

REBOOTED FOR THE FUTURE



ANNUAL REPORT
2020

Profile

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

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

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

Purpose

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

Vision statement

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

Mission statement

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

Sources:

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

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

BOARD OF DIRECTORS:

Gen. Ved Prakash Malik (Retd.)
 Ms. Ameeta Chatterjee
 Mr. Mahadevan Veeramony (Appointed on 23/09/19)
 Mr. Kazuyuki Saigo (Appointed on 08/06/20)
 Mr. Akira Shibata
 Mr. Sundeeep Sikka – Executive Director & Chief Executive Officer
 Mr. Minoru Kimura (resigned w.e.f. 08/06/20)
 Mr. Kanu H. Doshi (resigned w.e.f. 23/09/19)
 Mr. S. C. Tripathi (resigned w.e.f. 23/09/19)

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 : investorrelation@namindiaamc.com
 Website : www.nipponindiamf.com

REGISTRAR AND TRANSFER AGENT:

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

INVESTOR HELPDESK:

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 Tel. : +91 40 6716 1500
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25th Annual General Meeting on Friday, July 17, 2020 at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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

Letter to Shareholders



Dear Shareholders,

Greetings!

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

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

India on move

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

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

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

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

Rebooted NAM India

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

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

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

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

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

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

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

Dynamic Union

Let me explain what I mean by that.

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

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

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

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

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

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

Recalibrating Strategies

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

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

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

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

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

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

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

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

Financial Inclusion

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

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

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

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

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

Inclusive Growth

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

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

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

■ Letter to Shareholders

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

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

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

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

Digital Leadership

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

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

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

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

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

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

Our People

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

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

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

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

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

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

Environmental, Social and Governance (ESG) framework

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

I wish you and your families good health and safety.

Sincerely,



(Sundeep Sikka)

Sources:

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

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

Nilufer Shekhawat
Company Secretary
Membership No.: A - 23264

Registered Office

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

Date: 17th June 2020

Notes:

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

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

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

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

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