial assets	55.42	-	-	-	55.42
At Fair Value Through Profit/Loss					
Investments	-	1,142.04	-	-	1,142.04
Total financial assets	1,218.32	1,142.04	-	-	2,360.36
Financial liabilities					
At amortised cost					
Payables	47.37	-	-	-	47.37
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	60.61	-	-	-	60.61
Total financial liabilities	107.98	-	-	-	107.98

As at March 31, 2018

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At amortised cost					
Cash and cash equivalents	37.41	-	-	-	37.41
Investments	148.06	-	-	-	148.06
Bank balance other than cash and cash equivalents above	571.68	-	-	-	571.68
Receivables					
(I) Trade receivables	40.40	-	-	-	40.40
(II) Other receivables	0.01	-	-	-	0.01
Loans	424.56	-	-	-	424.56
Other financial assets	60.15	-	-	-	60.15
At Fair Value Through Profit/Loss					
Investments	-	845.29	-	-	845.29
Total financial assets	1,282.27	845.29	-	-	2,127.56
Financial liabilities					
At amortised cost					
Payables	132.86	-	-	-	132.86
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	64.14	-	-	-	64.14
Total financial liabilities	197.00	-	-	-	197.00

As at April 1, 2017

(₹ in crore)

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
At amortised cost					
Cash and cash equivalents	13.09	-	-	-	13.09
Investments	142.15	-	-	-	142.15
Bank balance other than cash and cash equivalents above	34.04	-	-	-	34.04
Receivables					
(I) Trade receivables	43.16	-	-	-	43.16
(II) Other receivables	-				-
Loans	426.16	-	-	-	426.16
Other financial assets	48.88	-	-	-	48.88
At Fair Value Through Profit/Loss					
Investments	-	1,002.24	-	-	1,002.24
Total financial assets	707.48	1,002.24	-	-	1,709.72
Financial liabilities					
At amortised cost					
Payables	113.45	-	-	-	113.45
Subordinated Liabilities	30.00	-	-	-	30.00
Other financial liabilities	33.54	-	-	-	33.54
Total financial liabilities	176.99	-	-	-	176.99

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

28 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. The company's risk management is carried out by a risk department under policies approved by the Board of Directors. The Risk team identifies, evaluates and highlights financial risks in close cooperation with the company's operating units.

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. Credit risk on the same is limited as we generally invest in deposit with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
2. RNAM has extended loans to various parties. Credit risk on the loans has been managed by the company through external credit assessments done 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. Trade receivable amounting to Rs 85.5 Cr (95%) is receivable from Reliance Mutual Fund for whom Reliance Nippon Life Asset Management Limited is the Asset manager and hence the credit risk from trade receivable on the reporting date is very limited. "

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions.

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 out at local level in accordance with practice and limits set by the company. In addition, the company also projects cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

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, 2019

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	30.03	-	-	30.03
Bank balance other than cash and cash equivalents above	-	498.83	13.92	512.75
Receivables				
(I) Trade receivables	-	102.57	-	102.57
(II) Other receivables	-	-	-	-
Loans	-	369.61	-	369.61
Investments	1,076.96	27.15	185.87	1,289.98
Other financial assets	-	55.42	-	55.42
Total assets	1,106.99	1,053.58	199.79	2,360.36
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	47.37	-	47.37
Subordinated Liabilities	-	-	-	-
Other financial liabilities	-	60.61	-	60.61
Total liabilities	-	107.98	-	107.98
Net	1,106.99	945.60	199.79	2,252.38

As at March 31, 2018

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	37.41	-	-	37.41
Bank balance other than cash and cash equivalents above	-	571.38	0.30	571.68
Receivables				
(I) Trade receivables	-	40.40	-	40.40
(II) Other receivables	-	0.01	-	0.01
Loans	-	424.56	-	424.56
Investments	772.81	62.80	157.74	993.35
Other financial assets	-	60.15	-	60.15
Total assets	810.22	1,159.30	158.04	2,127.56

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial liabilities				
Payables				
Trade payables				-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	132.86	-	132.86
Subordinated Liabilities	-	-	-	-
Other financial liabilities	-	64.14	-	64.14
Total liabilities	-	197.00	-	197.00
Net	810.22	962.30	158.04	1,930.56

As at April 1, 2017

(₹ in crore)

Contractual maturities of assets and liabilities	On demand	Upto 1 Year	1 to 5 years	Total
Financial assets				
Cash and cash equivalents	13.09	-	-	13.09
Bank balance other than cash and cash equivalents above	-	26.75	7.29	34.04
Receivables				
(I) Trade receivables	-	43.16	-	43.16
(II) Other receivables	-	-	-	-
Loans	-	351.52	74.64	426.16
Investments	960.80	75.43	108.16	1,144.39
Other financial assets	-	48.88	-	48.88
Total assets	973.89	545.74	190.09	1,709.72
Financial liabilities				
Payables				
Trade payables				-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	113.45	-	113.45
Subordinated Liabilities	-	30.00	-	30.00
Other financial liabilities	-	33.54	-	33.54
Total liabilities	-	176.99	-	176.99
Net	973.89	368.75	190.09	1,532.73

C Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

i) Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, YEN & AED. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the entity. The risk is measured through a forecast of highly probable foreign currency cash flows.

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (all other variables being constant) of the Company's statement of profit and loss and equity.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2019	As at March 31, 2018
YEN Rates - Increase 5%	0.12	0.16
YEN Rates - Decrease 5%	(0.12)	(0.16)

ii) Interest Rate Risk

Loans extended by the company to various parties are at fixed rate of interest and accordingly the company does not perceive any interest rate risk.

iii) Price risk

Exposure

The company's exposure to mutual fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss (note 7).

To manage its price risk arising from investments in mutual fund, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the company's investments are in equity & Debt mutual funds and are closely linked to movement in equity and bond market indices.

Sensitivity Analysis

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the company's investments in mutual funds moved in line with the NAV.

(₹ in crore)

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2019	As at March 31, 2018
NAV - Increase 5%	54.21	37.45
NAV - Decrease 5%	(54.21)	(37.45)

29. Employee share based payments

Employee stock option scheme (Equity settled)

The Company introduced ESOS 2017 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 2017:

	ESOS 2017	
	August 08, 2017	April 25, 2018
Date of Grant	August 08, 2017	April 25, 2018
Price of Underlying Stock (₹)	204.25	256.1
Exercise / Strike Price (Rs)	204.25	256.1

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%
Expected Dividend Yield	3.09%	3.25%
Expected Life (years)	4.00 to 5.50	4.00 to 5.50
Expected Volatility	13.92% to 20.81%	14.21% to 20.81%
Weighted Average Fair Value (Rs)	10.82	45.71

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, 2019	
	August 08, 2017	April 25, 2018
Date of Grant		
Outstanding at the beginning of the year	4,906,047	4,598,134
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
Lapsed/expired during the year	141,219	133,305
Outstanding at the end of the year	4,764,828	4,464,829
Vested and exercisable	903,159	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Outstanding as at April 1, 2017
August 08, 2017	August 08, 2024	204.25	4,764,828	4,906,047	-
April 25, 2018	April 25, 2025	256.10	4,464,829	-	-
Total			9,229,657	4,906,047	-

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 during the year ended March 31, 2019 included:

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Expected - Weighted average volatility	13.92% to 20.81%	14.21% to 20.81%
Expected dividends	3.09%	3.25%
Expected term (In years)	4	4
Risk free rate	6.20%- 6.34%	7.06%- 7.15%
Exercise price	204.25	256.1
Market price	209.7	247.45
Grant date	August 08, 2017	April 25, 2018
Expiry date	August 08, 2024	April 25, 2025
Fair value of the option at grant date	10.82	45.71

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, 2019	Year ended March 31, 2018
Employee stock option scheme (equity settled)	11.33	1.39

30. 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
	1	Major Investing Party
	i)	Reliance Capital Limited
	ii)	Nippon Life Insurance Company
	2	Key Managerial Personnel
	i)	Sundeep Sikka (Whole Time Director)
	3	Subsidiary
	i)	Reliance Asset Management (Singapore) Pte Limited
	ii)	Reliance Asset Management (Mauritius) Limited
	iii)	Reliance AIF Management Company Limited
	iv)	Reliance Japan Equity Fund (upto May 2, 2018)*
	v)	Reliance ETF Long Term Gilt Fund (upto May 2, 2018 and from May 15, 2018 to September 18, 2018)*
	vi)	Reliance ETF Dividend Opportunities Fund (upto September 13, 2018)*
	vii)	Reliance ETF Nifty 100 Fund (upto September 13, 2018)*
	viii)	Reliance ETF Consumption Fund (upto September 20, 2018)*
	ix)	Reliance Commodity Plus AIF Scheme - 1 (w.e.f. February 28, 2019)*
	4	Associate
	i)	Reliance Capital Pension Fund Limited
	ii)	Reliance ETF Long Term Gilt Fund (Associate from April 4, 2018 to April 5, 2018)*
	5	Subsidiary of Investing company
	i)	Reliance General Insurance Company Limited
	ii)	Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)
	iii)	Reliance Commercial Finance Limited (formerly Reliance Gilts Limited)
	iv)	Reliance Securities Limited
	v)	Nissay Asset Management 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	2018-2019		2017-2018	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
1	Nippon Life Insurance Company Limited	(i) Director Sitting Fees	0.09	-	0.15	-
		(ii) Reimbursement of expenses charged	-	-	8.49	-
		(iii) Reimbursement of expenses paid	0.45	-	0.76	-
2	Reliance Capital Limited	(i) Management fees	6.00	-	6.00	-
		(ii) Reimbursement of expenses paid	3.75	-	2.75	-
		(iii) Reimbursement of expenses charged	-	-	8.49	-
		(iv) Investment Activities	-	-	4.90	-
		(v) Loans and advances to Related Parties	-	0.96	-	-
		(vi) Payable towards reimbursement of expenses charged	-	-	-	0.13

Sr. No.	Name of Related Party	Description of Transactions/ Categories	2018-2019		2017-2018	
			Transaction for the Year	Outstanding amt. carried to Balance sheet	Transaction for the Year	Outstanding amt. carried to Balance sheet
3	Sundeep Sikka	(i) Remuneration paid to Sundeep Sikka	10.48	-	5.94	-
4	Reliance Capital Pension Fund Limited	(i) Reimbursement of expenses charged	0.12	-	0.12	-
		(ii) Reimbursement of expenses paid	-	-	0.01	-
5	Reliance Nippon Life Insurance Company Limited	(i) Insurance Charges (net of claims received)	8.60	-	0.52	-
		(ii) Reimbursement of expenses paid	0.63	-	-	-
		(iii) Advance towards insurance policies	-	0.52	-	-
6	Reliance Securities Limited	(i) Repayment of inter corporate deposit	15.00	-	-	-
		(ii) Interest income	1.60	-	0.08	-
		(iii) Brokerage	1.81	-	0.34	-
		(iv) Inter corporate deposit given	-	-	15.00	-
		(v) Inter corporate deposits receivable	-	15.00	-	-
7	Reliance General Insurance Company Ltd.	(i) Insurance Charges (net of claims received)	5.05	-	2.19	-
		(ii) Reimbursement of expenses paid	-	-	0.02	-
		(iii) Advance towards insurance availed	-	0.05	-	-
8	Nissay Asset Management Ltd	(i) Advisory Fees Income	19.12	-	-	-
		(ii) Offshore advisory fees charges	0.06	-	-	-
		(iii) Advisory Fee Payable	-	0.02	-	-
		(iv) Off shore fees payable	-	1.00	-	-
9	Reliance Money Solutions Private Limited	(i) Brokerage	0.00	-	0.01	-
10	Reliance Commercial Finance Limited	(i) Reimbursement of expenses paid	0.01	-	-	-
11	Reliance Wealth Management Limited	(i) Brokerage	-	-	0.27	-
12	Reliance Communication Limited*	(i) Networking / communication expenses	-	-	0.77	-
		(ii) Advance payable towards communication expense	-	-	-	0.13
13	Reliance IDC Limited*	(i) Networking / communication expenses	-	-	0.41	-
14	Reliance Webstore Limited*	(i) Networking / communication expenses	-	-	0.68	-
15	Reliance Exchangenext Limited	(i) Investment Activities	-	-	4.90	-
16	Reliance Corporate Advisory Services Limited	(i) Investment Activities	-	-	4.90	-

Note: Above figures are excluding GST

* Ceased to be related parties w.e.f. 12th July 2017

31. First-time adoption of Ind AS

Transition to Ind AS

These are the company's first Consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019 the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Optional exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The company has applied same exemption for investment in subsidiaries, associates and joint ventures.

ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

iii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity investments.

iv) Leases

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

v) Investments in subsidiaries

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- a) cost determined in accordance with Ind AS 27; Or
- b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

The Company has availed the exemption and has measured its investment in subsidiaries/associates at deemed cost being the previous GAAP carrying amount.”

The disclosures required under para 31 of Ind AS 101 are as follows:

the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount

(₹ in crore)

Particulars	Carrying value as deemed cost
Reliance Asset Management (Mauritius) Limited	8.77
Reliance Asset Management Singapore Pte Limited	22.02
Reliance AIF Management Company Ltd.	0.51
Reliance Capital Pension Fund Limited	12.73

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

(₹ in crore)

Particulars	As at March 31, 2018	As at April 1, 2017
Total equity as per previous GAAP	2,286.52	1,872.57
Adjustments:		
Fair valuation of investments in Mutual funds through profit and loss	57.22	119.43
Fair valuation of investments in Mutual funds through other comprehensive income	1.86	4.24
Reliance Capital Asset Management Employees Benefits Trust Consolidation	2.59	29.46
ESOP reserve on recognition of expense at fair value	(1.39)	-
Reversal of amortisation of Asset Management Rights	25.01	-
reclass of preference share capital as subordinated liability	-	(30.00)
Scheme consolidation	65.38	45.40
Straight lining of set-up fee	(6.31)	(4.89)
Other adjustments	0.61	0.69
Tax Impact of Ind AS Adjustments	(0.80)	(6.83)
Total adjustments	144.17	157.50
Total equity as per Ind AS	2,430.69	2,030.07

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(₹ in crore)

Particulars	Year ended March 31, 2018
Net profit after tax as per previous GAAP	522.14
Adjustments:	
Fair valuation of investments in Mutual funds through profit and loss	(60.09)
Reliance Capital Asset Management Employees Benefits Trust Consolidation	(26.87)
ESOP reserve on recognition of expense at fair value	(1.39)
Reversal of fair valuation of investments in equity instruments through other comprehensive income	(6.10)
Reversal of amortisation of Asset Management Rights	25.01
Interest on Redeemable preference share capital classified as liability	(2.17)
Remeasurements of post employment benefit obligations	1.30
Other adjustments	(0.06)
Tax impact on above items	5.43
Profit after tax as per Ind AS	457.20
Other Comprehensive Income:	
Fair valuation of investment in equity shares measured at FVOCI	1.86
Remeasurements of post employment benefit obligations	(1.30)
Tax impact on above items	0.45
Total comprehensive income as per Ind AS	458.21

iii) Impact of Ind AS adoption on the Consolidated statements of cash flows for the year ended March 31, 2018

(₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	391.30	(5.24)	386.06
Net cash flow from investing activities	(218.83)	184.08	(34.75)
Net cash flow from financing activities	(109.71)	(248.97)	(358.68)
Net increase/(decrease) in cash and cash equivalents	62.76	(70.14)	(7.37)
Cash and cash equivalents as at April 1, 2017	13.07	24.34	37.41
Cash and cash equivalents as at March 31, 2018	75.83	(45.80)	30.04

32. Investment in subsidiaries

a) The consolidated financial statements of the group includes subsidiaries listed in the table below.

Name of subsidiary	Country of incorporation	% equity interest	% equity interest	% equity interest
		March 31, 2019	March 31, 2018	April 1, 2017
Reliance Asset Management (Singapore) Pte Limited	Singapore	100.00	100.00	100.00
Reliance Asset Management (Mauritius) Limited	Mauritius	100.00	100.00	100.00
Reliance AIF Management Company Limited	India	100.00	100.00	100.00
Reliance Japan Equity Fund (upto May 2, 2018)	India	-	48.73	20.13
Reliance ETF Long Term Gilt Fund (upto May 2, 2018 and from May 15, 2018 to September 18, 2018)	India	-	89.94	87.29
Reliance ETF Dividend Opportunities Fund (upto September 13, 2018)	India	-	89.89	92.52
Reliance ETF Nifty 100 Fund (upto September 13, 2018)	India	-	37.96	45.84
Reliance ETF Consumption Fund (upto September 20, 2018)	India	-	83.05	92.39
Reliance Commodity Plus AIF Scheme - 1 (w.e.f. February 28, 2019)	India	100.00	-	-

33. 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, 2019	Year ended March 31, 2018
Profit/(loss) before tax	0.26	(0.10)
Profit/(loss) for the year	0.08	0.11
Other comprehensive income	(0.01)	(0.00)
Total comprehensive income for the year	0.07	0.10

34. Additional Information:

March 31, 2019

(₹ in crore)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent	97.31%	2500.86	97.75%	475.16
Subsidiaries				
Indian				
Reliance AIF Management Company Limited	0.78%	20.02	1.93%	9.39
Reliance Japan Equity Fund	0.00%	-	0.03%	0.12
Reliance ETF Long Term Gilt Fund	0.00%	-	0.02%	0.08
Reliance ETF Dividend Opportunities Fund	0.00%	-	0.02%	0.11
Reliance ETF Nifty 100 Fund	0.00%	-	0.11%	0.52
Reliance ETF Consumption Fund	0.00%	-	0.04%	0.17
Reliance Commodity Plus AIF Scheme - 1 (w.e.f. February 28, 2019)	0.00%	-	0.00%	-

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
Foreign				
Reliance Asset Management (Singapore) Pte Limited	0.98%	25.25	(0.43%)	(2.11)
Reliance Asset Management (Mauritius) Limited	0.93%	23.89	0.75%	3.63
Minority interest in all subsidiaries	0.00%	-	(0.21%)	(1.01)
Associates (Investment as per the equity method)				
Indian				
Reliance Capital Pension Fund Limited	0.00%	-	0.01%	0.03
Total	100.00%	2570.02	100.00%	486.09

March 31, 2018

(₹ 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	94.99%	2308.84	98.21%	447.57
Subsidiaries				
Indian				
Reliance AIF Management Company Limited	0.44%	10.62	0.08%	0.35
Reliance Japan Equity Fund	0.73%	17.70	(0.03%)	(0.13)
Reliance ETF Long Term Gilt Fund	0.11%	2.67	0.04%	0.16
Reliance ETF Dividend Opportunities Fund	1.34%	32.58	0.03%	0.13
Reliance ETF Nifty 100 Fund	0.42%	10.16	0.10%	0.45
Reliance ETF Consumption Fund	0.09%	2.27	0.18%	0.84
Foreign				
Reliance Asset Management (Singapore) Pte Limited	1.10%	26.78	1.13%	5.13
Reliance Asset Management (Mauritius) Limited	0.78%	19.07	0.60%	2.72
Minority interest in all subsidiaries	0.00%	-	(0.32%)	(1.46)
Associates (Investment as per the equity method)				
Indian				
Reliance Capital Pension Fund Limited	0.00%	-	0.00%	(0.02)
Total	100.00%	2430.69	100.00%	455.74

35. Dividend during the year

(₹ in crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Dividend during the year		
Dividends on ordinary shares:		
Final dividend for FY 2017-18: 1 per share (FY 2016-17: 4.22 per share post bonus adjusted)	61.20	247.68
Interim dividend for FY 2018-19: 3 per share (FY 2017-18: 5 per share)	183.60	306.00
Dividend Distribution tax on the above	50.32	112.72
Total dividends paid	295.12	666.40
B. Proposed (not recognised as a liability)		
Dividend on ordinary shares:		
Final dividend for FY 2018-19: 3 per share (FY 2017-18: 1 per share)	183.60	61.20
Dividend Distribution tax on the above	37.74	12.58

36. Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net profit after tax available for equity shareholders (₹ in Crore)	486.09	455.74
Weighted average number of equity shares	612,000,000	597,312,000

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share	7.94	7.63
Effect of outstanding stock options	-	(0.01)
Diluted earnings per share	7.94	7.62

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, 2019	Year ended March 31, 2018
Weighted average number of shares for computation of Basic EPS	612,000,000	597,312,000
Dilutive effect of outstanding stock options	-	815,691
Weighted average number of shares for computation of Diluted EPS	612,000,000	598,127,691

37. Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Claims not acknowledged as debts in respect of:			
- Guarantees to banks and financial institutions	21.00	23.51	11.11
- Claims against Company not acknowledged as debt	1.41	5.69	5.87

There are numerous interpretative issues relating to the Supreme court (SC) judgement on provident fund dated 28th Feb 2019. As a matter of caution, the company has made a provision on prospective basis from the date of the SC order. The company will update its provisions, on receiving further clarity on the subject.

38. Capital commitments

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	11.22	23.77	2.41

39. Operating lease commitments

Company as lessee

The Company have taken office premises / branches under operating leases, which expire between October 2019 to October 2021 (Previous Year: August 2017 to December 2025). Rent includes gross rental expenses of ₹ 24.40 Cr (Previous Year ₹ 21.23 Cr). The committed lease rentals in the future are:

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	2.69	3.13	-
Later than one year and not later than five years	2.16	2.25	-
Later than five years	-	-	-

40. The details of utilisation of IPO proceeds ₹ 588.85 crore (net of IPO related expenses) are as follows:

(₹ in crore)

Particulars	Net Proceeds as per IPO	Utilised upto March 31, 2019	Unutilised amount as of March 31, 2019
Setting up new branches and relocating certain existing branches	38.31	4.01	34.30
Upgrading the IT system	40.65	16.52	24.13
Advertising, marketing and brand building activities	72.09	12.84	59.25
Lending to our Subsidiary (Reliance AIF Management Company Limited) for investment of continuing interest in the new AIF schemes managed by Reliance AIF Management Company Limited	125.00	39.75	85.25
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	100.00	-
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
Total	588.85	220.92	367.93

41. Events occurring after the reporting period

The Board of Directors have approved an interim dividend of ₹ 3/- per equity share of ₹ 10/- each, aggregating ₹ 183.60 Crore including ₹ 37.74 Crore dividend distribution tax for the financial year 2018-19. This is in addition to the interim dividend of ₹ 3/- per equity share declared by the Board of Directors on January 22, 2019.

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

Reliance Nippon Life Asset Management Limited**Sundeep Sikka**

Executive Director & CEO

DIN No. 02553654

Kanu Doshi

Director

DIN No. 00577409

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Nilufer Shekhawat

Company Secretary

Mumbai, April 29, 2019

FORM AOC - I

Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.
Statement containing salient features of the financial statement of subsidiaries and associate as on March 31, 2019

₹ in Crore

Part "A": Subsidiaries

Sr. No.	Name of the subsidiaries	Reliance Asset Management (Mauritius) Ltd	Reliance Asset Management (Singapore) Pte Ltd	Reliance AIF Management Company Limited	Reliance Commodity Plus AIF Scheme - 1
1	Reporting currency	USD	SGD	INR	INR
2	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR 69.28	INR 50.71		
3	Share / Unit capital	13.58	29.12	0.51	20.05
4	Other Equity	10.31	(3.93)	19.50	-
5	Total assets	26.28	29.34	116.40	20.10
6	Total Liabilities	2.40	4.15	96.38	0.05
7	Investments	0.00	-	42.23	19.11
8	Total Income	7.84	24.01	38.85	0.13
9	Profit before taxation	3.73	(2.13)	10.87	0.09
10	Provision for taxation	0.10	-	1.48	(0.04)
11	Profit after taxation	3.63	(2.13)	9.40	0.05
12	Other Comprehensive Income	-	-	(0.00)	-
13	Total Comprehensive Income	3.63	(2.13)	9.40	0.05
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%	100%	100%	100%

Name of subsidiaries which have been liquidated or sold during the year:

- i. Reliance Japan Equity Fund
- ii. Reliance ETF Long Term Gilt Fund
- iii. Reliance ETF Dividend Opportunities Fund
- iv. Reliance ETF Nifty 100 Fund
- v. Reliance ETF Consumption Fund

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associate	Reliance Capital Pension Fund Limited
1	Latest audited Balance Sheet Date	March 31, 2019
2	Shares of Associate / Joint Ventures held by the Company on the year end	
	i. Number of shares	12,249,994
	ii. Amount of Investment in Associates/Joint Venture (₹ in Crore)	12.73
	iii. Extend of Holding %	49%
3	Description of how there is significant influence	Refer Note 'I'
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	13.62
6	Profit / Loss for the year	
	i. Considered in Consolidation (₹ in Crore)	0.03
	ii. Not Considered in Consolidation (₹ in Crore)	-

Note:

1. There is significant influence due to percentage(%) of voting power.
2. Names of associates which have been liquidated or sold during the year.
 - i. Reliance ETF Long Term Gilt Fund

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

Reliance Nippon Life Asset Management Limited**Sundeep Sikka**

Executive Director & CEO

DIN No. 02553654

Kanu Doshi

Director

DIN No. 00577409

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Mumbai, April 29, 2019

Nilufer Shekhawat

Company Secretary

RELIANCE

**NIPPON LIFE ASSET
MANAGEMENT LIMITED**

RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED

Registered Office: Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055
CIN: L65910MH1995PLC220793, Tel.: 022 4303 1000, Fax: 022 4303 7662
Website: www.relianceemutual.com, E-mail: nmam.investorrelation@relianceada.com

**ATTENDANCE SLIP
ANNUAL GENERAL MEETING**

*DP Id. / Client Id.		Name and Address of the registered Shareholder	
Regd. Folio No.			
No. of Share(s) held			

(* Applicable for Members holding share(s) in electronic form)

I/ We hereby record my/our presence at the 24th Annual General Meeting of the Members of Reliance Nippon Life Asset Management Limited held on Monday, September 23, 2019 at 11.30 a.m. at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 013.

Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

RELIANCE

**NIPPON LIFE ASSET
MANAGEMENT LIMITED**

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Registered Office: Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055
CIN: L65910MH1995PLC220793, Tel.: 022 4303 1000, Fax: 022 4303 7662
Website: www.relianceemutual.com, E-mail: nmam.investorrelation@relianceada.com

PROXY FORM

FORM NO. MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)			
Registered Address			
E-mail Id			
*DP Id. / Client Id.		Regd. Folio No.	

(* Applicable for Members holding share(s) in electronic form)

I / We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name: Address:

E-mail Id: Signature or failing him

(2) Name: Address:

E-mail Id: Signature or failing him

(3) Name: Address:

E-mail Id: Signature or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **24th Annual General Meeting** of the Company, to be held on Monday, September 23, 2019 at 11.30 a.m. at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai - 400 013, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. and Matter of Resolution		For	Against
1.	To consider and adopt:		
	a) the audited financial statement of the Company for the financial year ended March 31, 2019 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, 2019 and the report of the Auditors thereon.		

2.	To confirm the 1st Interim Dividend of ₹ 3 per equity share as well as 2nd Interim Dividend of ₹ 3 per equity share, as already paid for the financial Year 2018-19.		
3.	To appoint a director in place of Mr. Minoru Kimura (DIN 07497568), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.		
4.	To appoint Mr. Mahadevan Veeramony as a Non-executive Independent Director		

Signed this day of, 2019

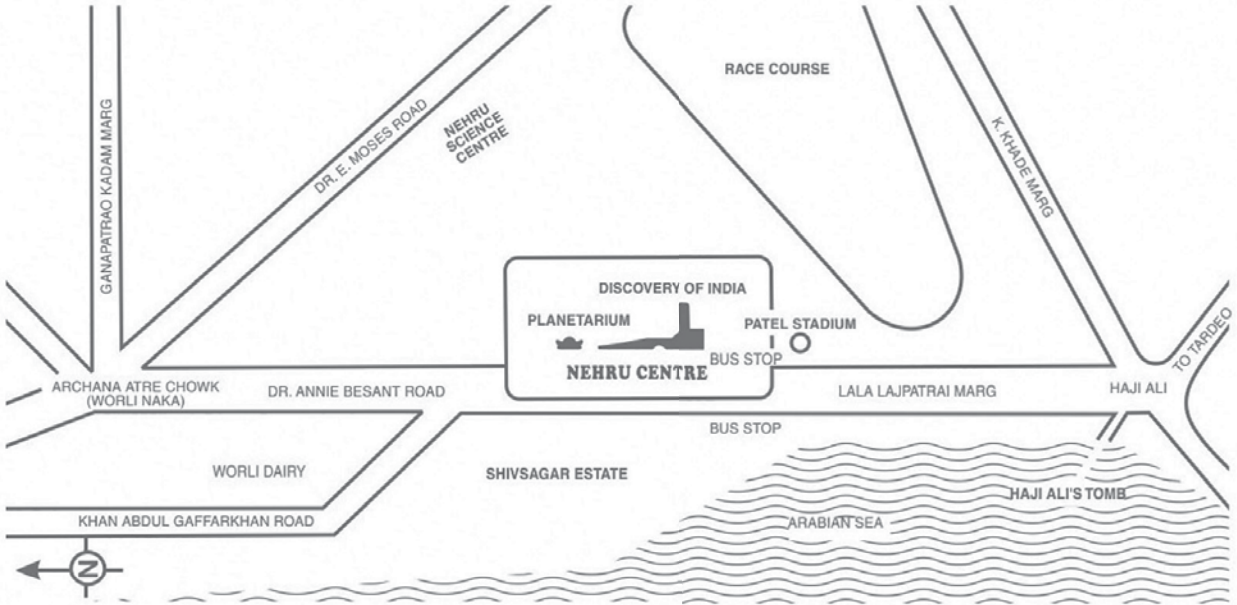
Affix Revenue Stamp

Signature of the Shareholder(s) Signature of Proxy holder(s)

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map to the AGM Venue

Venue : Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai - 400 013



Location Map of Nehru Centre

Dispatch Ref. No.:

Reference No.

1 Name and registered address of the sole / :
first named Member (IN BLOCK LETTERS)2 Name(s) of the joint Member(s), if any, (IN :
BLOCK LETTERS)3 Registered Folio Number / DP ID No. / Client :
ID No. *

4 Number of Share(s) held :

(*Applicable to investors holding share(s) in dematerialized form)

Dear Member,

Sub.: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reliance Nippon Life Asset Management Limited ("RNAM" or "the Company") is providing e-voting facility (remote e-voting) to its Members in respect of the items of business to be transacted at the 24th Annual General Meeting scheduled to be held on Monday, September 23, 2019 at 11:30 a.m. at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 013.

The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the authorised agency to provide e-voting facility. The remote e-voting particulars are set out below:

EVEN (E-Voting Event Number)	User ID	Password/PIN

The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 10:00 A.M. on Thursday, September 19, 2019.

End of remote e-voting : Up to 5:00 P.M. on Sunday, September 22, 2019.

The facility of remote e-voting will not be available beyond the aforesaid date and time and it will be disabled by Karvy upon expiry of aforesaid period. **The cut-off date for the purpose of remote e-voting for the 24th Annual General Meeting is September 16, 2019.**

Please read the instructions printed overleaf before exercising your vote. This communication forms an integral part of the Notice of the Company dated August 17, 2019 for the 24th Annual General Meeting scheduled to be held on September 23, 2019 which is being mailed to you with this communication.

The notice for the 24th Annual General Meeting and this communication are also available on the website of the Company at www.relianceemutual.com

Yours faithfully,

For Reliance Nippon Life Asset Management LimitedMumbai
August 17, 2019Nilufer Shekhawat
Company Secretary

Instructions and other information relating to e-voting are as under:

1. The Company is pleased to provide remote e-voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

- i) Open your web browser during the remote e-voting period and navigate to "https://evoting.karvy.com".
- ii) Enter the login credentials (i.e., user-id and password) mentioned in the letter. Your Folio No./DP ID - Client ID will be your User- ID.

User – ID	For Members holding shares in Demat Form:- For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your unique password is printed overleaf / sent via e-mail forwarded through the electronic notice
Captcha	Please enter the Verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Members can cast their vote on-line from Thursday, September 19, 2019 at 10:00 A.M. to Sunday, September 22, 2019 till 5:00 P.M.
 - iv) After entering these details appropriately, click on "LOGIN".
 - v) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,\$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Karvy e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi) You need to login again with the new credentials.
 - vii) On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.
 - viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.
 - ix) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.
 - x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xi) Once you 'CONFIRM' your vote on the resolution whether partially or otherwise, you will not be allowed to modify your vote.
 - xii) Corporate/Institutional Members (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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'evoting@karvy.com'. The file / scanned image of the Board resolution / Authority letter should be in the naming format 'Corporate Name Event no.'
2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
 3. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Monday, September 16, 2019.
 4. The facility for voting shall also be available at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again at the meeting.
 5. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Karvy's website <https://evoting.karvy.com> OR contact our toll free No.1800 4250 999.