



Nippon Life India Asset Management Ltd

Nippon Life India Asset Management Limited

(formerly known as Reliance Nippon Life Asset Management Limited)

CIN: L65910MH1995PLC220793

Registered Office: 4th Floor, Tower A, Peninsula Business Park,
Ganapatrao Kadam Marg, Lower Parel (West), Mumbai 400 013

Tel.: +91 22 6808 7000, **Fax:** +91 22 6808 7097

Website: www.nipponindiamf.com,

E-mail: investorrelation@nipponindiaamc.com

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given, to the Members of Nippon Life India Asset Management Limited (the "Company") for seeking their consent for transacting the following special business by passing the following Ordinary resolution through Postal Ballot by way of remote e-voting pursuant to Section 110 read with Section 108 of the Companies Act, 2013 (the "Companies Act"), read with the Companies (Management and Administration) Rules, 2014 (the "Rules") as amended from time to time, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No.22/2020 dated June 15, 2020 (the "MCA Circulars") issued by the Ministry of Corporate Affairs and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other applicable laws and regulations, as applicable.

In compliance with the requirements of the MCA Circulars, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company or depository / depository participants and the communication of assent / dissent of the members will take place through the remote e-voting system. The physical Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will therefore not be sent to the members for this Postal Ballot. However, in order to facilitate voting by members who may not be able to access e-voting facilities, the members may also cast their votes by Postal Ballot, as per the instructions contained below in the Notice.

The Explanatory Statement pursuant to Section 102 of the Companies Act pertaining to the said Resolution, setting out material facts and the reasons for the Resolution, is also annexed. You are requested to peruse the proposed Resolution, along with the Explanatory Statement, and thereafter record your assent or dissent by means of postal ballot or remote e-voting facility provided by the Company.

1. **Re-classification of Reliance Capital Limited's shareholding from 'Promoter and Promoter Group' to 'Public' category**

To consider and, if thought fit, accord your assent or dissent (as the case may be) to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 31A and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments made thereto) ("Listing Regulations") read with other applicable laws (including any statutory modifications or re-enactments thereof for the time being in force) and SEBI's approval letter dated September 8, 2020 granting approval for re-classification in accordance with the terms thereof, approval of the shareholders of the Company be and is hereby accorded for the re-classification of status of Reliance Capital Limited, from 'Promoter and Promoter Group' category to 'Public Shareholders' category of the Company.

RESOLVED FURTHER THAT the Company shall effect such re-classification in the shareholding pattern under Regulation 31 of the Listing Regulations and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions and in all other records of the Company and make such applications, intimations, disclosures and/or filings as may be relevant or necessary from such date, as may be appropriate.

RESOLVED FURTHER THAT Mr. Sundeep Sikka, Executive Director & CEO, Mr. Muneesh Sud, Chief Legal & Compliance Officer and Ms. Nilufer Shekhawat, Company Secretary, be and are hereby jointly and/ or severally authorized to perform and execute all acts, deeds, matters and things as they may, in their absolute discretion, deem necessary or desirable, and to settle any questions, difficulty or doubt that may arise, in order to give effect to the above resolution for and on behalf of the Company including but not limited to making necessary intimations/ filings with the relevant stock exchanges wherein securities of the Company are listed or any other regulatory body as may be required and to execute all other documents and take necessary or desirable steps and decisions in this regard to give full effect to the aforesaid resolution.

RESOLVED FURTHER THAT a copy of the above resolution certified by any of the Directors or the Company Secretary be submitted to the concerned authorities for their record.”

By Order of the Board of Directors
Nilufer Shekhawat
Company Secretary & Compliance Officer

Registered Office:

4th Floor, Tower A,
Peninsula Business Park,
Ganapatrao Kadam Marg,
Lower Parel (West),
Mumbai 400 013
CIN: L65910MH1995PLC220793
Website: www.nipponindiamf.com
September 23, 2020

Notes:

1. The relevant explanatory statement pursuant to the provisions of Section 102 and 110 of the Companies Act, 2013 in respect to the aforesaid item, set out in the Notice of the Postal Ballot is annexed hereto.
2. This Notice is being electronically sent to all the members whose names appear in the Register of Members/ List of Beneficial Owners, as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on September 18, 2020 and who have registered their email addresses with the Company and/or with the Depositories/Depository Participants. It is however, clarified that all the persons who are members of the Company as on September 18, 2020 (including those members who may not have received this Notice due to non-registration of their email IDs with the Company or the Depositories/Depository Participants) shall be entitled to vote in relation to the resolution specified in this Notice. A person who is not a member as on September 18, 2020 should treat this Notice for information purpose only. Voting Rights shall be reckoned on the paid up value of the shares registered in the names of the members on September 18, 2020.
3. Members who have not registered their e-mail addresses with either the Company or the Depositories/Depository Participants are requested to register the same with the Company or the Depositories/Depository Participants, in accordance with the process specified herein below at point no 13(b).
4. Members cannot exercise votes by proxy on Postal Ballot.
5. The Board of Directors have appointed Mr. Mukesh Siroya (ICSI Membership No. F5682), Proprietor, M/s. M Siroya and Company, Practicing Company Secretaries as the Scrutinizer for conducting voting process in a fair and transparent manner.
6. In compliance with provisions of Sections 108 and 110 of the Companies Act read with the Rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars issued by the Ministry of Corporate Affairs, the Company is pleased to offer e-voting facility for its members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the physical Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through electronic means shall prevail and voting done by physical ballot shall be treated as invalid. For this purpose, the Company has engaged the services of KFin Technologies Private Limited (“KFintech”) for facilitating e-voting.

Commencement of e-voting: From 10.00 a.m. on September 28, 2020
Conclusion of e-voting: At 5:00 p.m. on October 27, 2020

7. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Persons who are members as on September 18, 2020 and (i) who have received this Notice by e-mail; or (ii) who have not received this Notice due to the non-registration of their e-mail ID with the Company or the Depositories/ Depository Participants, and wish to vote through Postal Ballot Form can download the Postal Ballot Form from www.nipponindiamf.com and <https://evoting.karvy.com> , fill the details and send the duly signed ballot form, at his/her own cost, to the Scrutinizer Mr. Mukesh Siroya, C/o KFin Technologies Private Limited (“KFintech”) Unit:

Nippon Life India Asset Management Limited, Selenium Tower-B, Plot No.31-32,Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, not later than the close of working hours i.e. by 5:00 P.M. on Tuesday, October 27, 2020. The Postal Ballot Form may also be deposited personally. The Postal Ballot(s) received after close of working hours i.e. by 5:00 P.M. on Tuesday, October 27, 2020 will not be considered by the Scrutinizer. However, the members may face difficulties in sending Postal Ballot Form through post/courier on account of restrictions imposed by the central/ state government(s), statutory/ regulatory and administrative authorities and other private organization's due to COVID-19 pandemic. Further, the Company/ Scrutinizer may also face difficulties in receiving the Postal Ballot Forms from members. Therefore, it would be in the interest of the members to avail e-voting facility to cast their vote. The Company in no way would be responsible for late/ no delivery of Postal Ballot Form on account of lockdown due to COVID 19. The e-voting module shall also be disabled by KFinTech for voting after the abovementioned deadline.

8. In light of the COVID-19 crisis and in accordance with Section 110 of the Companies Act, 2013 and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars, physical copies of the Notice will not be circulated and also the Company will not be under any obligation to provide physical copies upon specific request of any member(s).
9. The Scrutinizer will submit his report to Mr. Sundeep Sikka, Executive Director & CEO or any person authorised by him after completion of the scrutiny on or before October 29, 2020 and the results of voting by postal ballot (including voting through electronic means) will be declared on or before 5.00 P.M., Thursday, October 29, 2020 at the Registered Office of the Company at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (West), Mumbai 400 013 by placing it along with the Scrutinizer's report on its notice board, Company's website www.nipponindiamf.com and on the website of the agency (KFinTech), <https://evoting.karvy.com> and shall also be communicated to the Stock Exchanges.
10. Please note that this form must be completed and signed (as per specimen signature registered with the Company) by the Member. In case of Joint-holding, this form must be completed and signed by the first named Member and in her/his absence, by the next named Member. Postal Ballot Forms with following deficiencies will be rejected: A form other than this form issued by the Company has been used; It has not been signed by or on behalf of the Member; Signature on the Postal Ballot Form doesn't match the specimen signatures available in the Company's records; It is not possible to determine without any doubt the assent or dissent of the Member; Neither assent nor dissent is mentioned; Any competent authority has given directions in writing to the Company to freeze the Voting Rights of the Member; The envelope containing the Postal Ballot Form is received after the last date prescribed; The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority; It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and Member has made any amendment to the Resolutions or imposed any condition while exercising her/his vote. The Scrutinizer's decision on the validity of the postal ballot / e-voting will be final.
11. Resolution passed by the members by way of Postal Ballot through remote e-voting is deemed to have been passed as if the same has been passed at a General Meeting of the members and shall be deemed to have been passed on the last date of remote e-voting i.e. Tuesday, October 27, 2020.
12. Relevant documents referred to in the accompanying Notice are open for inspection through electronic mode up to Tuesday October 27, 2020. Members seeking to inspect such documents can send an email to investorrelation@nipponindiaamc.com.
13. The instructions for members for voting electronically are as under:-

(a) Voting through electronic mode/ e-voting:

- i. Open your web browser during the voting period and navigate to "<https://evoting.karvy.com>".
- ii. Enter the login credentials (i.e., user-id and password) mentioned in the email. Your Folio No. / DP Client ID will be your User-ID:

User – ID	For Members holding shares in Demat Form:- Event number followed by 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 number followed by Folio No. registered with the Company
Password	Your Unique password as sent via e-mail sent along with the Notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons

- iii. Please contact Kfin Tech's toll free no. 1800 3454 001 for any further clarifications.
- 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 for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through Kfintech e-Voting platform. System will prompt you to change your password and update any 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 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(s) description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents 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 the Member does not wish to cast, 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(s), you will not be allowed to modify your vote.
- xii. 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 the Scrutinizer through e-mail at siroyam@gmail.com with copy marked to evoting@karvy.com. The file scanned image of the Board resolution / Authority letter should be in the naming format "Corporate Name Event no."

(b) Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this postal ballot notice:

- (i) In case shares are held in physical mode please send scanned copy of certificate (front and back) by email to einward.ris@kfintech.com The subject of email should be "Password for Postal Ballot of Nippon Life India Asset Management Limited folio no.: (MENTION FOLIO NO.)".
- (ii) In case shares are held in demat mode, please send copy of client master to einward.ris@kfintech.com. Subject of email should be "Password for Postal Ballot of Nippon Life India Asset Management Limited DPID-CLID (MENTION 16 DIGIT DPID+CLID)"
- (iii) Please attach self-attested copy of PAN/ Voter ID/ Aadhar Card to the email sent as per sr. no (i) and (ii) above.

Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated September 23, 2020.

Item No. 1

Re-classification of Reliance Capital Limited's shareholding from 'Promoter and Promoter Group' to 'Public' category

In terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") may allow reclassification of promoters as public shareholders or vice versa subject to fulfillment of conditions as provided therein.

In this regard, a brief background of the facts and situation leading up to this notice for the shareholders' for the re-classification of Reliance Capital Limited ("RCL") from 'Promoter and Promoter Group' category to 'Public Shareholders' category of the shareholders of the Company is being set out below:

1. Pursuant to a share purchase agreement dated May 23, 2019 ("SPA") executed between the Company, Nippon Life Insurance Company ("NLI") and RCL, the Company underwent a change of control and NLI is now in sole control of

- the Company. At the time of completion under the SPA, NLI held 75%, RCL held a mere 4.28% and the other public shareholders held 20.72% in the equity share capital of the Company.
2. As per the terms of the SPA, it was agreed that the residual stake of RCL shall be sold in the manner as agreed under the SPA so as to ensure that the minimum level of public shareholding, as contemplated in the Securities Contracts Regulations Rules, 1957 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (currently being 25% of the paid-up capital of the Company) ("MPS Requirements") is achieved.
 3. Further, the letter of offer dated July 11, 2019 stated that pursuant to the acquisition of shares under the SPA and the shares tendered in the open offer, RCL will cease to have control over the Company and NLI will be the largest shareholder in the Company and will exercise sole control over the Company.
 4. Accordingly, it was agreed under the SPA that the residual stake of RCL shall be sold from time to time to meet with Minimum Public Shareholding ("MPS") requirements.
 5. RCL indeed executed three Offers for Sale transactions in 2019 in compliance with the SPA provisions towards MPS compliance. More recently, RCL has lost out on almost all its residual shares, with lenders enforcing their security interests. As a result, RCL's stake in the Company is now down to a minuscule 0.93%.
 6. Each of the Company and NLI had over the last few months repeatedly attempted to contact RCL and its various representatives, requesting RCL to provide the Company with a request to re-classify itself. However, despite these repeated requests both from the Company and NLI, there had been no positive response from RCL in this regard.
 7. The board of directors of the Company ("Board") considered the situation at hand with respect to RCL being called as a promoter and the consequences thereof. After deliberating on the matter and the fact that inter alia RCL only holds a minuscule 0.93% of the shareholding of the Company, without having any control over the affairs of the Company either directly or indirectly, the Board took a decision at its meeting held on July 27, 2020, and re-classified RCL from 'Promoter and Promoter Group' category to 'Public Shareholders' category of the Company. Accordingly, it was decided that continuing to disclose RCL as a promoter would be a material mis-representation under Regulation 4 of the Listing Regulations. The Company in its disclosure dated July 27, 2020, has re-classified RCL from 'Promoter and Promoter Group' category to 'Public Shareholders' category of the Company.
 8. While taking this decision, the Board has applied the principles enunciated in Regulation 4 of the Listing Regulations, to conclude that continuing to identify RCL as a person in control of the Company under law would be a misrepresentation to the public. The Listing Regulations have taken care to provide for incongruities of this nature that can emerge from supervening developments. Taking these into account, the Board of Directors of the Company had decided to ensure that going forward the truthful and accurate picture should be represented and had therefore resolved to stop depicting RCL as "promoter".
 9. The Company had filed an application with The Securities and Exchange Board of India (SEBI) on August 20, 2020 under the Listing Regulations (under Regulation 102 of the Listing Regulations) seeking SEBI's intervention for relaxation from certain procedural requirements under Regulations 31A of the Listing Regulations.
 10. SEBI vide its letter dated September 8, 2020 ("Exemption Letter"), a copy of which has been attached herewith for your reference, has granted the Company with an exemption under Regulation 102(1)(d) of the Listing Regulations, from the applicability of the following provisions:
 - (i) Regulation 31A(3)(a)(i), which requires the promoter seeking reclassification to make a request for re-classification to the listed entity;
 - (ii) Proviso to Regulation 31A(3)(a)(ii), which requires that there should be a time gap of at least three months but not exceeding six months between the date of board meeting and the shareholder's meeting considering the request of the promoter seeking re-classification; and
 - (iii) Regulation 31A(3)(c)(i), which requires the listed entity to be compliant with the requirement for minimum public shareholding as required under Regulation 38 of the Listing Regulations.
 11. The Company is required to comply with all the other provisions of Regulation 31A of the Listing Regulations.

12. In accordance with Regulation 31A(3)(b), of the Listing Regulations, RCL and the persons related to it (as defined by sub-clause (ii), (iii) and (iv) of sub-clause (pp) of sub-regulation (1) of Regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018) are eligible for reclassification as public shareholders and:
- (i) together, do not hold more than 10 (ten) percent of the total voting rights of Company;
 - (ii) do not exercise control over the affairs of the Company, whether directly or indirectly;
 - (iii) do not have any special rights with respect to the Company through formal or informal arrangements, including through any shareholder agreements;
 - (iv) are not represented in any capacity on the board of directors of the Company (including through any nominee director);
 - (v) are not acting as key managerial persons in the Company; and
 - (vi) it is understood that RCL is not a 'wilful defaulter' as per the Reserve Bank of India guidelines and are not fugitive economic offenders.
13. The Company does not have any outstanding dues to SEBI, the Stock Exchanges, or the depositories. Further, trading in the equity shares of the Company has not been suspended by the relevant stock exchanges. As provided in the Exemption Letter, the Company is exempt from the requirement of complying with the minimum public shareholding as required under Regulation 38 of the Listing Regulations and from maintaining a time gap of at least three months from the date of the Board meeting held on July 27, 2020.

The relevant documents in regard to the re-classification are available for inspection in electronic form, till October 27,2020. Members seeking to inspect such documents can send an email to investorrelation@nipponindiaamc.com. In accordance with the Listing Regulations, RCL being the outgoing promoter and the persons related to the promoter seeking re-classification (as defined under Regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) shall not vote to approve this resolution.

None of the Directors, key managerial personnel and relatives thereof has any concern or interest, financial or otherwise, in the resolution at Item No. 1 of this notice.

By Order of the Board of Directors
Nilufer Shekhawat
Company Secretary & Compliance Officer

Registered Office:

4th Floor, Tower A,
Peninsula Business Park,
Ganapatrao Kadam Marg,
Lower Parel (West),
Mumbai 400 013
CIN: L65910MH1995PLC220793
Website: www.nipponindiamf.com
September 23, 2020



General Manager
Compliance and Monitoring Division – 1
Corporation Finance Department

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SEBI/HO/CFD/CMD1/OW/2020/14589/1

September 8, 2020

To

Mr. Muneesh Sud, Chief Legal & Compliance Officer,
Nippon Life India Asset Management Limited,
4th Floor, Tower A, Peninsula Business Park,
Ganapatrao Kadam Marg, Lower Parel (W),
Mumbai – 400013.

Sir,

Sub: Application received under regulation 102(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('LODR Regulations') for relaxation from certain procedural requirements specified in regulation 31A of the LODR Regulations.

1. This is with reference to the application dated August 20, 2020 received from Nippon Life India Asset Management Limited ('Company' / 'NLIAM') on the captioned subject.
2. The following facts are gathered from the application dated August 20, 2020, letters / emails addressed to SEBI and other publicly available information about the Company:
 - a. Nippon Life Insurance Company ('Nippon Life'), Reliance Capital Limited ('Reliance Capital') and Reliance Nippon Asset Management Limited (RNAM) (NLIAM was earlier called as RNAM) entered into a share purchase agreement (SPA) on May 23, 2019. As per the terms of the agreement, Nippon Life had agreed to acquire additional equity shares of RNAM such that on completion of the transaction, Nippon Life would, in aggregate, hold equity shares amounting to not more than 75% of the total issued and paid-up equity share capital of RNAM. At the time of execution of the SPA, each of Nippon Life and Reliance Capital held 42.88% of the equity share capital of the Company, with the remaining 14.24% being held by the public.
 - b. As per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "SAST") before completion of the transaction, Nippon Life was required to make a mandatory open offer to the public shareholders of RNAM. The parties to the SPA had agreed that if the public shareholding in RNAM goes below the Minimum public shareholding ('MPS') requirements as per the Securities Contract (Regulation) Rules, 1957 (SCRR) and the LODR, then Reliance Capital would be required to ensure compliance with MPS requirements by undertaking offer for sale transactions, as per the regulations.
 - c. Under the open offer, in August 2019, Nippon Life acquired shares representing 10.59% of the equity share capital of the Company and reached an individual stake of 53.47%, with Reliance Capital being left with holding of 32.12%. The public shareholding contracted from 25% to 14.41% and the company became non-compliant with MPS requirements. The Company had to bring down the promoter shareholding to 75% within August 2020.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

Page 1 of 4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- d. The SPA was completed on 27 September 2019, with Nippon Life acquiring shares from Reliance Capital, taking Nippon Life's stake to 75%. As on 30th September 2019, the shareholding of Nippon life was 75% and that of Reliance Capital was 4.28%. The shareholding of Reliance Capital included 2,04,97,423 equity shares representing 3.35% of the share capital of RNAM, which then, continued to remain pledged in favour of IndusInd Bank.
 - e. On November 20, 2019, RNAM received a letter from Reliance Capital intimating that IndusInd Bank had invalidly invoked the pledge over 2,04,97,423 equity shares representing 3.35% of the share capital of RNAM and taken possession of such shares from Reliance Capital.
 - f. The High Court of Delhi in its order dated November 20, 2019 in the matter of *Mazson Builders and Developers Private Limited vs Reliance Capital and Always Remember Properties Pvt. Ltd vs Reliance Capital* (OMP(I) COMM. 419/2019 and OMP(I) COMM. 420/2019) had directed Reliance Capital not to dispose of, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets except in the ordinary course of business such as payment of salary and statutory dues.
 - g. The board of directors in the meeting held on July 27, 2020 considered the situation at hand with respect to Reliance Capital being called as a promoter and the fact that Reliance Capital *inter alia* holds only 0.93% of the shareholding of the Company, without any control over the affairs of the Company either directly or indirectly.
 - h. Accordingly, it was decided that continuing to disclose Reliance Capital as a promoter would be a material misrepresentation under regulation 4 of the LODR Regulations. Therefore, the Company in its disclosure dated July 27, 2020 has re-classified Reliance Capital from 'promoters' to 'public shareholders' category and requested the Stock Exchanges to take that on record.
3. The Company has sought SEBI's intervention on the following:
- a. To issue directions to the stock exchanges to take on record NLIAM's letter to the stock exchanges dated 27 July 2020 and the subsequent email dated 4 August 2020 (in response to their email dated 31 July 2020), including the specific facts and circumstances therein, which led to the said decision of the Board of Directors of NLIAM;
 - b. To approve the accurate consequential depiction of Reliance Capital as not falling under the promoter category and therefore falling in the category of public shareholder with minuscule holding 0.93%, and issue appropriate directions to the stock exchanges to give effect to the change in category of Reliance Capital from promoter category to public shareholding category;



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- c. NLIAM being, as an unintended but logical and natural consequence, not having to do anything more towards having to meet minimum public shareholding, which it is already compliant with - more so when Reliance Capital too has done its best with three OFS transactions, and now being restrained from disposing of its assets; and
- d. To grant relaxation to NLIAM from following the procedure laid down in Regulation 31A(3)(a) of the LODR Regulations.
4. After examination of your application, the following are SEBI's observations:
- a. The Company has sought an exemption from the procedure specified in regulation 31A(3)(a) of the LODR Regulations for re-classification of Reliance Capital as a public shareholder. The procedure inter-alia requires: i) promoter(s) to make a request for re-classification, ii) board to consider the request and recommend to the shareholders for consideration and iii) shareholders to approve the reclassification through ordinary resolution in the general meeting (which shall be held not earlier than 3 months from the date of board meeting and not later than 6 months from the date of such meeting).
- b. Though Reliance Capital has not made any request for re-classification, it is noted that Reliance Capital had agreed under the SPA that post completion of the transaction, it shall be re-classified as a public shareholder; this was also disclosed to the public in the Letter of Offer (LoF). Further, it is noted that despite multiple requests from the Company and Nippon Life, Reliance Capital has not submitted the request for reclassification as agreed upon in the SPA.
- c. The Company, in its disclosure to the Stock Exchanges dated July 27, 2020 and email dated August 27, 2020 to SEBI, has certified that the promoter and the persons related to the promoter being reclassified satisfy the conditions stipulated in regulation 31A(3)(b). The company has also certified that it complies with conditions mentioned in regulation 31A(3)(c)(ii) & (iii).
- d. In the instant case, the company has adopted the re-classification route since Reliance Capital could not sell its shares using prescribed methods which would have made the Company MPS compliant. Reliance Capital was supposed to sell its shares through OFS mechanism as agreed in the SPA. However, the same could not happen because of the restraint order of the High Court of Delhi and invocation of the pledge by IndusInd Bank.
5. In view of the aforesaid, considering the facts and circumstances of this case and without this being treated as a precedent, the Competent Authority has granted exemption under regulation 102(1)(d) of the LODR Regulation from the applicability of the provisions of regulation 31A(3)(a)(i), proviso to regulation 31A(3)(a)(ii) and regulation 31A(3)(c)(i) for re-classifying Reliance Capital as a public shareholder. The Company shall comply with all the other provisions of regulation 31A of the LODR Regulations.



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

6. The Company shall ensure that shareholder approval for the reclassification is obtained. In order to facilitate the Company to obtain the shareholder approval at the earliest, the mandatory gap of 3 months between the board meeting and the shareholders meeting is relaxed, since in the instant case, it is a technical and procedural requirement. Further, the fact that Reliance Capital will be re-classified as a public shareholder was disclosed in the LoF and the information was already present in the public domain.
7. Shares currently held by IndusInd Bank (that were transferred to its name after invocation of the pledge on Reliance Capital's shares) and the shares held by Reliance Capital subsequent to the re-classification may be counted for the purpose of MPS compliance.
8. The Company shall annex this letter to the notice to the AGM/EGM to be called for approving the re-classification of Reliance Capital as a public shareholder. The Company is also advised to disclose this letter to the stock exchanges.

Yours faithfully,

Pradeep Ramakrishnan

Copy to

BSE and NSE (*via email*)