



Reliance Nippon Life  
Asset Management Limited  
(formerly Reliance Capital  
Asset Management Limited)

**Registered Office :**  
Reliance Centre,  
7th Floor, South Wing,  
Off Western Express Highway,  
Santacruz (East), Mumbai - 400 055  
CIN : L65910MH1995PLC220793

Tel: +91 22 3303 1000  
Fax: +91 22 3303 7662  
www.reliancecapital.com

October 15, 2018

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai 400 001

**BSE Scrip Code: 540767**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

**NSE Scrip Symbol: RNAM**

Dear Sir(s),

**Sub: Submission of 23<sup>rd</sup> Annual Report for the Financial Year 2017-18.**

**Ref.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Please find enclosed Annual Report of the Company approved and adopted in the 23<sup>rd</sup> Annual General Meeting of the Company held on September 18, 2018 as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take the same on your record.

Thanking you.

Yours faithfully,

**For Reliance Nippon Life Asset Management Limited**

**Ajay Patel**  
Manager



**Encl.: As above**

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A Reliance Capital Company



**NIPPON LIFE ASSET  
MANAGEMENT LIMITED**

# **Reliance Nippon Life Asset Management Limited**

**Annual Report 2017-18**



**Padma Vibhushan**  
**Shri Dhirubhai H. Ambani**

**(28<sup>th</sup> December, 1932 - 6<sup>th</sup> July, 2002)**

**Founder - Reliance Group, Visionary**



## Profile

Reliance Nippon Life Asset Management Limited (RNLAM or the Company) is one of India's largest asset management companies with a total AUM of ₹ 3,96,370 Cr. as of March 31, 2018.

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 is amongst India's top private sector financial services and banking groups with a net worth of ₹ 16,605 Cr. as of March 31, 2018. Nippon is amongst Japan's leading private life insurers with assets of approximately US\$ 700 billion as of March 31, 2018.

## 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

## KEY MANAGERIAL PERSONNEL:

Mr. Prateek Jain – Chief Financial Officer  
Mr. Deepak Mukhija – Company Secretary  
Mr. Ajay Patel – Manager

## AUDITORS:

M/s. B S R & Co. LLP

## REGISTERED OFFICE:

Reliance Centre, 7th Floor, South Wing,  
Off Western Express Highway, Santacruz (East),  
Mumbai – 400055  
CIN : L65910MH1995PLC220793  
Tel. : +91 22 3303 1000  
Fax : +91 22 3303 7662  
E-mail : rnam.investorrelation@relianceada.com  
Website : www.reliancemutual.com

## REGISTRAR AND TRANSFER AGENT:

Karvy Computershare 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.karvy.com

## INVESTOR HELPDESK:

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

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**23rd Annual General Meeting on Tuesday, September 18, 2018 at 3:30 p.m. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai – 400 020**

The Annual Report can be accessed at [www.reliancemutual.com](http://www.reliancemutual.com)

# Letter to Shareholders



Dear Shareholders,

India is undergoing a major transformation, under the leadership of our honourable Prime Minister Shri Narendra Modi. Several initiatives and economic reforms such as implementation of Goods and Services Tax (GST), Jan Dhan Yojana, Demonetization etc have been very positive particularly for financial services Industry. The implementation of the Goods and Services Tax regime in 2017 was a watershed event. It is one of the biggest structural economic reforms undertaken in India and its benefits shall continue in the years to come. Moreover, the formalisation of the economy is paving the way for sustained "financialization" of savings. The share of financial savings in household savings is on the rise.

This fiscal year has been special for us at Reliance Nippon Life Asset Management (RNAM) as:

- RNAM **has successfully completed listing on stock exchanges** in Nov 2017. The IPO received an overwhelming response from both retail and institutional investors.
- We have completed **5 years** of strategic partnership with **Nippon Life Insurance, Japan**.

Your Company is amongst the largest asset managers managing assets of approx. Rs 4 lakh Cr across Mutual Funds, Portfolio Management Services (PMS), Alternative Investment Funds, Pension Funds and Offshore strategies. As part of PMS business, RNAM manages prestigious mandates like the Employees' Provident Fund Organisation and Coal Mines Provident Fund Organisation.

Let me take you through the highlights of the year for the Industry and the Company.

## Mutual Fund Industry:

During the year under review, the Indian Mutual Fund Industry witnessed strong growth across the board. Industry QAAUM grew 26% from Rs 18.3 lakh Cr in Mar'17 to over Rs 23 lakh Cr in Mar'18.

Investor folios grew 29% from 5.5 Cr to over 7.1 Cr. Demonetization can be clearly seen as one of the key drivers for growth of MF Industry and increased retail participation. Retail participation has been the backbone of this growth, post demonetization the Mutual Fund Retail AAUM grew by 57% from Rs 3.4 lakh Cr in Oct'16 to Rs 5.3 lakh Cr in Mar'18. Increased financial awareness and better understanding of Mutual Fund Industry reflects that investors are taking advantage of SIPs for long term wealth creation. Industry SIP Book posted a growth of 64% to Rs 4,335 Cr to Rs 7,119 Cr as of Mar'18.

## Regulatory Changes:

This year the regulator has made three major changes for the benefit of investors and the Industry.

- SEBI, mandated a framework under which standard categories of schemes have been defined and AMCs are allowed to have only one scheme under each category. This will bring utmost clarity in positioning and definition of different funds.
- Additional incentives which were earlier allowed for B-15 i.e. beyond top 15 cities, would now be allowed only for inflows from beyond top 30 cities (B-30).
- SEBI also announced a 15bps cut in fees for mutual funds by lowering an additional charge from 20bps to 5bps.

## Reliance Mutual Fund:

The MF AUM grew by Rs 34,000 Cr this year, with the Q4FY18 average AUM at Rs 2,44,904 Cr touching all-time high. Our Equity assets grew from Rs 57,011 Cr to Rs 87,143 Cr which is a growth of 53% year on year. Equity composition in MF assets have increased from 27% to 36% as on Mar' 2018. We continue to be amongst the leaders in 'Beyond Top 15 cities' segment. This segment contributed AUMs of Rs. 51,524 Cr - an increase of 25%. Over 21% of total assets are sourced from beyond 15 cities versus 18% of Industry.

We continued to move forward on our strategy of increasing share of retail assets in our total AAUM. Our retail assets have grown highest in the Industry at Rs. 20,558 Cr this fiscal. Our strong retail brand and robust distribution network has helped in growing the retail assets by 39% to Rs. 73,215 Cr. Post demonetization Industry added over Rs 1,95,000 Cr retail assets and we have added the highest retail assets at Rs 29,300 Cr. Our Retail AAUM contribution to Total AAUM is among the highest in the industry at 30.5%.

Our Systematic Investment Plan (SIP) book grew by 70% in FY18. The number of SIPs rose to over 25 lakhs resulting in annualized SIP inflows of approximately Rs 9,000 Cr as on Mar 2018. We have added more than 100,000 folios per month in FY18.

We finished 17 months of integration with Goldman Sachs Asset management ETF business in India. In the ETF space, RNAM is the 2nd largest player with 17.5% market share. RNAM is the only AMC

in India to have 15 years of track record in managing ETFs, with an AAUM of Rs 13,296 Cr for the quarter ended Mar 2018.

### **Infrastructure Investment:** Enablers of Growth

#### *Presence*

Your company has a pan India distribution network, with presence in 282 locations. We added 120 locations to our overall coverage during the year. This is part of a focused strategy to expand our reach and tap the huge potential in smaller locations across India.

#### *Digital*

Technology has now become a part of the Mutual Fund industry and is used in many areas—from fund management to transactions and servicing. With the increasing use of smartphones and growing Aadhaar ID base of 118 Cr, the customer onboarding (KYC) and investment process continues to improve and become more seamless across platforms. Your company investments in digital platform is seeing traction. Digital Purchases almost doubled in FY 18; we handled approximately 6,45,000 digital purchase transactions in FY 18. Your company have also partnered with digital service providers such as ET Money, Paisa Bazaar, Cleartax, Moneycontrol and others. For tapping into Bharat we have done tie-up with service providers such as payworld, suvidhaa, paytm, freecharge, fino and others.

### **Diversified Distributor Mix:**

RNAM remains well diversified in terms of distribution, with no single distributor contributing to more than 4.5% of total mutual fund AUM. Your company distributor count went up from 55,000 to more than 65,000 as on Mar' 2018. We have de-risked the business model from the perspective of distribution, asset class and geographical presence. The clear objective is to create long term wealth for both unit holders as well as shareholders.

Apart from Mutual Fund business, let me take you through the key highlights across the various RNAM subsidiaries.

### **AIF:** Next frontier of growth

We started our AIF operations in 2014 with a single asset class – high yield debt. Over the period, we have built our capabilities and widened our investment offerings. Today we offer high yield Credit and Equity offerings and operate in Category II & III. We are currently managing 8 schemes of which 4 are closed for subscription. As on Mar'18 Reliance AIF has over Rs 2,000 Cr worth of commitments across various AIF schemes.

### **International Business:** Leveraging global tie ups and our association with Nippon Life Insurance

India has seen increasingly higher inflows from international markets. To capitalise on this opportunity your company has been working closely with Nippon Life Insurance which has investments in 41 Asset management related companies globally to leverage on their tie ups for bringing flows into India. Your Company manages offshore funds through its subsidiaries in Singapore

and Mauritius and also has representative office in Dubai thereby catering to investors across Asia, Middle East, UK, US, and Europe. Company also acts as an Investment Advisor for India-focused Equity and Fixed Income funds in Japan and South Korea. In this fiscal company in collaboration with BBL Asset Management Company Ltd, an affiliated company of Bangkok Bank (BBL), the largest Thai commercial bank, have launched Bualuang Bharata Fund in Thailand for Thai high net worth and institutional investors. RNAM is managing and advising AUM of approx. Rs 8,700 Cr from international business.

### **People:** Our Strength

Our business has low capital requirements. Our people are the real assets of the company, which does not get reflected in the balance sheet. I am delighted to share that Reliance Nippon Life Asset Management has been certified as "Great Place to work" 2018, among top 15 companies in BFSI space and "AON Best Employer 2018" we share this recognition with Top 16 Employers in India. This recognizes the organization culture and high focus that our company has on its people.

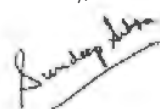
### **Strong Risk Management and Compliance Culture**

Robust risk management practices, strong compliance remains the core of your company's culture and we will continue our efforts in this direction in an earnest manner to be the most Trusted and Respected Asset Management Company.

### **Future Outlook:**

Your company focus remains on profitable growth. The Mutual industry has grown geometrically over the last decade or so. Although the growth numbers are strong, the Mutual Fund Industry has a huge potential going forward. Interestingly Industry folio accounts are at 7.1 Cr which is roughly 5% of population. The bank deposit base of Rs 114 lakh Cr clearly dwarfs the Mutual Fund Industry size. The penetration levels of Mutual Funds in the country remain very low, with an AUM to GDP ratio of 15%. Rural areas across India are gradually getting into the formal financial services fold which offers significant potential for established Industries like Mutual Funds. We are likely to see higher share of flows coming from smaller cities & towns. With a fast-growing Industry and increasing participation, the above factors point toward a significant future potential. Being one of the largest players in the Industry, your Company will continue to invest in growing the market size, achieving product innovation, educating the investors, increasing the distribution reach and enhancing customer service infrastructure. With enhanced presence and large infrastructure, RNAM is ready to capitalize on this growth opportunity.

Sincerely,



**Sundeep Sikka**

Executive Director & Chief Executive Officer,

# NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of **RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED** will be held on Tuesday, September 18, 2018 at 3:30 p.m. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 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, 2018 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, 2018 and the report of the Auditors thereon.
- (2) To declare dividend on equity shares.
- (3) To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), who have confirmed their eligibility for such appointment pursuant to Section 141 of the Act, as Statutory Auditors of the Company be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting on such remuneration as may be fixed by the Board of Directors."

## SPECIAL BUSINESS:

- (4) **Appointment of Mr. Minoru Kimura as the Non-executive Non-independent Director**

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

**"RESOLVED THAT** Mr. Minoru Kimura (DIN: 07497568), who was appointed by the Board of Directors as an Additional

Director of the Company with effect from April 25, 2018 and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 ("the Act") and Article 168 of the Articles of Association of the Company, but who being eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation."

- (5) **Appointment of Mr. Akira Shibata as the Non-executive Non-independent Director**

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

**"RESOLVED THAT** Mr. Akira Shibata (DIN: 08107588), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 25, 2018 and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 ("the Act") and Article 168 of the Articles of Association of the Company, but who being eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation."

- (6) **Re-appointment of Mr. Kanu H. Doshi as a Non-executive Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kanu H. Doshi (DIN: 00577409) who holds office up to March 31, 2019 and, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director and which has been recommended

by the Nomination & Remuneration Committee of the Company, be and is hereby re-appointed as a Non-executive Independent Director of the Company for a further term up to the next Annual General Meeting of the Company and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the Securities and Exchange Board of India (SEBI) Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018, approval of the Members of the Company be and is hereby accorded for the continuation of Mr. Kanu H. Doshi (DIN: 00577409) who has attained the age of seventy five years, as the Non-executive Independent Director of the Company during his new term effective from April 01, 2019 until the next Annual General Meeting of the Company.

**(7) Reappointment of Mr. S. C. Tripathi as a Non-executive Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. S. C. Tripathi (DIN: 00941922) who holds office up to March 31, 2019 and, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby re-appointed as a Non-executive Independent Director of the Company for a further term up to the next Annual General Meeting of the Company and that he shall not be liable to retire by rotation."

**(8) Appointment of Mr. Jai Anmol Ambani as the Non-executive Non-independent Director**

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

**"RESOLVED THAT** Mr. Jai Anmol Ambani (DIN: 07591624), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 25, 2018 and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 ("the Act") and Article 168 of the Articles of Association of the Company, but who being eligible for appointment and in respect of whom the Company has received a notice in writing

from a Member under Section 160(1) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company and which has been recommended by the Nomination & Remuneration Committee of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation."

**(9) Continuation of Gen. Ved Prakash Malik (Retd.) as a Non-executive Independent Director**

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

**"RESOLVED THAT** pursuant to the Securities and Exchange Board of India (SEBI) Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 and amended provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the continuation of General Ved Prakash Malik (Retd.) (DIN:00006628), who has already attained the age of seventy five years, as Non-Executive Independent Director up to April 21, 2021 i.e. until the expiry of his present term on the existing terms and conditions."

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

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

**"RESOLVED THAT** in partial modification of the resolution(s) passed by the Members of the Company at the Extraordinary General Meetings of the Company held on April 22, 2016 and October 20, 2016 and pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 ("Act") (including any amendment thereto or re-enactment thereof for the time being in force) read with the applicable Rules framed thereunder and Schedule V to the Act and recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors and subject to the approval of the Central Government, if required, the Company does hereby approve the remuneration payable to Mr. Sundeep Sikka, Executive Director & CEO (DIN: 02553654) of the Company, with effect from April 01, 2018 up to the remainder of his term i.e. until April 21, 2021, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with an authority to the Board of Directors or a Committee thereof to alter and vary the terms and conditions of his remuneration in such manner, as may be agreed to between the Directors and Mr. Sikka from time to time,

provided that his aggregate remuneration does not exceed the limits specified under Section 197 of the Companies Act, 2013, or any amendment thereto.

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

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

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

#### **(11) Appointment of Mr. Ajay Patel as the Manager**

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

**"RESOLVED THAT** in terms of the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the Articles of Association of the Company and subject to all such sanctions, as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Mr. Ajay Patel as the Manager for a period of 3 (Three) years commencing from July 01, 2018 till June 30, 2021 as per the terms and conditions including remuneration as decided by the Board of Directors from time to time (hereinafter referred to as the Board which term shall be deemed to include any Committee of Directors constituted to exercise its powers including powers conferred by this resolution) and the Board is authorised to alter and vary the terms and conditions including remuneration, so as not to exceed the limits specified in schedule V to the Act or any amendment thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Ajay Patel as the Manager of the Company, the remuneration and the perquisites be paid or granted to him

as minimum remuneration and perquisites, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable limits in terms of Schedule V of the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

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

#### **(12) To enhance the FPI Investment Limit in the Company**

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

**"RESOLVED THAT** pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, Consolidated FDI Policy Circular issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time and other applicable rules, guidelines, regulations, notifications, circulars, provisions, if any, (including any amendments, or re-enactments or re-notification of each of the above for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include a duly authorized Committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the Board of the Company to permit Foreign Institutional Investors (the "FII") registered with the SEBI to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts or Foreign Portfolio Investors (FPIs) by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 100% (Hundred percent) of the paid-up equity share capital of the Company, provided, however, that the shareholding of each FII / FPI in its own account and on behalf of each of their SEBI approved sub-accounts and /or by their group entities in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

**RESOLVED FURTHER THAT** for the purpose of giving effect

to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard.”

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

**Deepak Mukhija**  
Company Secretary

### Registered Office

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

Date: June 28, 2018

### 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. (a) The Company's Register of Members and Transfer Books will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of members eligible for dividend, if declared, on equity shares for the year ended March 31, 2018.
  - (b) The dividend on equity shares, as recommended by the Board of Directors, if declared at the Meeting, will be paid after the Meeting to:
    - i. all those equity shareholders, whose names appear in the Register of Members as on September 14, 2018; and
    - ii. Those whose names appear as beneficial owners as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
  - (c) Members may please note that the dividend warrants / Demand Draft shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants / Demand Draft on revalidation shall be payable only at limited centers / branches of the said Bank. Members are therefore, requested to encash dividend warrants / Demand Draft within the initial validity period.
11. Members may please note that for shares held in electronic form, bank particulars registered against their depository

accounts will be used by the Company for the payment of dividend. Members are requested to immediately 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.

12. 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 Computershare Private Limited.

13. Non-Resident Indian members are requested to inform Karvy Computershare Private Limited 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 with pincode number, if not furnished earlier.

14. Re-appointment of Director:

At the ensuing Annual General Meeting, there are no Directors liable to retire by rotation and due for retirement or reappointment.

15. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.

16. **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 dematerialise shares held by them in physical form.**

17. Members holding shares in electronic mode:

- (a) are requested to submit their 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. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOPI/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 Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested

to form furnish the details of PAN and bank account to the Company or Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent. Form for updating PAN / Bank details is provided as a part of this Annual Report. Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (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 Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to Karvy Computershare 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: naminvestor@karvy.com. The prescribed form in this regard may also be obtained from Karvy Computershare Private Limited 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 Companies Act, 2013 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 June 28, 2018 (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 11, 2018 only shall be entitled to avail the facility of remote e-voting/voting. Karvy Computershare Private Limited, 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 14, 2018 to 5:00 P.M. on September 17, 2018. 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 the Chairman or any person authorised 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.reliancemutual.com](http://www.reliancemutual.com) and on the website of Karvy Computershare Private Limited.

## **STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 TO THE ACCOMPANYING NOTICE DATED JUNE 28, 2018**

### **Item No. 4: Appointment of Mr. Minoru Kimura as the Non-executive Non-independent Director**

Mr. Minoru Kimura was appointed as the Additional Director of the Company with effect from April 25, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and Article 168 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, Mr. Minoru Kimura holds office upto the date of ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mr. Minoru Kimura for his office of Director of the Company.

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

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

The Nomination & Remuneration Committee and the Board of the Company at their meetings held on April 25, 2018 and June 28, 2018, respectively have recommended the appointment of Mr. Minoru Kimura as the Director.

Mr. Minoru Kimura and his relatives may be deemed to be concerned or interested in the Resolution at Item No. 4 relating to his appointment as a Director. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested in the Resolution.

### **Item No. 5: Appointment of Mr. Akira Shibata as the Non-executive Non-independent Director**

Mr. Akira Shibata was appointed as the Additional Director of the Company with effect from April 25, 2018 in accordance with the

provisions of Section 161 of the Companies Act, 2013 (the "Act") and Article 168 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, Mr. Akira Shibata holds office upto the date of ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mr. Akira Shibata for his office of Director of the Company.

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

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

The Nomination & Remuneration Committee and the Board of the Company at their meetings held on April 25, 2018 and June 28, 2018, respectively have recommended the appointment of Mr. Akira Shibata as the Director.

Mr. Akira Shibata and his relatives may be deemed to be concerned or interested in the Resolution at Item No. 5 relating to his appointment as a Director. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested in the Resolution.

### **Item No. 6: Re-appointment of Mr. Kanu H. Doshi as Non-executive Independent Director**

Mr. Kanu H. Doshi has been holding the position of the Non-executive Independent Director of the Company since August 2005. After the enactment of the Companies Act, 2013, he was appointed as an Independent Director of the Company effective from April 01, 2014 and his first five year term will come to an end on March 31, 2019. He is eligible for reappointment by obtaining consent of the Members by passing a special resolution. However, in terms of Circular no. SEBI/HO/IMD/ DF2/CIR/P/2017/125 dated November 30, 2017 and circular no. SEBI/HO/IMD/DF2/CIR/P/2018/19 dated February 07, 2018 issued by the Securities & Exchange Board of India, the Company being an Asset Management Company, Mr. Doshi can hold this position only upto November 30, 2019.

Additionally, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (which will come into force on April 01, 2019) no listed entity can appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. As Mr. Kanu H. Doshi has already attained the age of seventy five years (currently 81 years), his re-appointment would require a special resolution passed by the Members.

Accordingly, the Nomination & Remuneration Committee and the Board of Directors of the Company recommend re-appointment of Mr. Kanu H. Doshi as a Non-executive Independent Director, not liable to retire by rotation, by special resolution.

Mr. Kanu H. Doshi is a fellow member of the Institute of Chartered Accountants of India (ICAI) and was a partner of Kanu Doshi Associates, Chartered Accountants. He is also the Dean - Finance, at Welinkar 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".

During his long and prestigious tenure as Non-executive Independent Director of the Company, Mr. Doshi has immensely contributed to the Company's growth and business expansion. His strategic thinking and able guidance had helped the Board and the Management on multiple occasions while taking strategic and key decisions over a period of time. As one of the independent directors, he has also played a pivotal role in setting up and refining the corporate governance practices at the Company. Currently, Mr. Doshi is the Chairperson of the Audit Committee and the member of Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and the Committee of Directors. The Company has been tremendously benefited from the presence of Mr. Doshi as a Director.

Keeping in view of his vast knowledge and expertise, it will be in the interest of the Company to re-appoint Mr. Doshi as the Non-executive Independent Director to hold the position until the next Annual General Meeting to be held during 2019.

In the opinion of the Board of Directors, Mr. Kanu H. Doshi fulfils the conditions specified under the Companies Act, 2013 for re-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. Kanu H. Doshi for re-appointment.

Mr. Kanu H. Doshi 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 re-appointed as Independent Director are set out in the Annexure to the Notice.

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

**Item No. 7: Re-appointment of Mr. S. C. Tripathi as Non-executive Independent Director**

Mr. S. C. Tripathi has been holding the position of the Non-executive Independent Director of the Company since February 2007. After the enactment of the Companies Act, 2013, he was appointed as an Independent Director of the Company effective from April 01, 2014 and his first five year term will come to an end on March 31, 2019. He is eligible for reappointment by obtaining consent of the Members by passing a special resolution. However, in terms of Circular no. SEBI/HO/IMD/ DF2/CIR/P/2017/125 dated November

30, 2017 and circular no. SEBI/HO/IMD/DF2/CIR/P/2018/19 dated February 07, 2018 issued by the Securities & Exchange Board of India, the Company being an Asset Management Company, Mr. Tripathi can hold this position only upto November 30, 2019.

Accordingly, the Nomination & Remuneration Committee and the Board of Directors recommend re-appointment of Mr. S. C. Tripathi as a Non-executive Independent Director, not liable to retire by rotation, by special resolution.

Mr. S. C. Tripathi has experience 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., National Aluminium Co. and UP Industrial and Investment Co. 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.

During his long and prestigious tenure as Non-executive Independent Director of the Company, Mr. Tripathi has immensely contributed to the Company's growth and business expansion. His strategic thinking and able guidance had helped the Board and the Management at multiple occasions in taking strategic and key decisions over a period of time. Currently, Mr. Tripathi is the Member of the Audit Committee, Nomination & Remuneration Committee & Corporate Social Responsibility Committee. The Company has been tremendously benefited from the presence of Mr. Tripathi as a Director.

Keeping in view of his immense knowledge and experience, it will be in the interest of the Company to re-appoint Mr. Tripathi as the Non-executive Independent Director of the Company to hold the position until the next Annual General Meeting to be held during 2019.

In the opinion of the Board of Directors, Mr. S. C. Tripathi fulfils the conditions specified under the Companies Act, 2013 for re-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. S. C. Tripathi for re-appointment.

Mr. S. C. Tripathi 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 re-appointed as Independent Director are set out in the Annexure to the Notice.

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

**Item No. 8: Appointment of Mr. Jai Anmol Ambani as a Non-executive Non-independent Director**

Mr. Jai Anmol Ambani was appointed as the Additional Director of the Company with effect from April 25, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and Article 168 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, Mr. Jai Anmol Ambani holds office upto the date of ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mr. Jai Anmol Ambani for his office of Director of the Company.

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

The details of Mr. Jai Anmol Ambani sought to be appointed as Director are set out in the Annexure to the Notice.

The Nomination & Remuneration Committee and the Board of the Company at their meetings held on April 25, 2018 and June 28, 2018, respectively have recommended the appointment of Mr. Jai Anmol Ambani as the Director.

Mr. Jai Anmol Ambani and his relatives may be deemed to be concerned or interested in the Resolution at Item No. 8 relating to his appointment as a Director. None of the other Directors, Key Managerial Personnel of the Company or their relatives is interested in the Resolution.

**Item No. 9: Continuation of Gen. Ved Prakash Malik (Retd.) as Non-executive Independent Director**

The Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 has amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prescribed that no company shall continue the directorship of a person as a non-executive director who has attained the age of seventy five years unless it is approved by the members by passing a special resolution. The effective date of Notification is April 1, 2019.

General Ved Prakash Malik (Retd.), who was appointed as a Non-executive Independent Director by the members to hold office for a term of 5 (five) years up to April 21, 2021, has already attained the age of seventy five years (currently 78 Years) and in terms of the requirements of abovementioned SEBI Notification, continuation of his office as Independent Director beyond the age of 75 years requires the approval of members by a special resolution.

Gen. Malik (Retd.) has served in the Indian Army at various positions including as Chief of the Army Staff from October 1, 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 his appointment on the Board as an Independent Director, Gen. Malik (Retd.) has been bestowing the Company with his vast knowledge and strategic insight. He has been a pivotal contributor towards both the Company's business as well as corporate governance practices. Currently, Gen. Malik (Retd.) is the Chairperson of the Nomination & Remuneration Committee and is also the member of the Audit Committee & Corporate Social Responsibility Committee. Keeping in view of his immense knowledge and strategic insight, it will be in the interest of the Company that Gen. Malik (Retd.) continues as Non-executive Independent Director of the Company.

In view of above, it is proposed to seek approval of the Members for continuation of office of General Ved Prakash Malik (Retd.) as Non-executive Independent Director on the Board of the Company.

Details of General Ved Prakash Malik (Retd.) have been furnished in Corporate Governance Report.

Approval of members is accordingly sought for continuation of office of General Ved Prakash Malik (Retd.) as Non-executive Independent Director as set out in the Item No. 9 of the accompanying Notice.

Save and except General Ved Prakash Malik (Retd.) and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

**Item No. 10: Revision in terms of Remuneration of Mr. Sundeep Sikka, the Executive Director & CEO**

The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on June 28, 2018, have, subject to the approval of the Members at the general meeting and that of the Central Government, if required, have revised the terms and conditions pertaining to the remuneration of Mr. Sundeep Sikka as a Whole-time Director (designated as Executive Director & CEO) of the Company effective from April 01, 2018.

Accordingly effective from April 01, 2018, the remuneration payable to Mr. Sundeep Sikka as Whole-time Director of the Company during the remaining tenure of his appointment (i.e. till April 21, 2021) will comprise the following:

- salary of ₹ 3,51,00,000/- per annum (including value of any perquisites and retrials benefits such as provident fund, gratuity etc.), being paid for financial year 2018-19;
- allowances to the extent of ₹12 Lacs per annum;

- c. Payment of Ex-Gratia as determined by the Board from time to time (including the Ex-Gratia of ₹ 4 Crores during FY 2018-19);
- d. discretionary Bonus as determined by the Board, from time to time; and
- e. stock options or its equivalent (by whatever name called), as determined by the Board from time to time.

The perquisites and allowances payable to Mr. Sikka may include Company owned/Leased Accommodation (furnished or otherwise) or House Rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursements, leave travel concession for self and his family including dependants; medical insurance and such other perquisites and/or allowances within the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

In addition to the above, Mr. Sikka shall also be eligible to an annual increment, not exceeding 25 per cent on the last drawn salary, as determined by the Board of Directors, during his tenure as the Whole-time Director.

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

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

The terms and conditions of appointment of Mr. Sundeep Sikka shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 11:00 A.M. and 1:00 P.M. up to the date of Meeting.

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

Mr. Sundeep Sikka is interested in the resolution set out at Item No. 10 of the Notice in regard to revision of his remuneration.

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

The Board accordingly recommends the Ordinary Resolution set out at Item No. 10 of the accompanying Notice for the approval of the Members.

#### **Item No. 11: Appointment of Mr. Ajay Patel as the Manager**

In terms of the requirements of Sections 203, 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") read along with rules made in this regard, Mr. Ajay Patel was appointed as the Manager of the Company for a period commencing from July 01, 2015 to June 30, 2018. The term of his appointment would expire on June 30, 2018. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on June 28, 2018 have, subject to the approval of the Members at the general meeting and the Central Government, if required, appointed Mr. Ajay Patel as the Manager of the Company for a period of 3 (three) years commencing from July 01, 2018 to June 30, 2021 and remuneration payable to Mr. Ajay Patel during his tenure, as such, will comprise the following:

- a. salary of ₹ 60 Lacs per annum (including retiral benefits such as provident fund, gratuity etc.);
- b. Payment of Ex-Gratia as determined by the Board from time to time;
- c. discretionary Bonus as determined by the Board, from time to time; and
- d. stock options or its equivalent (by whatever name called), as determined by the Board from time to time.

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

and other allowances shall not exceed the applicable ceiling limits in terms of Schedule V of the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

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

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

Approval of the members is accordingly sought for the appointment of Mr. Ajay Patel as Manager of the Company for a period of 3 (three) years, as set out in the Item No. 11 of the accompanying Notice.

The terms and conditions of appointment of Mr. Ajay Patel shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 11:00 A.M. and 1:00 P.M. up to the date of Meeting.

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

Mr. Ajay Patel is interested in the resolution set out at Item No. 11 of the Notice in regard to his appointment.

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

The Board accordingly recommends the Ordinary Resolution set out at Item No. 11 of the accompanying Notice for the approval of the Members.

#### **Item No. 12: To enhance the FPI Investment Limit in the Company**

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017

read along with the Consolidated FDI Policy Circular issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, the SEBI approved Foreign Institutional Investors (FIIs) / sub-accounts of FIIs or Foreign Portfolio Investors (FPIs) can in aggregate, hold upto 24% of paid-up capital of the Company which limit can be increased upto the sectoral cap / statutory ceiling by the Company concerned by passing a Resolution of its Board of Directors followed by a Special Resolution passed by the Members to that effect.

The Board of Directors of the Company at its meeting held on June 28, 2018, *inter-alia*, approved, subject to the approval of the Members by way of a Special Resolution, enhancement in the said FII investment limit to 100 per cent i.e. sectoral cap / statutory ceiling applicable to the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out in Item No. 12 of the Notice for increasing the limit of shareholding of registered FIIs, sub accounts thereof and FPIs upto sectoral cap / statutory ceiling i.e. 100%.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution as set out at Item No. 12 of the accompanying Notice for the approval of the Members.

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

**Deepak Mukhija**  
Company Secretary

#### **Registered Office**

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

Date: June 28, 2018

# ANNEXURE

Name of the Director	Mr. Minoru Kimura	Mr. Akira Shibata	Mr. Kanu H. Doshi	Mr. S. C. Tripathi	Mr. Jai Anmol Ambani
Brief details and Nature of Expertise in specific functional areas	<p>Mr. Minoru Kimura, aged 50 years holds a Bachelor's degree in Laws from Kyoto University, Japan.</p> <p>He 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>	<p>Mr. Akira Shibata, aged 45 years holds a Bachelor's degree in Laws from University of Tokyo and MBA from A.B. Freeman School of Business, Tulane University.</p> <p>He 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 &amp; Management business for 3 years. Also, Mr. Shibata has been engaged in Public &amp; Investors Relations for 3 years. Other than above, Mr. Shibata has also spent his professional career in the 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).</p>	<p>Mr. Kanu H. Doshi, aged 81 years is a fellow member of the Institute of Chartered Accountants of India (ICAI) and a partner of Kanu 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".</p>	<p>Mr. S. C. Tripathi, aged 72 years, holds degree in M.Sc (Physics - Spl. Electronics), LLB, Postgraduate Diploma in Development Studies (Cantab), AIMA Diploma in Management.</p> <p>He has over 20 years of experience at senior levels of the State and Central Government. He has also been in representative positions at the international levels in Energy, Education, Industry, Public Finance, Industrial and Commercial Finance, Investment promotion and Banking. He has held several senior level posts including Principal Secretary in charge of Finance and Industry in Government of UP, Lucknow; Joint Secretary (Economic Affairs); Additional Secretary Mines; and later, as Secretary for Education, and Petroleum and Natural Gas in Government of India. He held the position of Minister, Embassy of India, Tokyo. He was Corporate Chief Executive of Bharat Aluminium Co., National Aluminium Co. and UP Industrial and Investment Co. He is a Fellow Member of Energy Institute, UK; Fellow Member of Institute of Electronics and Telecom Engg, India; Member of Computer Society of India; Member of AIMA; Member of IIPA and Member of Supreme Court Bar Association.</p>	<p>Mr. Jai Anmol Ambani, 26 years, studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009.</p> <p>Mr. Anmol completed his undergraduate studies – BSC in Management - from Warwick Business School, UK. He has 4 years of experience in financial services.</p> <p>He is a member of Audit Committee, Nomination and Remuneration Committee and CSR Committee of the Company.</p> <p>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.</p> <p>He does not hold any share in the Company as of March 31, 2018.</p>
Date of appointment (Board)	April 25, 2018	April 25, 2018	–	–	April 25, 2018
Date up to which the Director shall hold office	Ensuing AGM	Ensuing AGM	March 31, 2019	March 31, 2019	Ensuing AGM

<b>Name of the Director</b>	<b>Mr. Minoru Kimura</b>	<b>Mr. Akira Shibata</b>	<b>Mr. Kanu H. Doshi</b>	<b>Mr. S. C. Tripathi</b>	<b>Mr. Jai Anmol Ambani</b>
Directorships in other companies	<ul style="list-style-type: none"> <li>Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.</li> <li>Bangkok Life Assurance Public Company Limited</li> <li>Reliance Nippon Life Insurance Company Limited</li> <li>PT Asuransi Jiwa Sequis Life</li> </ul>	<ul style="list-style-type: none"> <li>NLI US Investments, Inc.</li> <li>Nippon Life Global Investors Americas, Inc.</li> <li>Nippon Life Global Investors Europe Plc.</li> </ul>	<ul style="list-style-type: none"> <li>Edelweiss Asset Management Limited</li> <li>Motilal Oswal Asset Management Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>IL&amp;FS Energy Development Company Limited</li> <li>Kailash Healthcare Limited</li> <li>Gammon Infrastructure Projects Limited</li> <li>Motherhood Sumi Systems Limited</li> <li>Ginni Filaments Limited</li> <li>Kailash Hospitals Limited</li> <li>Samvardhana Motherhood Polymers Limited</li> </ul>	<ul style="list-style-type: none"> <li>Reliance Capital Ltd.</li> <li>Reliance Home Finance Limited</li> <li>Reliance Innoventures Private Limited</li> <li>Unlimit lot Private Limited</li> </ul>
Details of Memberships/ Chairmanships of Committees (includes Audit Committee and Stakeholders Relationship Committee)	<ul style="list-style-type: none"> <li>Member of Stakeholders Relationship Committee of Reliance Nippon Life Asset Management Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Member of Audit Committee of Reliance Nippon Life Asset Management Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman &amp; Member of Audit Committee and Member of Stakeholders Relationship Committee of Reliance Nippon Life Asset Management Ltd.</li> <li>Chairman &amp; Member of Audit Committee of Edelweiss asset Management Limited</li> <li>Chairman &amp; Member of Audit Committee of Motilal Oswal Asset Management Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Member of Audit Committee of Reliance Nippon Life Asset Management Ltd.</li> <li>Member of Audit Committee of IL&amp;FS Energy Development Company Limited</li> <li>Member of Audit Committee of Gammon Infrastructure Projects Limited</li> <li>Member of Audit Committee of Motherhood Sumi Systems Limited</li> <li>Member of Audit Committee of Kailash Healthcare Limited</li> <li>Member of Audit Committee of Kailash Hospital Ltd.</li> <li>Chairman &amp; Member of Stakeholders Relationship Committee of Ginni Filament Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Member of Audit Committee of Reliance Nippon Life Asset Management Ltd.</li> <li>Member of Audit Committee of Reliance Capital Ltd</li> </ul>
Shareholding in the Company as at June 28, 2018	Nil	Nil	Nil	Nil	Nil
Sitting fees paid during F.Y. 2017-18	–	–	₹ 13,30,000/-	₹ 8,50,000/-	–

# Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting their 23<sup>rd</sup> Annual Report on the business and operations of your Company, together with the audited financial statements, for the year ended March 31, 2018.

Your Company endeavors to remain one of the leading players in the Asset Management business in India and enhance 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, 2018, have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India and in line with the provisions of the Companies Act, 2013 (Act). The financial highlights (on a consolidated and standalone basis) of the Company for the year ended March 31, 2018 are as follows:

(₹ Crores)

Description	Consolidated		Standalone	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Gross Income	1,814.67	1,435.91	1,745.99	1,400.44
Profit before exceptional item and tax	725.75	581.31	706.65	582.11
Exceptional Items	—	—	—	—
<b>Profit Before Tax</b>	<b>725.75</b>	<b>581.31</b>	<b>706.65</b>	<b>582.11</b>
Provision for taxation	196.65	174.50	193.82	172.71
Provision for Deferred Tax Asset/ (Liability)	7.16	4.85	7.98	4.62
Profit After Tax before share of minority shareholders	521.94	401.96	504.85	404.78
Share of Profit from Associates	0.18	—	—	—
<b>Net Profit</b>	<b>522.12</b>	<b>401.96</b>	<b>504.85</b>	<b>404.78</b>
Balance carried to Balance Sheet	965.24	1,111.68	962.89	1,126.60
<b>Basic EPS of ₹ 10 each</b>	<b>8.74</b>	<b>6.85</b>	<b>8.45</b>	<b>6.90</b>
<b>Diluted EPS of ₹ 10 each</b>	<b>8.73</b>	<b>6.85</b>	<b>8.44</b>	<b>6.90</b>

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

The annual accounts of all the subsidiary companies will be placed on the website of the Company 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, 2018.

## DIVIDEND

During the year the Company had declared and paid an interim dividend of ₹ 5/- per equity share amounting to ₹ 368.29 Crore (including dividend distribution tax and other applicable taxes/ surcharges). Further, the Board has also recommended final dividend of ₹ 1/- per equity share subject to approval of the Members at the forthcoming Annual General Meeting. Accordingly, the total dividend payout pertaining to financial year 2017-18 i.e. interim dividend along with the final dividend (if declared) for the year would amount to ₹ 442.07 Crore (including dividend distribution tax and other applicable taxes/ surcharges).

The final dividend of ₹ 1/- per share, if approved at the ensuing 23<sup>rd</sup> Annual General Meeting, will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on September 14, 2018 and (ii) to those whose names appear as beneficial owners, as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

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 Companies Act, 2013 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, 2018.

## MATERIAL DEVELOPMENTS

### Investment by Nippon Life Insurance Company

On July 13, 2017, Nippon Life Insurance Company (NLI), an existing equity shareholder holding 44.57% stake in the Company acquired an additional 4.43% stake by way of purchase of equity shares from Reliance Capital Limited (RCL). Post this acquisition, the equity stake of NLI in the Company was increased to 49.00%, and subsequently NLI was also classified as one of the Promoters of the Company along with RCL.

### Issue of Bonus Shares

During the year, the Company had allotted 57,60,00,000 number of fully paid up equity shares of face value of ₹ 10/- each in August 2017 to the Members of the Company in proportion of 1:50. After this allotment, your Company's total number of capital base was increased from 1,15,20,000 equity shares to 58,75,20,000 equity shares.

### Initial Public Offering

The year 2017-18 has been historic for your Company as the

Company came out with its initial public offering (IPO) and diluted the 10% post issue capital in favor of the public. Both the promoters of the Company (i.e. RCL and NLI) also participated in the IPO by way of an offer for sale component and diluted part of their holdings in favor of the public. The total IPO size was ₹ 1542.24 Crores out of which the Company raised ₹ 616.89 Crores as primary subscription and the remaining proceeds of ₹ 925.37 Crores were towards offer for sale.

After the IPO, both the promoters cumulatively hold 85.76% of the equity paid up share capital of the Company.

### Redemption of Preference shares

During the year under review the Company has redeemed all the outstanding 30,00,000 number of preference shares, which were issued by the Company in the previous years.

### 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 an enterprise risk management framework and clearly sets out the objectives & elements of risk management within the organization, including the constitution of a Risk Management department (reporting directly to the CEO and to the Board of Directors), a Risk Management Committee (RMC) and the underlying mechanisms & processes to be used for identification, monitoring and reporting of various categories of risks including credit, market, liquidity and operational risks. 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, consisting of its senior employees.

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

The Company has an Internal Control System, 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 governance practices have facilitated your Company in standing up to the continued scrutiny of domestic & international investors and that of the 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 M/s. B S R & 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 details of the same have been stated in the Report on Corporate Governance and 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, 2018, 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.

During the year under review, Reliance Capital Pension Fund Limited ceased to be a subsidiary of the Company and became Company's associate company.

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; and
- d) Mr. Deepak Mukhija - Company Secretary.

## DIRECTORS

During the year, Mr. Tomonao Gotoda (a Nominee Director of NLI) resigned from the directorship w.e.f. April 22, 2017. In his place, NLI nominated Mr. Takayuki Murai, who was appointed a Director of the Company on the even date.

During the year, RCL had nominated Mr. V. N. Kaul for the directorship of the Company and he was appointed as such, effective from June 07, 2017. On the very same date, Mr. V. N. Kaul was also appointed as the Chairman of the Board.

After the closure of the year 2017-18, following changes have taken place in respect of your Company's Board:

- Mr. V. N. Kaul, Director (a Nominee of RCL) & Chairman of the Board resigned w.e.f. April 25, 2018.
- Mr. Kazuhide Toda, Director (a Nominee of NLI) of the Company, resigned w.e.f. April 25, 2018.
- Mr. Takayuki Murai, Director (a Nominee of NLI) of the Company, resigned w.e.f. April 25, 2018.
- Mr. Jai Anmol Ambani (a Nominee of RCL), Mr. Akira Shibata (a Nominee of NLI) and Mr. Minoru Kimura (a Nominee of NLI) were appointed as the Additional Directors of the Company w.e.f. April 25, 2018.

Mr. Jai Anmol Ambani, Mr. Akira Shibata and Mr. Minoru Kimura shall hold office as Directors, up to the date of ensuing Annual General Meeting and are eligible to be appointed as Director thereat. In terms of Section 160 of the Act, your Company has received a notice in writing from one of the Members, proposing the candidature of Mr. Jai Anmol Ambani, Mr. Akira Shibata and Mr. Minoru Kimura for their appointment as Directors.

In accordance with the provisions of Section 152 of the Act, Mr. V. N. Kaul, Mr. Kazuhide Toda & Mr. Takayuki Murai, all Non-executive Directors, liable to retire by rotation have already ceased to be Directors, on April 25, 2018, therefore during the year 2018-19, none of the Directors are due to retire by rotation, and proposed to be re-appointed.

The last re-appointment of Mr. Kanu H. Doshi and Mr. S. C. Tripathi as Independent Directors of the Company was made in 2014 and their five year term will come to an end on March 31, 2019. They are eligible for re-appointment with the approval of the Members

by passing a special resolution. In terms of the circulars issued by the Securities & Exchanges Board of India on 'Enhancing fund governance for Mutual Funds', both Mr. Kanu H. Doshi and Mr. S. C. Tripathi, if reappointed as Independent Directors, will be able to hold the position upto November 30, 2019.

Keeping in view of their vast knowledge and experience, the Directors recommend their re-appointment as Independent Directors at the ensuing Annual General Meeting, for a period from April 01, 2019 to the date of Annual General Meeting to be held during 2019.

All the Independent Directors of your Company i.e. Mr. Kanu H. Doshi, General Ved Prakash Malik (Retd.), Mr. Sushil Chandra 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.

During the Year, in terms of the requirements of the Act, a meeting of the Independent Directors was duly held, wherein the performance of the Board and that of the non-independent Directors were evaluated. In this very meeting itself, the Independent Directors of the Company also thoroughly discussed the quantity, quality & the timelines of the flow of information between the Company's management and the Board and arrived at a view that the same is adequate and sufficient to enable effective decision making by the Board.

## EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Board has carried out an annual performance evaluation of (i) the Directors; (ii) itself (as a whole); and (iii) its committees. 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. A separate meeting of the Independent Directors was also held during the year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman.

## BOARD AND COMMITTEE MEETINGS

During the year under review, Eleven (11) 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. Sushil Chandra 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, Eight (8) 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. Sushil Chandra 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, five (5) 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 Directors' 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. Sushil Chandra Tripathi

[Independent Director], Ms. Ameeta Chatterjee [Independent Director], General Ved Prakash Malik (Retd.) [Independent Director], Mr. Jai Anmol Ambani [Director], Mr. Sundeep Sikka [Whole-time Director], Mr. Minoru Kimura [Director] and Mr. Akira Shibata [Director].

During the year 2017-18, 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 [Whole-time Director].

During the year, one (1) meeting of the Stakeholders' Relationship Committee was 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. B S R & Co. LLP, Chartered Accountants shall hold office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting.

The Company has already received a letter from M/s. S. R. Batliboi & Co. LLP communicating their willingness to be appointed as the Statutory Auditors of the Company and that their appointment, if made, would be within the limits, as prescribed under Section 139 of the Companies Act, 2013.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, your Directors hereby recommends the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of ensuing Annual General Meeting of the Company until conclusion of 28<sup>th</sup> Annual General Meeting of the Company.

#### **INTERNAL AUDITORS:**

JHS & Associates LLP, Chartered Accountants were appointed as the Internal Auditors' of your Company for the year 2017-18. Your Directors have also approved their re-appointment as such for the financial year 2018-19.

## 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 2017-18.

### 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 2017-18. Your Directors have also approved their re-appointment as such for the financial year 2018-19.

### 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 2017-18. 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.

## 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 equipments. As energy cost forms a very small part of the total costs, the impact on cost is not material.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### (i) The efforts made towards technology absorption:

The year 2017-18 witnessed a transformation in terms of communicating mutual funds as a solution to the investors than a product. Across various life stages individuals come across various goals and aspirations and the Company tried to build a strategy to address that need in the form of a mutual fund solution and reach out to new to industry investors. During the year the digital acquisition was further aided by eKYC and Biometric enabled KYCs with solutions providing a simplified process to invest. In line with the above objective, the Company launched various initiatives in this direction and many of these initiatives were first time in the Industry. Some of those initiatives are as follows:

- Launch of Smart Tax & Gold Invest solutions on Simply Save app for customers
- Enabled Aadhaar OTP based eKYC and Aadhaar Biometric based full KYC to assist distributors acquiring new investors and provide the ease of on-boarding for the investor(s)
- Revamped website for the distributor(s) to provide ease of transactions, campaigns and other such transactions & add-on features
- Aadhaar OTP based E-mandate for all banks under the eNACH gateway of NPCI to enable easy registration for regular payments like SIP, also single mandate good enough for multiple offerings up to the total limit of the mandate, hence ease of further investments
- Enabled digital campaigns for distribution partners on through our systems enabling them to reach out to existing and new investors and enable transactions in a paperless form.

#### (ii) Benefits derived out of the above initiatives:

Financial year 2017-18 witnessed a substantial growth in the number of purchases done digitally on our assets, some statistics as follows:

- 2X growth in purchase transactions.
- Average number of purchase transactions on own assets

per month being over 53,000 with highest being over 82,000.

- Integration of our Assets on partners websites contributing over 10K purchase transactions per month.
- Digital purchases being >1.2 times more than largest distributors total Purchases.
- Mobile to Web ratio increasing towards mobile with every third digital purchase transaction concluding on mobile.

#### RESEARCH AND DEVELOPMENT:

Digital as a segment is gaining even higher importance with data charges getting lower, access getting household & communication becoming even critical. With Aadhaar aiding digital prowess it is but natural that digital aid would be instrumental in reaching out the large untapped blue ocean with respect to financial services, especially mutual funds. We as an AMC are one of the first to react to this opportunity and are very much committed to continuously provide simplified process and solutions over the digital platform to our investors. The team is focused and the management continues to drive the idea of taking mutual fund solutions to the household through digital interfaces.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company earned foreign exchange equivalent to ₹ 28.69 Crore (Previous Year: ₹ 26.06 Crore). The Company spent foreign exchange equivalent to ₹ 8.35 Crore/- (Previous Year: 6.59 Crore)

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and that there are no material departures;
- 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, 2018 and of the profit of the Company for the year under review;
- 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.
- The Directors have prepared the annual accounts of the

Company on a 'going concern' basis.

- 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.
- 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.reliancecmutual.com/InvestorServices/Pages/Investor-Policies.aspx>

Your Directors draw attention of the members to Note No. 3.24 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. B S R & 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 Directors' 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, are also provided in the Annual Report, which 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:

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

The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 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 : June 28, 2018

# 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.reliancecapital.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: ₹ 508.89 Crore

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 10.17 Crore

### 5. Details of CSR spend for the financial year:

- Total amount spent for the financial year: ₹ 10.25 Crore
- Amount unspent, if any: Nil

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

(1) Sr. No.	(2) CSR Project/Activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (Budget) Project or Programs wise (In Crore)	(6) Amount Spent on the project or programs Sub-heads: (1) Direct expenditure on projects and programs (2) Overheads (In Crore)	(7) Cumulative expenditure up to the reporting period (In Crore)	(8) Amount spent: Direct or through implementing agency* (In Crore)
1.	Mandke Foundation Kokilaben Dhirubhai Ambani hospital & Medical Research Institute	Health Care	Maharashtra	2	2	16.94	2
2.	Ujjain Charitable Trust Hospital & Research Center	Health Care	Madhya Pradesh	1	1	5	1
3.	Ratanlal Kanwarlal Patni Foundation	Education	Rajasthan	2	2	2	2
4.	Shri Aillak Pannalal Digambar Jain Pathashala	Education	Solapur	2	2	2	2
5.	Vedanta Foundation	Education	Maharashtra	2	2	2	2
6.	Deepak Foundation	Health Care	Vadodara- Gujarat	0.5	0.5	0.5	0.5
7.	Americares India Foundation	Health Care	Maharashtra	0.5	0.5	0.5	0.5
8.	KK Birla Memorial Society	Rural Transformation	Rajasthan	0.23	0.23	0.23	0.23
9.	Indian Cancer Society	Health Care	Maharashtra	0.02	0.02	0.02	0.02

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

Place: Mumbai  
Dated: June 28, 2018

**Kanu H. Doshi**  
Director  
(DIN: 00577409)

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

# ANNEXURE - B

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction

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.

### 2. Objective

- 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;
- Laying out remuneration principles for employees linked to their efforts, performances and achievement in comparison with the benchmarks;
- 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;
- Retention of high performers at all levels and those playing critical roles.

### 3. Scope

The Board has constituted the Board Nomination and Remuneration Committee 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 guidelines. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the remuneration of the Directors, CEO, Senior Management Personnel (SMP) & all other employees of the Company.

### 4. Definitions

- 'Board' means Board of Directors of the Company;
- 'Director' means a Director appointed on the Board of the Company;
- CEO means a Chief Executive Officer appointed by the Board of the Company;
- Senior Management Personnel ("SMP") means: All employees in Impact Level 1 (IL-1) Grade.

### 5. 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.

### 6. Remuneration to the CEO, SMP & all Other Employees

#### 6.1.A. CEO's Fixed Cost & PLI

- NRC will resolve the actual amount of the CEO's fixed cost / PLI and recommend them to the Board of Directors for approval and other components.
- Board of Directors approves the Compensation for the CEO.

#### 6.1.B. CEO's ESOP

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

#### 6.2.A Remuneration of Senior Management Personnel (SMP) at IL1 Level and all Other Employees - Fixed Cost & PLI

- The NRC will approve the upper limits for both the increment & PLI for all the employees including SMP at IL1 Level.
- CEO determines the total amount of increment & PLI payable to the SMP and all other Employees which is within the maximum amount approved by the NRC.
- CEO & CHRO determine each of such employee's increment (Fixed CTC) / PLI within the total amount.
- NRC is informed of the final numbers after the payouts to SMP and Other Employees.

#### 6.2.B ESOPs to Senior Management Personnel (SMP) at IL1 Level & all Other Employees

- The NRC would approve the total value of grant to SMP and all Other Employees.

- ii. NRC will decide & approve the number of Options to be granted and the maximum number of Options that can be granted to each Employee.

## **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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 Director, 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 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 Nomination and Remuneration Committee, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 (RBs); Long-term Incentives (LTIs), 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, 2018

[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  
(Formerly known as Reliance Capital 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, 2018, 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, 2018 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; and
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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)(applicable w.e.f. November 6, 2017).

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

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 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. referred to above:

- (i) At the Annual General Meeting of the members held on June 28, 2017, inter-alia, the following resolutions were passed:
  - a) Declaration of Final dividend of ₹ 215 per Equity share;
  - b) Declaration of Dividend on Preference Shares @ 6% p.a;
  - c) Shifting of Registered office of the company outside local limits of city, town or village, within the same RoC and state (by Special Resolution);
  - d) Appointment of Mr. Takayuki Murai as Director (by Ordinary Resolution); and
  - e) Appointment of Mr. Vijayendra Nath Kaul as a Director (by Ordinary Resolution).
- (ii) At the Board Meeting held on June 28, 2017 the Board, inter-alia, approved dilution of 51% stake of Reliance Capital Pension Fund Limited (RCPFL) by sale of 1,27,50,000 number of

equity share held by the Company in RCPFL at price 11.53/- per share;

- (iii) At the Extra-ordinary General Meeting of the members held on July 13, 2017, approved Alteration of Articles of Association of the Company (by Special Resolution);
- (iv) At the Board Meeting held on July 20, 2017 the Board inter-alia, approved following:
  - a) Revision in threshold limits u/s. 186 and 179 of the Companies Act, 2013, for investment of surplus funds of the Company to the extent of the aggregate of such amount amounts outstanding at any point of time not exceeding ₹ 18,00,00,00,000/- (Rupees One Thousand Eight Hundred Crores);
  - b) Revision in terms of remuneration of Mr. Sundeep Sikka, Executive Director & CEO of the Company w.e.f. April 1, 2017;
  - c) Redemption date of Preference Shares as July 18, 2017; and
  - d) Issuance of 57,60,00,000 Bonus Shares in the ratio of (1:50) to the existing shareholders.
- (v) At the Extra-ordinary General Meeting of the members held on July 20, 2017, inter-alia, approved followings resolutions:
  - a) Increase in Authorised Share Capital of the Company from ₹ 42,00,00,000/- (Rupees Forty Two Crores) to ₹ 10,30,00,00,000/- (Rupees One Thousand Thirty Crores) (by Ordinary Resolution);
  - b) Alteration of Articles of Association of the Company (by Special Resolution); and
  - c) Bonus Issuance of 57,60,00,000 Bonus Shares in the ratio of (1:50) (by Ordinary Resolution).
- (vi) At the Board Meeting held on August 8, 2017 the Board, inter-alia, granted the approval for:
  - a) the Employee Stock Option Plan and to issue shares to employees of the Company under ESOP;
  - b) Initial Public Offering ("IPO") by the Company; and
  - c) Restated financial statements of the Company.
- (vii) At the Extra-ordinary General Meeting of the members held on August 8, 2017, inter-alia, approved followings Special resolutions:
  - a) Initial public offering by the Company;

- b) Employee Stock Option Plan and to issue shares to employees of the Company under ESOP;
  - c) Issue of stock option to employees of the Holding or Subsidiary Company (If any) under ESOP; and
  - d) Alteration of Articles to capture the revised intention of the substantial shareholders of the Company and also to amend the articles in two parts (Part 1: containing the new set of Articles which shall take effect from the date of listing of the Equity Shares of the Company on Stock Exchange and Part 2: containing existing set of Articles which shall remain in force only up to the date of listing of equity shares).
- (viii) the Board approved allotment of 57,60,00,000 Bonus Equity shares by a resolution by circulation on August 11, 2017 and same was noted and approved by the Board at its meeting held on October 24, 2017;
- (ix) At the Board Meeting held on January 16, 2018 the Board, inter-alia, declared an interim dividend of ₹ 5 per equity share;
- (x) At the Board Meeting held on March 13, 2018 the Board, inter-alia, approved the following matters proposed to be considered 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.
- (xi) Details/Events of IPO:
- a) On August 16, 2017, the IPO Committee approved Draft Red Herring Prospectus and the same was filed with the Securities and Exchange Board of India ("SEBI");
  - b) The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated August 29, 2017 and August 28, 2017, respectively;
  - c) On October 10, 2017, the IPO Committee approved Red Herring Prospectus ("RHP") and the same was then filed with SEBI on October 11, 2017;
  - d) The RHP was filed with the RoC on October 11, 2017 and the same was approved by the RoC;
  - e) On October 30, 2017, the IPO Committee approved and adopted Prospectus and it was filed with the RoC on October 30, 2017 and the same was approved on October 30, 2017. Approved prospectus was filed with SEBI, NSE and BSE; and
  - f) The Company came out with an Initial Public Offering comprising of Offer for Sale of 3,67,20,000 Equity shares by existing shareholders and a fresh issue of 2,44,80,000 Equity shares of ₹ 10 each for cash at a premium of ₹ 242 each. The Issue was opened and closed for subscription on October 24, 2017 (for Anchor Investors) and for other categories opened on October 25, 2017 and closed on October 27, 2017 and the same was fully subscribed and accordingly the Company allotted 6,12,00,000 equity shares of ₹ 10 each on November 2, 2017. The Stock Exchanges, BSE and NSE, granted their Listing and Trading Approvals on November 3, 2017.

**For M Siroya and Company**  
Company Secretaries

Sd/-  
**Mukesh Siroya**  
Proprietor  
FCS No.: 5682  
CP No.: 4157

Date : April 25, 2018  
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  
(Formerly known as Reliance Capital 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

Sd/-  
**Mukesh Siroya**  
Proprietor  
FCS No.: 5682  
CP No.: 4157

Date : April 25, 2018  
Place : Mumbai

# ANNEXURE D

## FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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 <sup>th</sup> Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400 055 Contact: +91 22 3303 1000 • Fax: +91 22 3303 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 Computershare Pvt. Ltd. Plot No. 17 TO 24, Vithalrao Nagar, Madhapur, Hyderabad- 500 081, Tel.: +91 40 23420815 - 24

### 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 <sup>th</sup> 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 <sup>th</sup> Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U74999MH2000PLC127497	Subsidiary	100	2(87)
4	Reliance Capital Pension Fund Limited Reliance Centre, 7 <sup>th</sup> Floor, South Wing, off Western Express Highway, Santacruz (East), Mumbai - 400 055	U66020MH2009PLC191340	Associate	49	2(6)

**IV. SHARE HOLDING 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, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	–	–	–	–	–	–	–	–	–
Central Govt	–	–	–	–	–	–	–	–	–
State Govt(s)	–	–	–	–	–	–	–	–	–
Bodies Corp.	58,74,600	600	58,75,200	51.00	26,23,95,000	0	26,23,95,000	42.88	-8.12
Banks / FI	–	–	–	–	–	–	–	–	–
Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1)</b>	<b>58,74,600</b>	<b>600</b>	<b>58,75,200</b>	<b>51.00</b>	<b>26,23,95,000</b>	<b>0</b>	<b>26,23,95,000</b>	<b>42.88</b>	<b>-8.12</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	51,34,800	0	51,34,800	44.57	26,23,95,000	0	26,23,95,000	42.88	-1.69
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (2)</b>	<b>51,34,800</b>	<b>0</b>	<b>51,34,800</b>	<b>44.57</b>	<b>26,23,95,000</b>	<b>0</b>	<b>26,23,95,000</b>	<b>42.88</b>	<b>-1.69</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1,10,09,400</b>	<b>600</b>	<b>1,10,10,000</b>	<b>95.57</b>	<b>52,47,90,000</b>	<b>0</b>	<b>52,47,90,000</b>	<b>85.76</b>	<b>-9.81</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	2,78,85,862	0	2,78,85,862	4.56	4.56
b) Banks / FI	0	0	0	0.00	79,062	0	79,062	0.01	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs/ FPIs	0	0	0	0.00	17,394	0	17,394	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
<b>i) Other</b>									
Alternate Investment Funds	0	0	0	0.00	1,65,41,214	0	1,65,41,214	2.70	2.70
Foreign Portfolio Investors	0	0	0	0.00	1,98,02,553	0	1,98,02,553	3.24	3.24
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>6,43,26,085</b>	<b>0</b>	<b>6,43,26,085</b>	<b>10.51</b>	<b>10.51</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	30,67,135	0	30,67,135	0.50	0.50
ii) Overseas	5,10,000	0	5,10,000	4.43	1,07,96,700	NIL	1,07,96,700	1.76	1.76

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	0	0	0	0.00	66,98,990	10	66,99,000	1.09	1.09
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	0	0	0	0.00	11,13,866	0	11,13,866	0.18	0.18
c) Others									
Employee Trusts	0	0	0	0.00	2,11,801	0	2,11,801	0.03	0.03
Non Resident Indians	0	0	0	0.00	1,85,123	0	1,85,123	0.03	0.03
Clearing Members	0	0	0	0.00	8,10,290	0	8,10,290	0.13	0.13
<b>Sub-total (B)(2)</b>	<b>5,10,000</b>	<b>0</b>	<b>5,10,000</b>	<b>4.43</b>	<b>2,28,83,905</b>	<b>10</b>	<b>2,28,83,915</b>	<b>3.73</b>	<b>-0.70</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5,10,000</b>	<b>0</b>	<b>5,10,000</b>	<b>4.43</b>	<b>8,72,09,990</b>	<b>10</b>	<b>8,72,10,000</b>	<b>14.24</b>	<b>9.81</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>1,15,19,400</b>	<b>600</b>	<b>1,15,20,000</b>	<b>100.00</b>	<b>61,19,99,990</b>	<b>10</b>	<b>61,20,00,000</b>	<b>100.00</b>	<b>0.00</b>

## (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	58,75,200	51.00	0.00	26,23,95,000	42.88	0.00	-8.12
2	Nippon Life Insurance Company	51,34,800	44.57	0.00	26,23,95,000	42.88	0.00	-1.69
	<b>Total</b>	<b>1,10,10,000</b>	<b>95.57</b>	<b>0.00</b>	<b>52,47,90,000</b>	<b>85.76</b>	<b>0.00</b>	<b>-9.81</b>

**(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

Sr No.	Shareholder's Name		Shareholding at the beginning of the year (April 01, 2017)		Cumulative Shareholding during the year (March 31, 2018)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>i)</b>	<b>Reliance Capital Limited</b>					
1.	At the beginning of the year		58,75,200	51.00	58,75,200	
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year due to transfer of Shares to Nippon Life Insurance Company	13-07-2017	(5,10,000)		53,65,200	
		11-08-2017	26,82,60,000		27,36,25,200	
		02-11-2017	(1,12,30,200)		26,23,95,000	
3.	At the End of the year				26,23,95,000	42.88
<b>ii)</b>	<b>Nippon Life Insurance Company</b>					
1.	At the beginning of the year		51,34,800	44.57		
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year due to transfer of Shares to Nippon Life Insurance Company	13-07-2017	5,10,000		56,44,800	
		11-08-2017	28,22,40,000		28,78,84,800	
		02-11-2017	(2,54,89,800)		26,23,95,000	
3.	At the End of the year				26,23,95,000	42.88

**(III) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sl. 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	EP Global Markets (Cayman) Limited	5,10,000	4.43	- 5,10,000	0	0
2	HDFC Trustee Company Limited - HDFC Prudence Fund	0	0.00	2,01,31,350	2,01,31,350	3.29
3	Valiant Mauritius Partners FDI Limited	0	0.00	1,07,96,700	1,07,96,700	1.76
4	IIFL Special Opportunities Fund	0	0.00	80,24,348	80,24,348	1.31
5	IIFL Special Opportunities Fund - Series 2	0	0.00	53,66,273	53,66,273	0.88
6	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life MIP II-Wealth 25 Plan	0	0.00	36,59,618	36,59,618	0.60
7	Abu Dhabi Investment Authority - Behave	0	0.00	30,42,941	30,42,941	0.50
8	IIFL Special Opportunities Fund - Series 3	0	0.00	19,29,297	19,29,297	0.32
9	Indus India Fund (Mauritius) Limited	0	0.00	18,76,732	18,76,732	0.31
10	Steinberg India Emerging Opportunities Fund Limited	0	0.00	18,50,000	18,50,000	0.30

**(IV) 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
<b>1.</b>	<b>Mr. Sundeep Sikka</b>					
	At the beginning of the year		0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	16-02-2018	30,000	0.00	30,000	0.00
		23-02-2018	10,000	0.00	40,000	0.01
		02-03-2018	5,000	0.00	45,000	0.01
		09-03-2018	15,000	0.00	60,000	0.01
		23-03-2018	6,000	0.00	66,000	0.01
		30-03-2018	4,000	0.00	70,000	0.01
	At the End of the year	31-03-2018			70,000	0.01

**(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				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	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	534.25	67.16
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	32.06	0.00
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	—	—
2	Stock Option (Number of Options)	1226397 Options	30804 Options
3	Sweat Equity	—	—
4	Commission	—	—
5	Others, please specify (PLI & Others)	—	—
	<b>Total (A)</b>	<b>566.31</b>	<b>67.16</b>
	Ceiling as per the Act	3525.98	3525.98

**B. Remuneration to other directors:**

Amount (₹ in Lakh)

Independent Directors					
Particulars of Remuneration	Name of Directors				Total Amount
	Kanu Doshi	S.C. Tripathi	Ameeta Chatterjee	General Ved Prakash Malik (Retd.)	
1. Independent Directors					
• Fee for attending board / committee meetings	13.30	8.50	7.70	10.00	39.50
• Commission					
• Others, please specify					
<b>Total (1)</b>	<b>13.30</b>	<b>8.50</b>	<b>7.70</b>	<b>10.00</b>	<b>39.50</b>

Non-Executive Directors					
Particulars of Remuneration	Name of Directors			Total Amount	
	Vijayendra Nath Kaul	Kazuhide Toda	Takayuki Murai		
2. Other Non-Executive Directors					
• Fee for attending board committee meetings	8.60	7.20	8.10		23.90
• Commission					
• Others, please specify					
<b>Total (2)</b>	<b>8.60</b>	<b>7.20</b>	<b>8.10</b>		<b>23.90</b>
<b>Total (B)=(1+2)</b>					<b>63.40</b>
Total Managerial Remuneration (A+B)					696.87
Overall Ceiling as per the Act					7757.15

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Prateek Jain (CFO)	Mr. Deepak Mukhija (Company Secretary)
1	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	143.21	36.09
(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)	84856 Options	–
3	Sweat Equity	–	–
4	Commission	–	–
	– as % of profit	–	–
	– others, specify (PLI & Others)	–	–
5	Others, please specify	–	–
	<b>TOTAL (1+2+3+4+5)</b>	<b>143.21</b>	<b>36.09</b>

**(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)
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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>C. OTHER OFFICERS IN DEFAULT</b>					
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: June 28, 2018

**Kanu H. Doshi**  
Director  
(DIN: 00577409)

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

# Management Discussion and Analysis

## I. INDIAN ECONOMIC OVERVIEW

The Indian economy is at a cusp of a sustained recovery. Owing to the adjustments related to two major events i.e. demonetisation and implementation of GST, India's GDP growth moderated from 7.1% in 2016-17 to 6.6% in 2017-18. While GST implementation has advanced well, the Government continued with other major reforms, particularly in the field of corporate insolvency resolution via National Company Law Tribunal (NCLT). There are various factors which points toward steady recovery in growth in 2018-19. These include a) higher government spending ahead of the general elections, b) strong global growth helping exports of both goods and services, c) strong rural demand aided by normal monsoon, d) continued buoyancy in urban indicators, e) positive labour market conditions, f) pickup in spending in key infra sectors like roads, irrigation and power transmission, and g) recovery in labour intensive sectors, which were impacted by GST implementation. The RBI forecast that 2018-19 real GDP growth may accelerate to 7.4%.

Improvement in the country's business environment stabilised India's ranking in the global competitiveness index prepared by the World Economic Forum in 2017. This is also validated as India jumped 30 positions to be ranked among the top 100 countries in the World in the ease of doing business criteria.

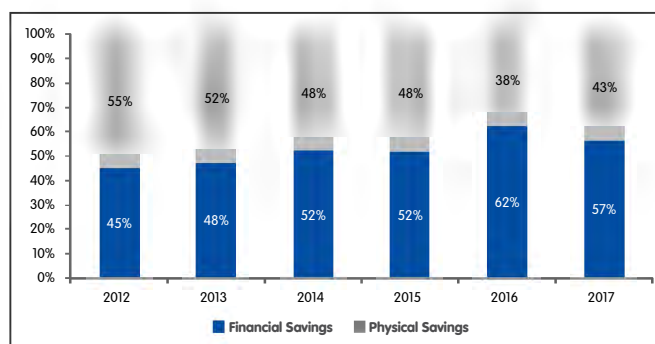
Direct tax collection has grown by 17.1% to cross ₹ 10 lakh crore in 2017-18, a significant improvement due to the higher formalisation of the economy, evident from the additional 1 crore. taxpayers brought under the tax net in 2017-18.

Inflation continued its downtrend, with Consumer Price Index inflation averaging 3.6% in 2017-18 versus 4.5% in 2016-17, primarily due to lower food prices. As the growth recovery is on a firm footing and favourable base has subsided, the inflation has also started to normalise in the recent months. The RBI forecasts the CPI inflation to be between 4.8% - 4.9% in H1 2018-19 and 4.7% in the H2 2018-19, including the House Rent Allowance impact for central government employees.

As both growth and inflation has normalised, the RBI delivered its first-rate hike in over 4 years in June 2018. After the token 25 basis points hike, the repo rate stands at 6.25%. As per the RBI, current monetary stance is neutral and further rate action will be data dependent. After a sharp decline in Government bond yields post demonetisation, the G-Sec yields have hardened in the H2 2018-19 as macro conditions normalised. 10-year G-Sec yields jumped over 100 basis points from the low made in the second quarter of 2017-18.

## Household savings

Financialisation of household savings has been a potent theme, underlined by a steady shift in recent years from physical assets like gold and real estate to financial instruments such as equities, mutual funds and life insurance products. The shift is largely due to falling or stagnating returns in real estate and gold opposed to high returns in equity and debt markets, thereby increasing the attractiveness of financial assets. As per the latest available data for 2017, financial savings is about 57% of the total household savings with a headroom to grow even further driven by structural drop in inflation and ongoing formalisation of economy. Within financial assets, the share of non-bank deposit instruments like mutual funds, insurance, etc. is on the rise.



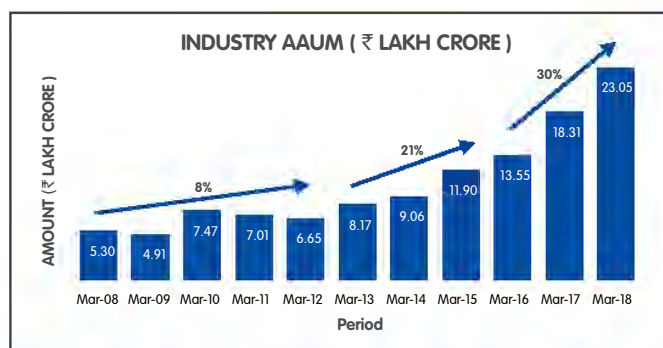
Source: MOSPI, RBI

## II. MUTUAL FUND SECTOR

### Industry Overview

The Indian Mutual Fund industry continued to witness robust growth in assets under management (AUM). The industry is witnessing strong growth in recent years, with AUM doubling in past three years and having grown almost five times in past ten years.

The industry witnessed a stellar 26% growth in Q4 AAUM 2017-18 to touch ₹ 23,05,200 crore from ₹ 18,30,600 crore in Q4 AAUM 2016-17, adding AUM of ₹ 4,75,600 crore. Retail inflows (investments less than ₹ 5,00,000) have also been robust, having registered 40% growth over the previous year. Retail investors have contributed ~37% to the incremental industry assets. Equities accounted for most of these flows during the year, reflecting the increasing risk appetite and confidence of retail investors. Out of the nearly ₹ 4,75,600 crore growth witnessed in mutual funds in 2017-18, close to 60% ₹ 2,84,000 crore was contributed by equities. The growth in industry assets was supported by investor awareness campaigns by Association of Mutual Fund of India (AMFI) like "Mutual Funds *Sahi Hai*" and strong retail participation especially from smaller cities and towns.



Cr.	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
No. of Folios	4.76	4.80	4.72	4.65	4.28	3.95	4.17	4.77	5.54	7.13

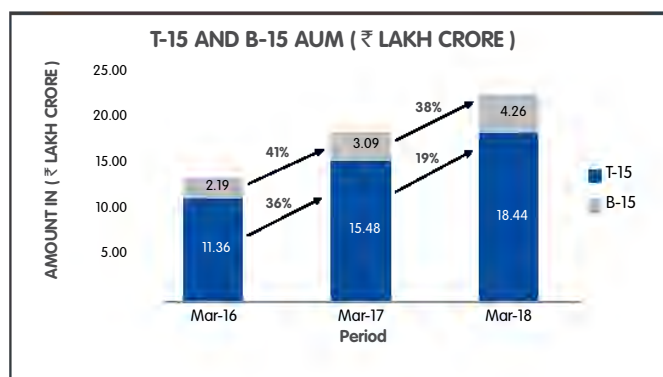
Source: AMFI

### Industry Trends:

Investors' preference for mutual funds is evident by the increase in the number of folios, which is a rough estimate of the number of investors. The mutual fund (MF) industry added nearly 1.6 crore folios during 2017-18, taking the total number of folios to 7.13 crore. Individual investors account for 99% of the folios, though the contribution to the AUM is approximately 55%. The total number of retail investor folios increased from 5.23 crore as on March 2017 to 6.71 crore as on March 2018, an addition of 1.48 crore folios. Much of the folio addition came through Systematic Investment Plans (SIP), where investors commit to invest regularly over a specified period of time.

### T-15 and B-15 AUM:

The top 15 cities or T-15 cities, held the majority of the mutual fund assets with a share of 81%, whereas beyond the top 15 or B-15 cities held 19% of assets as on March 2018. However, investment inflows and assets B-15 cities have grown faster at 39% CAGR compared with 27% CAGR for T-15 cities between March 2016 to March 2018. Contribution of B-15 locations has increased from 16% of monthly average assets under management (MAAUM) in March 2016 to 19% in March 2018. B-15 towns witnessed 38% AUM growth in 2017-18 to touch ₹ 4.26 lakh crore whereas T-15 town AUM grew by 19% during the same period to touch ₹ 18.44 lakh crore.

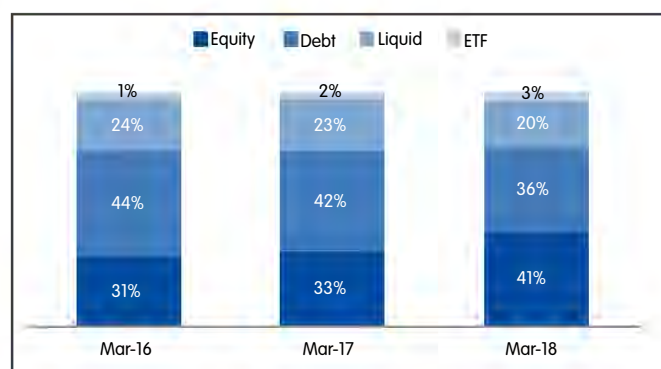


Source: AMFI

### Asset typewise classification

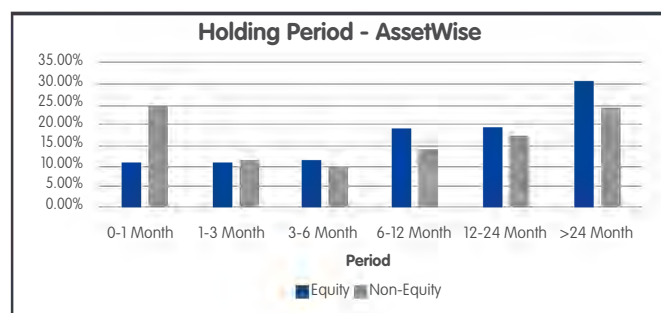
The Mutual Fund AUM is bifurcated into various asset classes like Equity, Debt, ETF and Liquid. The retail investors tend to invest a higher proportion of their assets in equity-oriented funds, which are positioned as long-term investment products, while the majority of corporate investments are into debt and liquid/money-market funds. The average ticket size is higher for liquid and debt-oriented schemes which are dominated by institutional investors.

As on March 2018, Equity Assets contributed 41% of total industry MAAUM while Debt AUM stood at 34%, followed by 20% Liquid Assets and ETF 4%. During the year, Equity AUM has grown by 53% from 6.10 lakh crore to 9.31 lakh crore while Debt, Liquid and ETF grew by 3%, 10%, 63% respectively.



Source: AMFI

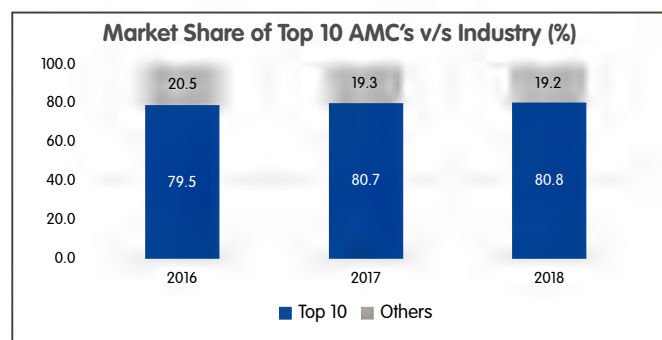
Equity assets have a longer average holding period as compared to non-equity assets. As of 31 March 2018, 30% of equity assets have been held for period greater than 24 months, while 19% had been held for a period between 12 and 24 months. In comparison, assets held for over 24 months and between 12 and 24 months attributed to 23.8% and 17% respectively of the non-equity AUM. The main reason behind this trend is the difference in the primary investor base for the two segments. Individual investors are the main investor segment for equity schemes and attribute to nearly 85% of the average AUM. Similarly, the institutional investor segment dominates the debt scheme AUM, attributing to about 72% of the AUM.



Source: AMFI

### Comparison of top 10 players versus the industry:

The Indian mutual fund industry remains concentrated with the ten largest AMCs contributing over 80% of the industry's total AUM since March 2016. Currently, top 10 players manage ₹ 18,62,800 crore of QAAUM, which accounts for 80.8% of the industry AUM.



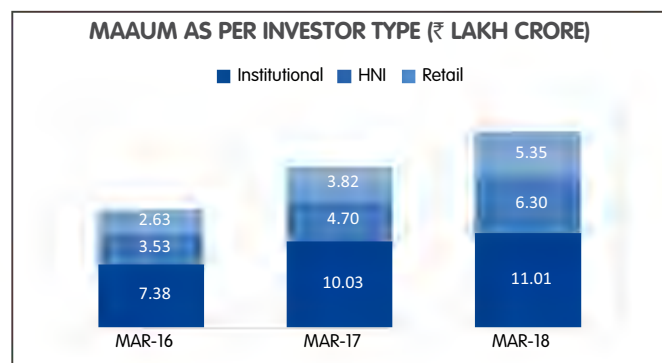
Source: AMFI

### Investorwise AUM

Mutual fund investor base comprises individual investors as well as institutional investors. Individual investors include retail as well as high net worth individuals (HNI). There are three main channels for mutual funds distribution namely Banks, National Distributors and Independent financial advisors (IFAs). Distributors play an important role for disseminating information to Individual investors which account for 87% of the individual MAAUM. Institutional investors, which include corporate, banks and FI/FPI, have higher share of direct investments.

The retail investor MAAUM increased from ₹ 3,82,400 crore in March 2017 to ₹ 5,35,205 crore in March 2018, reporting a growth of 40%, whereas HNI investor MAAUM increased from ₹ 4,70,342 crore in March 2017 to ₹ 6,30,420 in March 2018, reporting a growth of 34%. The growth for retail investor was higher for the B-15 locations, wherein the retail investor MAAUM increased from ₹ 1,44,400 crore to ₹ 2,12,400 crore, reporting a growth of 51%.

The institutional investor MAAUM increased from ₹ 10 lakh crore in March 2017 to ₹ 11 lakh crore in March 2018, reporting a growth of 10%.

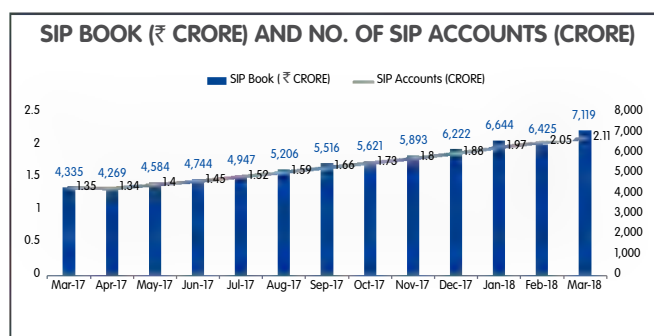


Source: AMFI

### Strong inflows through Systematic Investment Plans

Systematic Investment Plan or SIP, as it is commonly known, is an investment plan offered by mutual funds where one could invest a fixed amount in a scheme periodically at fixed interval like, once in a month. SIP has gained significance in the recent years, especially among individual investors. According to AMFI, the total inflow through SIPs in 2017-18 was 67,190 crore and has grown by 53% since previous year. The total number of SIP accounts stood at 2.11 crore as of March 2018, with an addition of 76 Lakh accounts since March 2017. In addition to a gradual increase in participation from the retail segment, the rising prominence of SIPs also lends stability to industry inflows.

Following chart sets forth the growth in SIP since March 2017



Source: AMFI

### Regulatory Update

Recently, the Mutual Fund Regulator, SEBI, mandated a framework under which standard categories of schemes have been defined and AMCs are allowed to have only one scheme under each category. Accordingly, the schemes have been broadly categorised under five groups: Equity schemes, Debt schemes, Hybrid schemes, Solution-oriented schemes and other schemes. Further, 36 categories of schemes and their detailed features have been defined under these groups. The exercise has resulted in some schemes getting merged, or changing some of their fundamental attributes. Many AMCs have already carried out the necessary changes, and the entire exercise is expected to be completed in the near term.

SEBI has also changed the definition of top cities and the additional incentive would be allowed only for inflows from beyond top 30 cities (B-30). SEBI announced a 15bps cut in fees for mutual funds by lowering an additional charge from 20bps to 5bps. SEBI had also mandated online disclosing of Total Expense Ratio (TER) of all schemes under separate heads daily, in addition to AMC's need to intimate investors of any change in TER.

### Growth Drivers

Major growth drivers for the industry include favourable demographic profile with a young working population, rising

disposable incomes and financial literacy and the low penetration of mutual funds in the country. The industry is on a strong footing given improving macroeconomic conditions and positive capital market indicators.

Household savings have witnessed a steady shift from physical assets like gold and real estate to financial instruments such as mutual funds in the recent years.

Individual investors are the growth drivers for mutual fund assets. Increased awareness and investor education by Association of Mutual Funds in India (AMFI), and strong emphasis by the Securities and Exchange Board of India (SEBI) towards enhancing regulation has strengthened investor confidence and played a significant role in the growth of the industry. Financialisation of household savings has also led to a surge in mutual funds investments as an easy vehicle to gain exposure to equity market.

Digitalisation has helped to widen the distribution network and popularise mutual fund schemes especially among the young and new investors. The growth in net tax payers has led to a direct growth in tax saving mutual fund options like Equity Linked Savings Scheme and New Pension Scheme. The industry growth has also been supported by deployment of incremental Employee Provident Fund Office flows into equity markets.

## Outlook

The Indian mutual fund industry is poised for robust growth in the coming years with expectations of 20% CAGR between 2017-18 and 2021-22, with the average AUM expected to grow to ₹ 45,00,000 crore by March 2022, as per AMFI. However, led by increase in retail participation, financialisation of savings in India and expectation of buoyant capital markets can accelerate growth.

## III. ALTERNATIVE INVESTMENT FUNDS

Alternative Investment Fund or AIF means any fund established or incorporated in India which is a privately-pooled investment vehicle which 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.

Investment in an unconventional type of security or asset, apart from the traditional forms is commonly referred to as alternative investment. AIFs could be in the form of trust, company, limited liability partnership or body corporate which is established or incorporated in India. SEBI has identified three categories of AIFs based on investments.

Current size of AIF industry is ₹ 85,276 crore, which comprises Category I Funds managing ₹ 10,794 crore, Category II managing ₹ 50,451 crore, Category III managing ₹ 24,031 crore as on 31 March, 2018 (Source: SEBI).

## Classification of AIFs\*

Category I	Category II	Category III
<ul style="list-style-type: none"> <li>Start-ups</li> <li>Early stage venture funds</li> <li>Infrastructure funds</li> </ul>	<ul style="list-style-type: none"> <li>Real estate funds</li> <li>Private equity</li> <li>Debt funds</li> <li>Funds for distressed assets</li> </ul>	<ul style="list-style-type: none"> <li>Funds with diverse trading strategies</li> <li>Hedge funds</li> <li>Funds for short term returns</li> </ul>

\* This is an indicative list

## 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, with the portfolio manager independently or with direction of client managing the funds. The minimum investment amount under PMS is ₹ 25,00,000. Every portfolio is customised on the basis of investor goals and risk appetite.

## 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 1 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 1 January 2004. Central Government employees who have joined services on or after 1 January 2004 will contribute 10% of Salary and DA and matching contribution by government. 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.

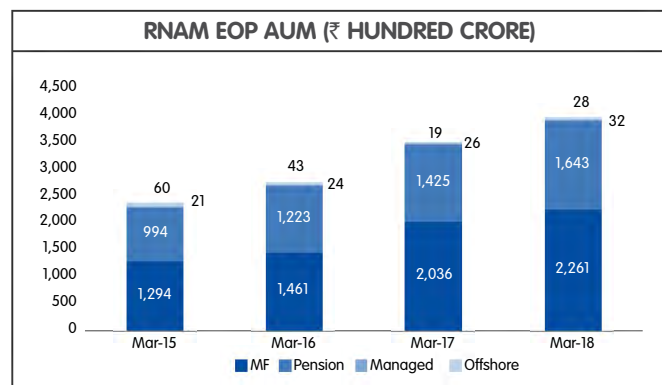
Currently, there are eight pension fund managers in the country. NPS offers an option to invest in four broad categories of investment - equity, corporate bonds, government securities and alternate investment schemes. It offers a deduction of ₹ 50,000 from taxable income under Section 80 CCD (1B) over 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

Reliance Nippon Life Asset Management Limited (RNAM or the Company) is one of the largest asset management companies in India, with total AUM of ₹ 3,96,370 crore as of 31 March 2018.

The Company is involved in managing (i) mutual funds including exchange traded funds (ETFs); (ii) managed accounts, including portfolio management services, alternative investment funds and pension funds; (iii) offshore funds and advisory mandates. The Company is co-promoted by Reliance Capital, a leading financial services company in India, ranking amongst the top private sector financial services and banking groups in terms of net worth of ₹ 16,605 crore as of 31 March 2018 and Nippon Life Insurance Company, one of the leading private life insurers in Japan, with assets of approximately US\$ 700 billion, as of 31 March 2018.

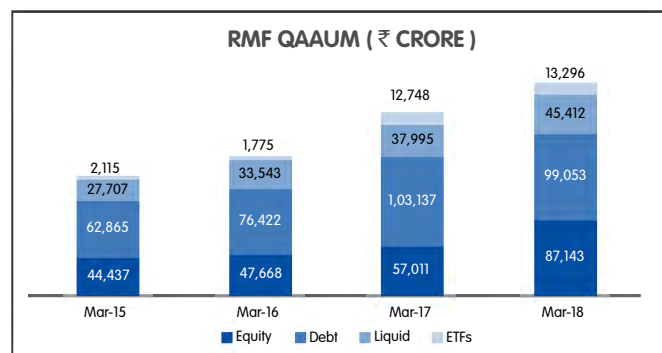
The following table illustrates the closing AUM of the Company's respective offerings:



Source: Company

### Mutual Fund:

The Company started mutual fund operations in 1995 as the asset manager for Reliance Mutual Fund. As of 31 March 2018, the Company managed QAAUM of ₹ 2,44,900 crore, which has grown by 16% year-on-year. The Company has 81,70,000 investor folios, which have grown by 19% year-on-year. RNAM also manages 55 open-ended schemes including 16 ETFs & 159 close-ended schemes of Reliance Mutual Fund as on 31 March 2018.



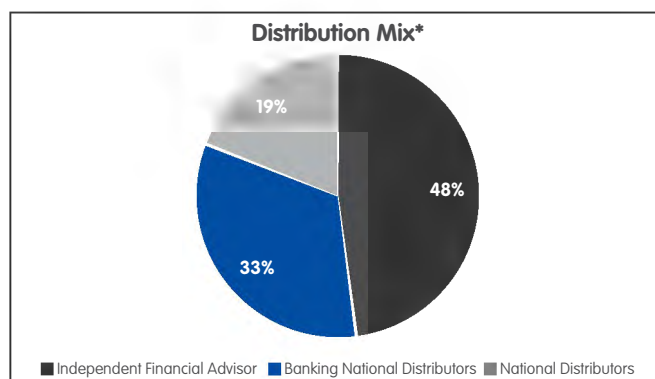
Source: Company

### Business Strengths:

#### Multi-Channel distribution network:

The Company's distributors comprise Individual Financial Advisors (IFAs), foreign banks, Indian private and public-sector banks,

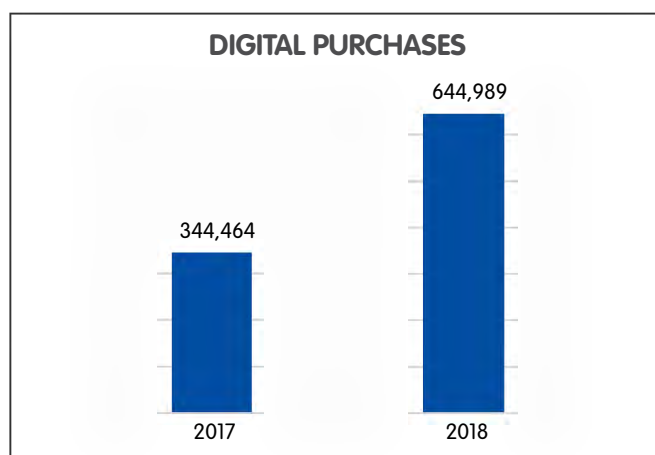
national distributors and digital platforms. RNAM has over 65,300 empanelled distributors across cities as on 31 March 2018, amongst the highest in the Industry. As a result of our well diversified and geographically spread distribution network, none of our distributors account for over 4.5% of AUM.



\*Excluding Direct AUM

Source: Company

RNAM has a significant online presence to capture the business of digital-savvy investors that undertake financial transactions on the Company's website as well as its mobile application. The investments through the digital platform have gained traction, with digital purchases having almost doubled since 2016-17. The Company also handled about 6.45 lakh digital purchase transactions in 2017-18.



Source: Company

### Penetrating Deeper into India:

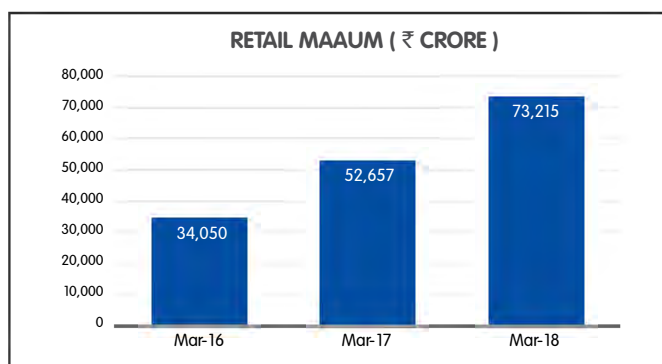
The Company added 120 locations to its overall coverage during the year. Currently, RNAM has a pan-India network of 282 locations, amongst the highest in the industry. The Company continues to focus on locations beyond the Top 15 cities, as assets from smaller locations have higher persistency and are more profitable.



Source: Company

### Leader in Retail AUM growth:

The key elements of growing Company's retail base comprise the following initiatives: offering a diverse portfolio of equity, debt, hybrid and sector focussed funds also providing a simple, multi-device, app-based user-friendly technology experience; setting up digital kiosks across India as part of investor outreach; facilitating easy KYC and account opening systems to attract investors. We will continue to focus on these initiatives to further increase our investor base. Our Company's retail assets have grown by ₹ 20,558 crore, the highest in the industry during this fiscal and helped the Company in growing its retail assets by 39% to ₹ 73,215 crore. The Company's Retail AAUM contribution to Total AAUM is amongst the highest in the industry at 30.5%.

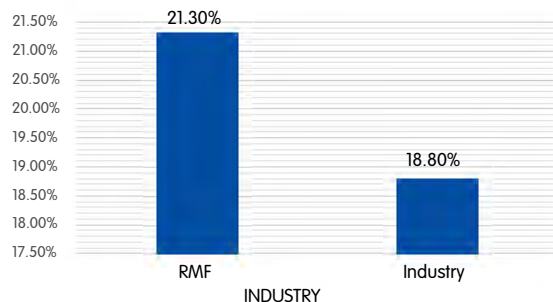


Source: Company

### Higher Share of AUM from Beyond 15 Locations:

The Company continues to be amongst the leaders in 'Beyond Top 15 cities' segment or B 15 locations have higher share of equity assets as compared to non-equity assets. This segment contributed AUM of ₹ 51,524 crore - an increase of 25% over last year, out of which 58% were equity assets. For RNAM, 21% of total assets are sourced from beyond 15 cities, higher than the industry average.

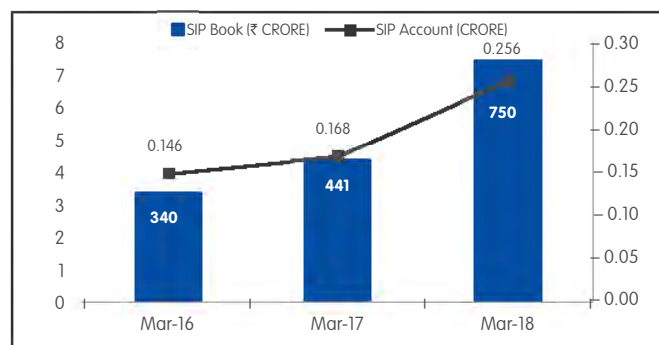
### AUM FROM B 15 LOCATIONS



Source: Company, AMFI

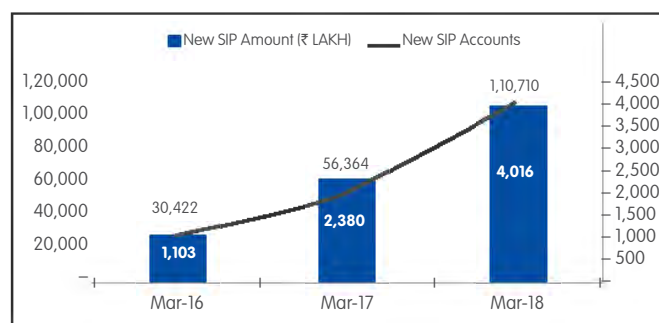
### Systematic Investment Plan:

The number of systematic investment plans rose to over 25 lakh, resulting in annualised SIP inflows of approximately ₹ 9,000 crore as on 31 March 2018. The Systematic Investment Plan (SIP) book grew by 70% in 2017-18. About 77% of the incremental SIPs have tenure over five years.



Source: Company

The trend on the new SIP Accounts has seen strong traction. New SIP Accounts saw an increase of over three times, growing from 30,422 in 16 March to 110,710 in 18 March.



Source: Company

### Managed Accounts:

The Company's subsidiary, Reliance AIF Management Company Limited, manages eight schemes of alternative investment funds across high yield credit and equity asset classes, which are privately-pooled investment vehicles registered with SEBI. Reliance AIF has over ₹ 2,000 crore commitments across various AIF schemes as on 31 March 2018. As part of the managed accounts business, the Company provides portfolio management services to high net worth individuals and institutional investors including the Employees' Provident Fund Organisation and Coal Mines Provident Fund Organisation. As of 31 March 2018, the managed accounts AUM increased to ₹ 1,67,500 crore, as compared to ₹ 1,45,100 crore in the previous year, registering a 15.4% growth.

### Offshore & Advisory:

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, Middle East, UK, US, and Europe. As of 31 March 2018, the Company had a total AUM of approximately ₹ 2,800 crore as part of its international offshore managed portfolio. The Company also acts as an Investment Advisor for India-focussed Equity and Fixed Income funds in Japan and South Korea. Further, as of 31 March 2018, the Company had a total AUM of approximately ₹ 5,870 crore. of international Advisory mandates. RNAM in collaboration with BBL Asset Management Company Ltd, an affiliated company of Bangkok Bank (BBL), the largest Thai commercial bank, have launched Bualuang Bharata Fund in Thailand for Thai high net worth and institutional investors.

## VII. OPPORTUNITIES & THREATS

### Opportunities

- Under-penetration of mutual funds in India
- Ongoing financialisation 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 282 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
- Ongoing 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

## VIII. FINANCIAL PERFORMANCE

### Consolidated Financial Performance

#### Revenue

The Company's consolidated total revenue rose to ₹ 1,814.67 crore from ₹ 1,435.91 crore in the previous year, an increase of 26%. Revenue from operations - management fees stood at ₹ 1,585.80 crore as against ₹ 1,307.50 crore in previous year and mainly comprised investment management fees (net of service tax) from asset management activities of ₹ 1,546.59 crore and portfolio management fees (including advisory fees net of service tax) of ₹ 39.15 crore as against ₹ 1,267.60 crore and ₹ 39.76 crore respectively in previous years.

Other income stood at ₹ 228.87 crore as against ₹ 128.41 crore in the previous year. Other income for the year primarily comprised profit on sale of investments of ₹ 119.77 crore and Interest income of ₹ 81.85 crore as against ₹ 50.88 crore and ₹ 70.15 crore respectively in the previous years.

#### Expenditure

Total consolidated total expenditure for the year was ₹ 1,088.92 crore as against ₹ 854.60 crore in the previous year, an increase of 27%.

Employee benefit expenses for the year were ₹ 230.11 crore against 195.68 crore in the previous year, an increase of 18%, mainly on account of increase in headcount due to operational expansion. Depreciation for the year was ₹ 33.55 crore as against ₹ 17.91 crore in the previous year, an increase of 87% mainly on account of amortisation of asset management rights for full financial year as compared with partial period last year.

Other expenses for the year were ₹ 825.26 crore as against ₹ 641.01 crore in the previous year, an increase of 29% mainly due to increase in expenses on account of "Brokerage Incentive and Others" and "Marketing Advertisement and Publicity."

The Profit after tax stood at ₹ 522.12 crore as against ₹ 401.96 crore respectively in the previous year, an increase of 30% respectively. The Company delivered Return on equity of 25% in 2018.

## 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 practised. 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.

The compliance culture is practised at each and every level within the organisation. The Company believes in complete transparency and full disclosures to its investors, stakeholders and most importantly, the Regulator.

## 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 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 place it in a strong position to deal with competition effectively.

### Market Risk

The Company has quoted and 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.

### 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 minimises the operational risk arising out of human errors and omissions. A robust system of internal controls is practised by RNAM to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of the internal controls. The Company is relentlessly focussed 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 Limited have obtained an ISO 9001:2008 certification. They are among the few companies in their respective industries to be ISO certified.

#### Information Security Risk

RNAM has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. 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.

#### Macro-economic Risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thus causing upward interest rate movements and volatility in stock markets thus affecting the saving potential of investors.

## XI. TRAINING AND INVESTOR EDUCATION

The Company has been at the forefront of spreading awareness on mutual funds through its Investor Awareness / Education Programmes. The objective of these programmes 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 programme and conducted the investor awareness programmes at these districts. A total of 99 programmes were conducted across these 19 districts covering 4,203 investors.

Also during 2017-18, the Company conducted 1,637 programmes pan India covering over 82,534 investors. The split across B-15 and T-15 cities is as below:

T-15		B-15		Total	
Conducted	Participants	Conducted	Participants	Conducted	Participants
449	22,663	1,188	59,871	1,637	82,534

## XII. INFORMATION TECHNOLOGY & DIGITAL INITIATIVES

RNAM Digital and IT have 4 pillars on which they operate. User Growth, Digital Distribution, Products and Platforms and Solutions.

RNAM brings in cutting-edge technologies and products that propel both the direct investors and Distributors' investors to consider RNAM as their priority choice to start off their advent in mutual funds.

The user growth philosophy allows for both new and existing investors to invest in RNAM products. Customer experience on the Digital Platforms drives this sentiment. The ease of transacting and ability to comprehend what to select for one self within minutes has paved the way for more and more Indians to foray into mutual funds with Reliance Nippon.

Digital Distribution is the first kind of initiative that has been taken by RNAM in partnership with reputed players like Payworld, Weconnect to name a few. This allows for the REAL BHARAT customers to avail of the best mutual fund investment products in the semi urban and rural parts of the country via a digital mode at their ease and comfort.

Platforms like Business Easy and Simply Save have been built to ensure that both distributors and customers have their financial investment with reliance at their fingertips. Our Mobile Apps are cutting edge and a primary tool that allows customers to stick around with us. Parallely tools like non PAN-based Aadhar on-boarding, smoothen the road for new users to come in the Mutual fund foray and avail of the huge scope and growth industry.

Our products are Solution-based that allows for new and existing users to plan based upon their life goals. This ranges from tax solutions for self, gold solutions for festivals or marriages, child solutions to protect and prosper one's next generation or a solid retirement solution to brighten up the golden years. These over the

counter products are digital-savvy and simple, thus attracting the right mix of the evolved and new to MF customer always.

The Company has a strong social media presence across platforms like Facebook, Twitter, Instagram and YouTube.

### 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 utilised 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 authorised, 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 1,172 people as on 31 March 2018. The average age of the workforce is 34 years.

We have a large investment team comprising 64 employees, of which 59 are investment professionals that manage our funds and provide advisory services. We also have one of the largest experience credit research team. Members of our senior investment team have an average of approximately 19 years of investment management

experience and are a valuable resource to our Company. 707 employees are involved in the sales and sales support.

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 force leading to better retention. We ensure that our internal talent is groomed for the next level. We run various development programmes that caters to key talent at various levels of the organisation. The PACE programmes is aimed at development of senior leaders, CEO club develops mid management staff and LEAP club focuses on developing junior management staff. As a result, over 70% of our leaders are homegrown, and many more are getting future-ready. For HR practices, the Company has been recognised as AON Best Employer 2018 and has also been featured in the Top 15 Best Workplaces in BFSI – 2018, India by Great Place To Work.

### XV. CORPORATE SOCIAL RESPONSIBILITY

The Reliance Group 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 and healthcare, rural and community development and environment sustainability through its CSR programme.

The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra, Madhya Pradesh, Rajasthan and Gujarat. The Company contributed of ₹ 10.25 crore in 2017-18, inter alia, through non-profit centres engaged in the provision of healthcare, education and rural development.

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

The Company partnered with 'Grow Trees' to donate money for planting trees across India. 'Make India Prosperous' campaign was initiated to educate the lower income group of the society so that they inculcate an addictive practice of investing. Also, the Company is associated with 'Goonj', an initiative programme for the underprivileged.

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 ("RNLAM" or "the Company") has used estimates and judgements 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 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", "RNLAM" 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, 7<sup>th</sup> Floor, South Wing, Off Western Express Highway, Santacruz - (East), Mumbai - 400055
4. **Website** : [www.reliancemutual.com](http://www.reliancemutual.com)
5. **E-mail id** : [rnam.investorrelation@relianceada.com](mailto:rnam.investorrelation@relianceada.com)
6. **Financial Year reported** : 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Reliance Nippon Life Asset Management Limited ("RNL" 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: RNL conducts its operations through a network of over 282 physical touch points, including owned branches as well as Regional Representative locations.
10. **Markets served by the Company**

RNL 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)** : 1585.80 crore
3. **Total profit after taxes (INR)** : 522.12 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2%
5. **List of activities in which expenditure in 4 above has been incurred: -**

The Company participated in projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra, Madhya Pradesh, Rajasthan and Gujarat.

The details of CSR activities are also available in annexure on CSR which forms part of the Annual report for FY2018.

The Company also partnered with 'Grow Trees' to donate money for planting trees across India. 'Make India Prosperous' campaign was initiated to educate the lower income group of the society so that they inculcate an addictive practice of investing. Also, the Company associated with 'Goonj', an initiative programme for the under privileged.

## SECTION C: OTHER DETAILS

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

There are 3 subsidiary companies as on March 31, 2018.

### 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

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

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

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

#### Notes:

- The core business area of 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.
- 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.
- 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**

Since the Company got listed on November 6, 2017, this is the first year for preparation of BRR Report for the Company. 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?**

No

## SECTION E - PRINCIPLE-WISE PERFORMANCE

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

- 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	381	381	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) Biometric KYC: Mandatory Know Your Customer (KYC) process is being done with biometric devices, and hence reducing usage of physical papers.
- (b) 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 RMF, and has now become an Industry practice.
- (c) Free Life Insurance along with Mutual Fund investments: RMF 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 relevant.

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

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

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 relevant.

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 relevant.

**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 1172 on rolls as on March 31, 2018.

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

There are approximately 447 employees.

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

There are 192 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 – 81%

Permanent Women Employees – 77%

Casual/Temporary/Contractual Employees - 63%

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 Ahmedabad. 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.

**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 labour, 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)

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 fee 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.

Reliance Mutual Fund 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. 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.

## 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, a division of Hindustan Thompson Associates Private Limited 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-adherence.

## BOARDROOM PRACTICES

### (a) Board Constitution

The composition of our Board is governed by the 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 rich and varied blend of experience in multiple segments including asset management, insurance, credit & alternative investments, corporate planning, banking, lending, compliance management, taxation planning & public administration within India and abroad, which immensely benefits the Company.

### (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 and Corporate Social Responsibility Committee as the Board's Sub Committees.

In addition to this, in order to enhance the internal controls and governance in Company's business, the Board has also constituted various management level committees including Investment Committee, Valuation Committee, Operating Committee, Risk Management 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 ("NRC"), 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 persons. 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 she / he participates as a Director and thereafter at the first meeting of the Board in every Financial year, furnishes the required declaration that she / he 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.reliancemutual.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. At the Board meetings, not only the Independent Directors, but the entire Board periodically interact with various key members of the operating teams in order to discuss matters concerning operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression, business plans, and such other aspects, as they may determine. The Independent

Directors and rest of the Board members have an unrestricted access to these 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 are 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 such 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 for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. All the Directors of the Company have 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 namely M/s. B S R & Co. LLP, Chartered Accountants. The term of M/s. B S R & Co. LLP is going to end at the ensuing annual general meeting of the Company. The Board has recommended the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants for being appointed as the Statutory Auditors of the Company for the consideration and approval of the Members at the ensuing annual general meeting.

### COMPLIANCE WITH THE LISTING REGULATIONS

The Company is fully compliant with the mandatory requirements stipulated under the 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
Non-executive 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:

- Mr. V. N. Kaul, who was appointed during the year as an Associate Director and the Chairman of the Board on June 07, 2017, has resigned as such, effective April 25, 2018.
- Mr. Kazuhida Toda and Mr. Takayuki Murai, who were Non-executive Non-Independent Directors during the year 2017-18, have resigned as such, effective April 25, 2018.
- 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.
- None of the Directors has 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 placed before the Board.

### 2. Conduct of Board proceedings

The day-to-day business is conducted by the executives and the business heads of the Company under the general supervision & directions of the Board. While the statutory requirement 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 in a 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 11 (eleven) meetings during the financial year 2017-18 i.e. on April 22, 2017, June 07, 2017, June 28, 2017, July 20, 2017, August 08, 2017 (2 Meetings), October 24, 2017, November 13, 2017, December 19, 2017, January 16, 2018 and March 13, 2018. The maximum time gap between any two meetings during the year under review was 56 days

and the minimum gap was less than a day. It may therefore be seen that the Company holds many more meetings than the number of meetings which are statutorily required to be held during a year.

#### 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, 2013, and as approved by the Central Government.

#### 5. Attendance of Directors

Attendance of the Directors at the Board meetings held during the financial year 2017-18 and the last Annual General Meeting (AGM) held on June 28, 2017 have been very overwhelming. The details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), Committee Chairmanships and Committee Memberships held by the Directors as on March 31, 2018 are as under:

Name of Director	Number of Board meetings attended	Attendance at the Last AGM held on June 28, 2017	Number of directorships (including the Company)	Committee(s) Chairmanship / Membership (including RNAM)	
				Membership	Chairmanship
Mr. V. N. Kaul#*	10		2	4	2
Mr. Kanu H. Doshi	11	Present	3	5	4
Mr. Takayuki Murai*	11	Present	1	2	0
Mr. Kazuhide Toda*	11		5	9	0
Mr. Sushil Chandra Tripathi	9		8	8	1
Ms. Ameeta Chatterjee	7		10	11	4
General Ved Prakash Malik (Retd.)	11		4	12	2
Mr. Sundeep Sikka	10		7	8	0

# During the year, Mr. V. N. Kaul and Mr. Takayuki Murai were appointed as Associate Directors.

\* Mr. V. N. Kaul, Mr. Takayuki Murai and Mr. Kazuhide Toda ceased to be the Directors of the Company on April 25, 2018.

#### Notes:

- 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, 2013.
- 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.
- 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.
- 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.
- The Committee membership and chairmanship, as above, excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- Membership of committees includes chairmanship, if any.

#### 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. One such meeting of the Independent Directors was held during the year on March 13, 2018.

## 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. Minoru Kimura is Bachelor of Laws from Kyoto University, Japan.

As on March 31, 2018, Mr. Minoru 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. Akira Shibata is Bachelor of Laws from University of Tokyo and MBA from A.B. Freeman School of Business, Tulane University.

As on March 31, 2018, Mr. Akira 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 (ICAI) 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, 2018, Mr. Kanu H. 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, 2018, General Ved Prakash Malik (Retd.) does not hold any share in the Company.

**Mr. S. C. Tripathi** (Non-executive Independent Director) has experience 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., National Aluminium Co. and UP Industrial and Investment Co. 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, 2018, Mr. S. C. 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 infrastructure sector. She started her career with ICICI in 1995, then, she moved to KPMG to set up their Corporate Finance team (Infrastructure). During 8 years with KPMG, she gained experience across various sectors including health, education, Public Private Partnerships etc. In 2010, she became GM (Investments & Acquisitions) at Leighton India Contractors Pvt. Ltd., where she worked on JV projects & oversaw finance, tax & secretarial. Since September 2011, she works as an independent consultant advising on strategic growth, India entry strategy etc. She is also a columnist writing on working women issues. She also supports the cause of children's healthcare through Ekam Foundation.

As on March 31, 2018, Ms. Ameeta 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 following committees, as well as being the speaker for various domestic and international conferences:

- 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 above, 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, 2018, Mr. Sundeep Sikka held 70,000 equity shares in the Company.

**Mr. Jai Anmol Ambani** 26 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 and CSR Committee of the Company.

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.

He does not hold any share in the Company as of March 31, 2018.

Mr. V. N. Kaul, Mr. Kazuhide Toda and Mr. Takayuki Murai, who were the Directors of the Company as on March 31, 2018, resigned as such effective April 25, 2018. None of them held any equity shares of the Company as on March 31, 2018.

## 8. Insurance coverage

The Company has obtained a suitable Directors' and Officers' liability insurance cover in respect of any legal action or claim that might be brought about against directors / officers of the Company and those of its subsidiary companies.

## II. AUDIT COMMITTEE

In terms of Section 177 of the Companies Act, 2013 and the Listing Regulations, the Company has an Audit Committee. 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 the members. All the members of the Committee have suitable knowledge and expertise in the areas of finance, accounting & auditing.

Mr. V. N. Kaul and Mr. Takayuki Murai, who were earlier the Directors of the Company and were also acting as members of the Audit Committee have ceased to remain so effective April 25, 2018, i.e. the date wherefrom they resigned from the directorship of the Company.

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, 2013 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, 2013;

- (ii) changes, if any, in accounting policies and practices and reasons for the same;
- (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
- (iv) significant adjustments made in the financial statements arising out of audit findings;
- (v) compliance with listing and other legal requirements relating to financial statements;
- (vi) disclosure of any related party transactions; and
- (vii) modified opinion(s) in the draft audit report;
- (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 SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (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; and
- (u) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

### Attendance at the meetings of the Audit Committee held during 2017-18

During the year, the Audit Committee held its meetings on April 22, 2017, June 28, 2017, July 20, 2017, August 08, 2017, October 24, 2017, November 13, 2017, January 16, 2018 and March 13, 2018. The maximum and minimum time gap between any two meetings, during the year under review was 77 days and 19 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	8	8
Mr. S. C. Tripathi	8	7
General Ved Prakash Malik (Retd.)	8	8
Ms. Ameeta Chatterjee	8	4
Mr. V. N. Kaul*	7	7
Mr. Takayuki Murai**	7	7

\*appointed as member on June 07, 2017 and ceased to be member on April 25, 2018.

\*\*appointed as member on April 22, 2017 and ceased to be member on April 25, 2018.

#### Notes:-

- The Chairman of the Audit Committee was present at the last Annual General Meeting 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 were 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, 2013 and SEBI Listing Regulations, the Company has a Nomination and Remuneration Committee comprising 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 Director's Report.

Pursuant to the provisions of the Companies Act, 2013, 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 carry out evaluation of every director's performance (including that of independent directors);
- (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) 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.
- (vi) 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.
- (vii) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
  - (c) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

### Attendance at the meetings of the Nomination & Remuneration Committee held during 2017-18

The Nomination & Remuneration Committee held its meetings on April 22, 2017, June 07, 2017, July 20, 2017, August 08, 2017, and March 13, 2018. The maximum and minimum time gap between any two meetings, during the year under review was 216 days and 18 days, 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	5	5
Mr. S. C. Tripathi	5	4
General Ved Prakash Malik (Retd.)	5	5
Ms. Ameeta Chatterjee	5	4
Mr. V. N. Kaul*	3	3
Mr. Kazuhide Toda**	5	5

\*Appointed as member on June 07, 2017 and ceased to be as such on April 25, 2018

\*\*Ceased to be member on April 25, 2018

### Criteria for making payments to non-executive directors

The sitting fees to the non-executive directors is benchmarked with the relevant market, comparative scales and aligned to Corporate goals, role assumed and number of meetings attended.

Details of the sitting fees paid to the Non-Executive Directors during the Financial Year ended March 31, 2018 is as follows:

Directors	Sitting Fees (In ₹)
Mr. V. N. Kaul	8,60,000
Mr. Kanu H. Doshi	13,30,000
Mr. Takayuki Murai	8,10,000
Mr. Kazuhide Toda	7,20,000
Mr. S. C. Tripathi	8,50,000
Ms. Ameeta Chatterjee	7,70,000
General Ved Prakash Malik (Retd.)	10,00,000

#### Notes:

- a. There were no other pecuniary relationships or transactions of Non-Executive Director vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its Non-Executive Directors.

- c. Pursuant to the limits approved by the Board, all Non-Executive Directors, 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.
- d. There was no amount paid as commission to the Directors for the financial year 2017-18.

#### 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 had 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, 2013 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the requirements stipulated under Regulation 12 of 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 a postal ballot.

#### IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has constituted a Stakeholders Relationship Committee to resolve the grievances of all the stakeholders of the Company and to perform all other work as per its terms of reference. The Committee has been constituted by the Board of Directors of the Company on August 08, 2017.

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.

Mr. Kazuhide Toda, who was also a member of this Committee, ceased to remain as such, after he resigned from the directorship of the Company effective April 25, 2018.

#### Attendance at the meeting of the Stakeholders Relationship Committee held during 2017 - 18.

Post listing of the equity shares of the Company, the first meeting of the Stakeholders Relationship Committee was held on March 13, 2018 and following members were present in that meeting:

Members	Number of Meetings held during the tenure	Attended
Ms. Ameeta Chatterjee	1	—
Mr. Kanu H. Doshi	1	1
Mr. Kazuhide Toda*	1	1
Mr. Sundeep Sikka	1	1

\*Ceased to be member with effect from April 25, 2018

#### V. COMPLIANCE OFFICER

Mr. Deepak Mukhija, Company Secretary of the Company has been designated as the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including SEBI Listing Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

#### VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013, 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.

Mr. V. N. Kaul, Mr. Kazuhide Toda and Mr. Takayuki Murai, who were the members of this CSR Committee during the year, ceased to remain as such after they resigned from the directorship of the Company effective April 25, 2018.

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, 2013.

#### Attendance at the meeting of the CSR Committee held during 2017-18.

The CSR Committee held its meetings on October 24, 2017 and March 13, 2018. The time gap between two meetings during the year under review was 140 days and following is the summary of attendance in the meetings of CSR Committee:

Members	Number of Meetings held during the tenure	Attended
Mr. V. N. Kaul*	2	2
Mr. Kanu H. Doshi	2	2
Mr. S. C. Tripathi	2	2
Gen. Ved Prakash Malik (Retd.)	2	2
Mr. Kazuhide Toda*	2	2
Mr. Takayuki Murai*	2	2
Mr. Sundeep Sikka	2	2
Ms. Ameeta Chatterjee	2	–

\*Mr. V. N. Kaul, Mr. Kazuhide Toda and Mr. Takayuki Murai have ceased to be the Directors of the Company effective from April 25, 2018 thereby, ceased to be the members of CSR Committee.

## VII. RISK MANAGEMENT COMMITTEE

In accordance with the provisions of the Listing Regulations, the Company is not required to constitute a Risk Management Committee at the Board level. However, the Company does have 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 Annual General Meetings as under:

Financial Year	Date and Time	Whether any Special Resolution Passed or not
2017-18 AGM	June 28, 2017 09:30 A. M.	Yes
2016-17 AGM	June 27, 2016 09:30 A. M.	No
2015-16 AGM	June 29, 2015 02:00 P. M.	Yes

The above Annual General Meetings were held at the Registered Offices of the Company.

During the year under review, three EGMs were held by the Company on July 13, 2017, July 20, 2017 and August 08, 2017.

## 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):

- (a) To ratify 'Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2017'

- (b) 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
- (c) To amend the Articles of Association
- (d) To approval and ratify Article 166 and 167 of the Articles of Association of the Company

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.

## X. MEANS OF COMMUNICATION

- (a) **Quarterly Results:** Quarterly results are published in The Financial Express, (English) newspaper circulating in substantially the whole of India and in Navshakti, (Marathi) vernacular newspaper and are also posted on the Company's website: [www.reliancecapital.com](http://www.reliancecapital.com)
- (b) **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- (c) **Website:** The Company's website contains a separate dedicated section, identifiable as '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.
- (d) **Annual Report:** The Annual Report containing, *inter-alia*, Notice of the Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report and Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company emails the soft copies of this Annual Report to all those members whose e-mail IDs

are available with its Registrar and Transfer Agent or Depositories.

- (e) NSE Electronic Application Processing System (NEAPS): NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement(s), media release, results, etc. are filed electronically on NEAPS.
- (f) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release(s), results, etc. are filed electronically on the Listing Centre.
- (g) Designated e-mail id: The Company also has a designated e-mail id [rn.am.investorrelation@relianceada.com](mailto: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, 2018, 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.

- d. Review of Risk Management process is conducted by the Audit Committee.

## 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 2017-18, 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. 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](http://www.reliancecmutual.com). The Board members and senior management have affirmed their compliance with the code and a declaration

signed by the Executive Director 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 2017- 18."

g. 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 required under Regulation 17(8) of the Listing Regulations.

h. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2018 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 under the Code 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 Code, *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 at April 1, 2017	-	-
Number of shareholders who approached listed entity for transfer of shares from suspense account during November 02, 2017* to March 31, 2018	2	118
Number of shareholders to whom shares were transferred from suspense account during the November 02, 2017* to March 31, 2018	2	118
Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2018	1	59

\*November 02, 2017 being the allotment date for IPO, disclosure is made from that date.

The voting rights on the shares outstanding in the "Reliance Nippon Life Asset Management Limited – Unclaimed Suspense Account" as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

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 year 2017-18.

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"> <li>Composition &amp; Meetings</li> <li>Review of compliance reports &amp; compliance certificate</li> <li>Plans for orderly succession for appointments</li> <li>Code of Conduct</li> <li>Fees / compensation to Non-Executive Directors</li> <li>Minimum information to be placed before the Board</li> <li>Risk assessment and management</li> <li>Performance evaluation</li> </ul>
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>Composition &amp; Meetings</li> <li>Powers of the Committee</li> <li>Role of the Committee and review of information by the Committee</li> </ul>
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Role of the Committee</li> </ul>
4.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Role of the Committee</li> </ul>
5.	Risk Management Committee	21	Not Applicable	–
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>Review of Vigil Mechanism for Directors and employees</li> <li>Direct access to Chairperson of Audit Committee</li> </ul>
7.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>Approval including omnibus approval of Audit Committee</li> <li>Review of Related Party Transactions</li> <li>No material Related Party Transactions</li> </ul>
8.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> <li>Appointment of Company's Independent Director on the Board of material subsidiary</li> <li>Review of financial statements of subsidiary by the Audit Committee</li> <li>Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors</li> <li>Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors</li> </ul>

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
9.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>Maximum directorships and tenure</li> <li>Meetings of Independent Directors</li> <li>Cessation and appointment of Independent Directors</li> <li>Familiarisation of Independent Directors</li> </ul>
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> <li>Memberships / Chairmanships in Committees</li> <li>Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>Disclosure of shareholding by Non-Executive Directors</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> <li>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</li> </ul>
11.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements</li> <li>Filing of quarterly compliance report on Corporate Governance</li> </ul>
12.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>Terms and conditions for appointment of Independent Directors</li> <li>Composition of various Committees of the Board of Directors</li> <li>Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>Policy on dealing with Related Party Transactions</li> <li>Policy for determining material subsidiaries</li> <li>Details of familiarization programmes imparted to Independent Directors</li> </ul>

# Independent Auditor's Certificate on Corporate Governance

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

25 April 2018

Dear Sirs

## Independent Auditor's Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Reliance Nippon Life Asset Management Limited ('the Company') for the year 1 April 2017 to 31 March 2018, as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'Listing regulations').

## Management's responsibility

The Company's management takes full responsibility for complying with the conditions of corporate governance as stipulated in the Listing regulations mentioned above. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the Listing regulations.

## Auditor's responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

## Auditor's responsibility (Continued)

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.

## Opinion

In our opinion and to the best of our information and according to explanations given to us, the Company has complied in all material respects, with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing regulations.

We further state that such compliance 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.

## Restrictions on use

This certificate is issued solely for the purpose of enabling it to comply with its obligations under the aforesaid Listing regulations and should not be used for any other purpose.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/ W-100022

**Milind Ranade**  
Partner  
Membership No: 100564  
Mumbai

# Investor Information

## IMPORTANT POINTS

**Hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.**

**As per notification issued by SEBI, with effect from December 5, 2018, the shares of the Company can be transferred only in dematerialised form. Members are advised to dematerialise shares in the Company to facilitate transfer of shares.**

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](http://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. Prescribed form for registration may please be downloaded from the Company's website.

## 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 23<sup>rd</sup> Annual General Meeting (AGM) will be held on Tuesday, September 18, 2018 at 3:30 P.M. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

## E-voting

The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018.

## 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](http://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. [rnainvestorrelation@relianceada.com](mailto:rnainvestorrelation@relianceada.com) for investors.

## Registrar and Transfer Agent (RTA)

Karvy Computershare 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 : [rnainvestor@karvy.com](mailto:rnainvestor@karvy.com) Website: [www.karvy.com](http://www.karvy.com)

## Dividend announcements

During the year the Company had declared and paid an interim dividend of Rs. 5/- per equity share. The Board of Directors of the Company has also recommended a final Dividend of Rs. 1.00 (10 per cent) per equity share of the Company for the financial year ended March 31, 2018, subject to the declaration by shareholders at the ensuing AGM. The dividend, if declared, will be paid after the Meeting.

## Book closure dates for the purpose of dividend and AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of AGM as well as to determine the entitlement of shareholders to receive the Dividend, if any, for the year ended March 31, 2018.

## Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2018, when declared at the AGM will be paid to:

- (i) all those equity shareholders whose names appear in the Register of Members as on September 14, 2018; and
- (ii) those whose names as beneficial owners as on September 14, 2018 are furnished by the NSDL and CDSL for the purpose.

## Modes of payment of dividend

The dividend is paid under two modes viz.

- Electronic Payment via
  - NACH (National Automated Clearing House)
  - NEFT (National Electronic Funds Transfer)

- RTGS (Real Time Gross Settlement)
- Direct Credit
- Dispatch of physical dividend warrant / Demand Drafts

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

During the year under review, the Company had declared and paid an interim dividend of ₹ 5/- per equity share. The status of the Unclaimed Dividend (Interim Dividend) as on 31-03-2018 is as follows:

Records	Amount ₹
1,341	4,26,445

#### Share transfer system

Shareholders / investors are requested to send share certificate(s) along with share transfer deed in the prescribed Form SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA. **However, 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 with effect from December 5, 2018.**

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferor(s) and transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

#### Shareholding Pattern

Category of shareholders	As on March 31, 2018	
	Number of Shares	%
(A) Shareholding of promoter and promoter group		
(i) Indian	262395000	42.88
(ii) Foreign	262395000	42.88
<b>Total shareholding of promoter and promoter group</b>	<b>524790000</b>	<b>85.76</b>
(B) Public shareholding		
(i) Institutions	64326085	10.51
(ii) Non-institutions	22883915	3.73
<b>Total public shareholding</b>	<b>87210000</b>	<b>14.24</b>
(C) Shares held by custodians and against which depository receipts have been issued	-	-
(D) ESOS Trust	-	-
<b>Grand Total (A)+(B)+(C)+(D)</b>	<b>612000000</b>	<b>100.00</b>

#### Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2018		Total Number of shares as on 31.03.2018	
	Number	%	Number	%
Upto 500	81585	98.44	5103152	0.83
501 to 5000	1048	1.27	1564605	0.25
5001 to 10000	87	0.10	642886	0.11
Above 10000	158	0.19	604689357	98.81
<b>Total</b>	<b>82878</b>	<b>100.00</b>	<b>612000000</b>	<b>100.00</b>

### Status of dematerialisation of shares

As on March 31, 2018, 99.99 per cent of the Company's shares are held in Dematerialised form.

### Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2017-2018	2016-2017	2017-2018	2016-2017	31.03.2018	31.03.2017
SEBI	9	-	9	-	Nil	Nil
Stock Exchanges	-	-	-	-	Nil	Nil
NSDL/CDSL	-	-	-	-	Nil	Nil
Direct from investors	372	-	372	-	Nil	Nil
<b>Total</b>	<b>381</b>	<b>0</b>	<b>381</b>	<b>0</b>	<b>Nil</b>	<b>Nil</b>

### Analysis of Grievances

	2017 – 2018		2016 – 2017	
	Numbers	%	Numbers	%
Non-receipt of dividend	-	-	-	-
Non-receipt of share certificates	-	-	-	-
Others	381	100.00	-	-
<b>Total</b>	<b>381</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

There were no complaints pending as on March 31, 2018.

### Notes:

1. The shareholder base was 82,448 (consolidated as per PAN) as of March 31, 2018.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

### Legal Proceedings

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

### Equity History

Sr. No.	Date of allotment	Reason/ Nature of allotment	Face value per Equity Share (₹)	Number of Equity Shares	Cumulative number of Equity Shares
1	March 10, 1995	Subscription to the MoA	10	700	700
2	May 31, 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	100,00,000
5	December 21, 2007	Preferential Allotment	10	200,000	102,00,000
6	January 8, 2008	Preferential Allotment	10	510,000	107,10,000
7	March 30, 2011	Preferential Allotment	10	50,000	107,60,000
8	May 9, 2012	Allotment pursuant to bonus issuance	10	760,000	1,15,20,000
9	August 11, 2017	Allotment pursuant to bonus issuance	10	576,000,000	58,75,20,000
10	November 02, 2017	Allotment pursuant to the initial public offering	10	2,44,80,000	61,20,00,000

## Stock Price and Volume

2017 – 18	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
November, 2017	298.70	237.25	97,66,078	299.00	237.50	6,84,82,32
December, 2017	302.35	248.25	13,86,264	304.90	248.00	1,73,66,857
January, 2018	334.45	282.00	16,92,260	335.00	281.35	1,16,20,134
February, 2018	289.55	252.40	13,94,499	289.85	251.50	43,76,207
March, 2018	274.20	241.40	2,56,670	276.50	240.45	40,23,572

## Stock exchange listings

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

## Listing on stock exchange

### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

Website: [www.bseindia.com](http://www.bseindia.com)

### National Stock Exchange of India Limited

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

Website: [www.nseindia.com](http://www.nseindia.com)

## Stock codes

BSE Limited	:	540767
National Stock Exchange of India Limited	:	RNAM
ISIN for equity shares	:	INE 298J01013

## Payment of listing fees

Annual listing fee for the year 2018-19 has been paid by the Company to the stock exchanges

## Key financial reporting dates for the financial year 2018-19

Unaudited results for the first quarter ended June 30, 2018	:	On or before August 14, 2018
Unaudited results for the second quarter / half year ended September 30, 2018	:	On or before November 14, 2018
Unaudited results for the third quarter ended December 31, 2018	:	On or before February 14, 2019
Audited results for the financial year 2018-19	:	On or before May 30, 2019

## 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](http://www.nsdl.co.in) or Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 website: [www.cdslindia.com](http://www.cdslindia.com).

## Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter except last quarter during the year under review. The last quarter financial results of the Company were announced within 60 days of the end of the year. The Company's media releases and details of significant developments are made available on Company's website: [www.reliancemutual.com](http://www.reliancemutual.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 share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare 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.: +91 22 3303 1000  
Fax: +91 22 3303 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.: +91 22 3303 1000 Fax: +91 22 3303 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 April 25, 2018, has adopted this Dividend Policy (the "Policy") in accordance with the Companies Act, 2013, (the "Act") and regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

## 2. OBJECTIVE

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

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

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

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

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

## 4. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013. The board may also declare interim dividends as may be permitted by

the Companies Act, 2013. The company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

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

### 4.1 External Factors:

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

### 4.2 Internal Factors:

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

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

## 5. UTILIZATION OF RETAINED EARNINGS

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

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

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

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

## **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**

*(Formerly known as Reliance Capital Asset Management Limited)*

## Report on the financial statements

We have audited the accompanying standalone financial statements of Reliance Nippon Life Asset Management Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

## Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control over financial reporting relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to 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 the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31 March 2018, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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 A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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, and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, 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 litigation on its financial position in financial statement – refer note 3.23 to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 3.23 to the financial statements;
- iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
April 25, 2018

**Milind Ranade**  
Partner  
Membership No: 100564

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – MARCH 31, 2018

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties. Accordingly paragraph 3 (i) (c) of the Order is not applicable.
- ii. The Company is a service company primarily rendering asset management services, portfolio management services and advisory services. Accordingly, it does not hold any inventories. Thus paragraph 3 (ii) of the Order is not applicable.
- iii. According to the information and explanation 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 Act. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security under section 185 of the Act, to any of its directors or to any person in whom the director is interested. The Company has complied with the provisions of section 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or provided any security under Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Act and rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section 1 of section 148 of the Act, for any of the services rendered by the Company. Accordingly paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the Books of Account, amounts deducted/ accrued in the Books of Account in respect of undisputed statutory dues including provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, employees' state insurance, duty of customs, duty of excise and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues which have not been deposited by the Company on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, bank, Government or debenture holders. Thus, paragraph 3 (viii) of the Order is not applicable.
- ix. The Company has raised money by way of Initial Public Offering (IPO) during the year. In our opinion, and according to the information given to us, the money raised by way of IPO has been applied for the purposes for which it was raised (Refer note no. 3.36 to the standalone financial statements). There is also unutilized IPO money as at the year end and the same has been kept in the current account and fixed deposit with the scheduled commercial banks. The Company has not raised any money by the way of further public offer (including debt instruments) and term loans. Accordingly, the provision of clause 3 (ix) of the Order are not applicable with respect to further public offer (including debt instruments) and term loans.
- x. According to the information and explanations given to us, no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi

Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanation given to us, the

Company has not entered into non-cash transactions with directors or person connected with him. Thus, paragraph 3 (xv) of the Order is not applicable.

- xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3 (xvi) of the Order is not applicable.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
April 25, 2018

**Milind Ranade**  
Partner  
Membership No: 100564

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – MARCH 31, 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Reliance Nippon Life Asset Management Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (the 'Act').

### 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 and the Standards on Auditing issued by the ICAI and specified under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including

the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 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**

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 31 March 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Milind Ranade**

*Partner*

Membership No: 100564

Mumbai

April 25, 2018

# Balance Sheet

as at March 31, 2018

₹ in Crores

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	612.00	41.52
Reserves and surplus	3.2	1,633.49	1,808.83
		2,245.49	1,850.35
<b>Non current liabilities</b>			
Long - term provisions	3.3	14.91	11.21
Deferred tax liability (net)	3.4	0.39	-
		15.30	11.21
<b>Current liabilities</b>			
Trade payables			
Outstanding dues of Micro, Small and Medium Enterprises	3.5	-	-
Outstanding dues of creditors other than Micro, Small and Medium Enterprises	3.5	94.77	103.17
Other current liabilities	3.6	127.49	45.45
Short - term provisions	3.7	14.44	9.68
		236.70	158.30
<b>Total</b>		<b>2,497.49</b>	<b>2,019.86</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Property, plant and equipment	3.8	12.18	8.48
Intangible assets	3.8	220.19	242.45
Non - current investments	3.9A	808.27	636.65
Deferred tax assets (net)	3.10	-	7.59
Long - term loans and advances	3.11	111.51	136.89
Other non - current assets	3.12	0.30	7.29
		1,152.45	1,039.35
<b>Current assets</b>			
Current investments	3.9B	85.05	337.11
Trade receivables	3.13	37.30	40.65
Cash and bank balances	3.14	557.34	4.74
Short - term loans and advances	3.15	632.50	571.00
Other current assets	3.16	32.85	27.01
		1,345.04	980.51
<b>Total</b>		<b>2,497.49</b>	<b>2,019.86</b>
Significant accounting policies and notes to the accounts	2 and 3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Kanu Doshi**  
Director  
DIN No. 00577409

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Deepak Mukhija**  
Company Secretary

Mumbai, 25 April 2018

# Statement of Profit and Loss

for the year ended March 31, 2018

		₹ in Crores	
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	3.17	1,531.98	1,269.63
Other income	3.18	214.01	130.81
<b>Total revenue</b>		<b>1,745.99</b>	<b>1,400.44</b>
<b>EXPENDITURE</b>			
Employee benefits expense	3.19	214.77	181.56
Depreciation and amortization expense	3.8		
Amortization of asset management rights		25.01	10.14
Other depreciation and amortization		8.45	7.71
Other expenses	3.22	791.11	618.92
<b>Total expenditure</b>		<b>1,039.34</b>	<b>818.33</b>
<b>Profit before tax</b>		<b>706.65</b>	<b>582.11</b>
<b>Income tax expense</b>			
Current tax		193.82	172.71
Deferred tax	3.25	7.98	4.62
<b>Profit after tax</b>		<b>504.85</b>	<b>404.78</b>
<b>Earnings per share of face value of Rs 10 each</b>			
<b>Basic (in Rs.)</b>		<b>8.45</b>	<b>6.90</b>
<b>Diluted (in Rs.)</b>		<b>8.44</b>	<b>6.90</b>
Significant accounting policies and notes to the accounts	2 and 3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Prateek Jain**  
Chief Financial Officer

**Deepak Mukhija**  
Company Secretary

**Kanu Doshi**  
Director  
DIN No. 00577409

**Ajay Patel**  
Manager

Mumbai, 25 April 2018

# Cash flow statement

for the year ended March 31, 2018

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per statement of profit and loss for the year	<b>706.65</b>	<b>582.11</b>
Adjusted for :		
Depreciation	33.46	17.85
Dividend income	(16.46)	(6.34)
Interest income	(80.50)	(69.86)
Amortisation of discount / premium on investments	(0.65)	(0.78)
(Profit) on sale of investment (net)	(114.45)	(53.36)
Net loss on foreign currency transactions & translations	(0.00)	0.07
(Profit) on sale of fixed assets	(0.02)	(0.03)
<b>Operating profit before working capital changes</b>	<b>528.03</b>	<b>469.66</b>
(Increase ) / Decrease in long term loans and advances	(20.93)	163.52
Decrease in trade receivable	3.34	6.35
(Increase ) / Decrease in short term loans and advances	(12.91)	38.73
(Increase) in other current assets	(2.78)	(0.61)
Increase in long term provisions	3.70	3.77
Increase in short term provisions	4.77	6.36
(Decrease) / Increase in trade payables	(8.39)	44.24
Increase / (Decrease) in other current liabilities	82.04	236.63
<b>Cash generated from operations</b>	<b>576.87</b>	<b>706.29</b>
Taxes paid	(185.30)	(149.37)
<b>Net cash generated from operating activities</b>	<b>391.57</b>	<b>556.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(14.92)	(257.11)
Sale of fixed assets	0.01	0.06
Inter corporate deposit received	36.76	55.30
Inter corporate deposit given	(47.26)	(157.00)
Fixed deposits placed with banks	(1,040.51)	-
Repayment of fixed deposits with banks	553.11	0.46
Purchase of investments	(2,336.82)	(1,844.99)
Investment in subsidiaries	-	(9.72)
Sale of investments	2,532.16	1,860.79
Interest received	75.55	52.13
Dividend received	18.27	6.34
<b>Net cash used in investing activities</b>	<b>(223.65)</b>	<b>(293.74)</b>

# Cash flow statement

for the year ended March 31, 2018

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of preference share capital	(30.00)	-
Issue of equity share capital	616.90	-
Share issue expenses	(28.04)	-
Interim dividend paid including dividend distribution tax	(368.29)	-
Dividend paid including dividend distribution tax	(300.28)	(300.27)
<b>Net cash used in financing activities</b>	<b>(109.71)</b>	<b>(300.27)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>58.21</b>	<b>(37.09)</b>
Opening balance of cash and cash equivalents	4.74	41.83
Closing balance of cash and cash equivalents	62.95	4.74
<b>Cash and cash equivalents comprising of :</b>		
Balance with banks in current accounts	21.95	4.74
Fixed deposits with original maturity of less than 3 months	41.00	-
Effect of exchange differences on balances with banks in foreign currency	0.00	(0.00)
<b>Total</b>	<b>62.95</b>	<b>4.74</b>

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Kanu Doshi**  
Director  
DIN No. 00577409

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Deepak Mukhija**  
Company Secretary

Mumbai, 25 April 2018

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Currency : Indian Rupees)

## 1. BACKGROUND

Reliance Nippon Life Asset Management Limited ('the Company') was incorporated on 24 February 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 Company manages the investment portfolio of the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated 12 August 1997.

During the year ended 31 March 2018, the Company completed the Initial Public Offering (IPO) through an offer for sale and fresh issue of equity shares. The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on 6 November 2017.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards under section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rule 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees rounded to the nearest crore except otherwise stated. The accounting policies set out below have been applied consistently to the years prescribed in the financial statements except otherwise disclosed separately.

### 2.2 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing

the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.3 Operating Cycle

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 2.4 Fixed assets and depreciation/amortisation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets.

Depreciation on fixed assets is provided on straight line basis at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 which are mentioned as under :

Asset Class	Useful Life (years)
Office Equipments	5
Furniture and fixtures	10
Vehicles	8
IT Equipments - computers & printers	3

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

Intangible assets comprising of software purchased / developed and licensing costs are amortised over the useful life of the software up to a maximum of three years commencing from the date on which such software is first utilised.

Goodwill is amortised over estimated useful life or five years, whichever is lower.

Acquisition of rights to manage and administer the schemes of Goldman Sachs Mutual Fund has been amortised equally over a period of 10 years.

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.

## 2.5 Impairment of assets

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 Investments

Purchase and sale of investments are recorded on trade date.

Investments are classified as long term or current based on intention of the management at the time of purchase. Investments that are intended to be held for not more than 1 year from the date on which such investments are made, are classified as current. All other investments are classified as long term investments.

Long-term investments are stated at cost of acquisition. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

Current investments are valued at the lower of cost and fair value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

## 2.7 Cash and cash equivalent

Cash and cash equivalent represent cash in hand, balance with scheduled banks and current account and short term deposits with bank with original maturity of three months or less.

## 2.8 Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

### Revenue From Operation:

#### 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.

#### Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

#### 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.

#### Other Income:

The gains/ losses on sale of investments are recognised in the statement of profit and loss on the trade day. Profit or loss on sale of investments is determined on weighted average cost basis.

Interest income is accounted on a time proportion basis.

Dividend income is recognised when the right to receive dividend is established.

## 2.9 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

## 2.10 Employee Benefits

### Provident Fund

The Company expenses its contribution to the statutory provident fund, a defined contribution scheme, made at 12% of the basic salary of each employee.

### Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the

Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the Company are annually funded with the Reliance Life Insurance Company Limited and Birla Sun Life Insurance Company Limited respectively.

#### Leave Encashment

Leave Encashment which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

#### Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

#### 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 formulae linked to fair market value of shares upon exercise of phantom stock options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.

#### Employee Stock option plan ("ESOP")

The employees of the Company and its subsidiaries are

entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOP plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation expense on the basis of estimated number of stock options expected to vest.

#### 2.11 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 duration or clawback period of the scheme for close ended and open ended schemes respectively.

#### 2.12 Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under brokerage, incentives, marketing, advertisement and publicity 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 duration or clawback period of the scheme for close ended and open ended schemes respectively.

#### 2.13 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognised as an expense on straight line basis over the lease period.

#### 2.14 Income Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

#### Current tax

Provision for current tax is recognised on an annual basis under the taxes payable method, based on estimated tax

liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

#### **Deferred tax**

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

#### **2.15 Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

#### **2.16 Contingencies and provisions**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

### 3.1 SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>AUTHORISED</b>		
Equity shares, Rs.10 par value		
100,00,00,000 (1,20,00,000) equity shares	1,000.00	12.00
Preference shares, Rs.100 par value		
30,00,000 (30,00,000) preference shares	30.00	30.00
	<b>1,030.00</b>	<b>42.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
<b>Equity Shares, Rs.10 par value</b>		
61,20,00,000 (1,15,20,000 shares) equity shares fully paid up	612.00	11.52
<b>Preference shares, Rs.100 par value</b>		
30,00,000 (30,00,000 shares) 6% Non-Cumulative Redeemable Preference shares of Rs.100 each	-	30.00
	-	30.00
<b>Total Share Capital</b>	<b>612.00</b>	<b>41.52</b>

I. The details of equity shareholders holding more than 5% of equity share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Reliance Capital Limited	26,23,95,000	42.88*	58,75,200	51.00
Nippon Life Insurance Company	26,23,95,000	42.88*	51,34,800	44.57

\* Refer note 3.28 and 3.35

II. The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares at the beginning	1,15,20,000	11.52	1,15,20,000	11.52
Add : Bonus shares issued during the year (Refer Note 3.28)	57,60,00,000	576.00	-	-
Add : Fresh Issue (Refer note 3.35)	2,44,80,000	24.48	-	-
Equity shares at the end	61,20,00,000	612.00	1,15,20,000	11.52

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Preference shares at the beginning	30,00,000	30.00	30,00,000	30.00
Add : Movement during the year	(30,00,000)	(30.00)	-	-
Preference shares at the end	-	-	30,00,000	30.00

III. The details of preference shareholders holding more than 5% of preference share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Reliance Television Private Limited	-	-	30,00,000	100.00

**Terms / rights attached to equity shares :**

The Company has one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**IV. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

During the year ended March 31, 2015, the Company had issued 3,000,000 6% Non-Convertible Non-Cumulative Redeemable Preference shares of Rs.100 each amounting to Rs. 30 Crore for consideration other than cash. On 18 July 2017, the Company has redeemed the same out of free reserves.

## 3.2 RESERVES AND SURPLUS

Particulars	₹ in Crores	
	As at March 31, 2018	As at March 31, 2017
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	0.44	0.44
Add: Amount transferred for redemption of Preference shares	30.00	-
	30.44	0.44
Less: Amount transferred for issue of bonus shares (Refer note: 3.28)	30.44	-
Balance at the end of the year	-	0.44
<b>Securities Premium Account</b>		
Balance at the beginning of the year	555.29	555.29
Add: Fresh issue of equity shares (Refer note: 3.35)	592.41	-
Less: Amount utilised for issue of bonus shares (Refer note: 3.28)	545.56	-
Less: Amount utilised towards expenses for Initial public offer (Refer note: 3.37)	28.04	-
Balance at the end of the year	574.10	555.29
<b>General Reserve</b>		
Balance at the beginning of the year	126.50	126.50
Less: Amount utilised towards redemption of Preference shares	30.00	-
Balance at the end of the year	96.50	126.50
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	1,126.60	721.82
Add: Profit after tax for the year	504.85	404.78
<b>Profit available for appropriations</b>	1,631.45	1,126.60
Interim dividend paid on equity shares (Refer Note 3.38)	(306.00)	-
Dividend paid on equity shares	(247.68)	-
Dividend paid on preference share	(1.80)	-
Tax on Interim dividend (Refer Note 3.38)	(62.29)	-
Tax on dividend	(50.79)	-
<b>Balance at the end of the year</b>	<b>962.89</b>	<b>1,126.60</b>
<b>Total Reserves and surplus</b>	<b>1,633.49</b>	<b>1,808.83</b>

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>3.3 Long - term provisions</b>		
Provision for employees' benefit:		
Provision for leave encashment	2.95	3.98
Provision for phantom shares	11.96	7.23
	<b>14.91</b>	<b>11.21</b>
<b>3.4 Deferred tax liability (net)</b>		
Deferred tax liability / asset arising on account of timing differences in:		
Depreciation on fixed assets	11.17	-
Employee compensation	(10.17)	-
Straight lining of lease rentals	(0.61)	-
	<b>0.39</b>	<b>-</b>
<b>3.5 Trade payables</b>		
Outstanding dues of Micro, Small and Medium Enterprises*	-	-
Outstanding dues of creditors other than Micro, Small and Medium Enterprises	94.77	103.17
	<b>94.77</b>	<b>103.17</b>
(*) The Company does not have any outstanding dues towards small scale industrial undertakings as at March 31, 2018. The Company did not have any outstanding dues to any micro or small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance (as certified by the Management).		
<b>3.6 Other current liabilities</b>		
Statutory liabilities	52.45	8.15
Outstanding liabilities against expenses	75.04	37.30
	<b>127.49</b>	<b>45.45</b>
<b>3.7 Short - term provisions</b>		
Provision for employees' benefit:		
Provision for leave encashment	0.36	0.30
Provision for compensated absence cost	4.18	3.51
Provision for phantom shares	9.90	5.87
	<b>14.44</b>	<b>9.68</b>

### 3.8 Fixed assets

₹ in Crores

Assets	Gross block (at cost)			As at March 31, 2018	Depreciation and amortization			Net block	
	As at 1 April 2017	Additions	Deductions		Up to 1 April 2017	During the Year*	Deductions	Up to March 31, 2018	As at March 31, 2018
Property, plant and equipment									
Computer	22.51	5.39	0.12	27.78	19.06	3.14	0.12	22.08	5.70
Vehicle	1.07	-	-	1.07	0.81	0.13	-	0.94	0.13
Office equipment	9.30	1.03	0.28	10.05	7.88	0.56	0.28	8.16	1.89
Furniture	2.83	0.09	0.16	2.76	2.43	0.12	0.15	2.40	0.36
Leasehold improvements	13.95	3.32	0.59	16.68	11.00	2.17	0.59	12.58	4.10
Sub Total	49.66	9.83	1.15	58.34	41.18	6.12	1.14	46.16	12.18
Intangible assets									
Software	13.06	5.09	-	18.15	10.61	2.33	-	12.94	5.21
Asset management rights (Refer Note 3.34)	250.14	-	-	250.14	10.14	25.01	-	35.15	214.98
Sub Total	263.20	5.09	-	268.29	20.75	27.34	-	48.10	220.19
Grand total	312.86	14.92	1.15	326.63	61.93	33.46	1.14	94.26	232.37

As at March 31, 2017

₹ in Crores

Assets	Gross block (at cost)			As at March 31, 2017	Depreciation and amortization			Net block	
	As at 1 April 2016	Additions	Deductions		Up to 1 April 2016	During the Year*	Deductions	Up to March 31, 2017	As at March 31, 2017
Property, plant and equipment									
Computer	21.06	2.20	0.75	22.51	17.21	2.60	0.75	19.06	3.45
Vehicle	1.10	-	0.03	1.07	0.70	0.13	0.02	0.81	0.26
Office equipment	8.97	0.78	0.45	9.30	7.94	0.39	0.46	7.87	1.43
Furniture	2.99	0.02	0.18	2.83	2.43	0.16	0.16	2.43	0.40
Leasehold improvements	12.65	2.03	0.73	13.95	10.16	1.59	0.74	11.01	2.94
Sub Total	46.77	5.03	2.14	49.66	38.44	4.87	2.13	41.18	8.48
Intangible assets									
Software	11.12	1.94	-	13.06	7.77	2.84	-	10.61	2.45
Asset management rights (Refer Note 3.34)	-	250.14	-	250.14	-	10.14	-	10.14	240.00
Sub Total	11.12	252.08	-	263.20	7.77	12.98	-	20.75	242.45
Grand Total	57.89	257.11	2.14	312.86	46.21	17.85	2.13	61.93	250.93

\* Depreciation other than asset management rights comprises of depreciation on property, plant and equipment and amortization of software

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
<b>3.9A Non - current investments</b>					
<b>A.Trade Investment (Valued at Cost unless stated otherwise)</b>					
<b>Unquoted Equity Instruments :</b>					
<b>(I) Investment in subsidiaries (Unquoted, fully paid up)</b>					
Reliance Asset Management (Mauritius) Limited	USD 10	1,96,000	8.77	1,96,000	8.77
Reliance Asset Management Singapore Pte Limited	SGD 1	57,42,533	22.02	57,42,533	22.02
Reliance Capital Pension Fund Limited*	INR 10	-	-	2,50,00,000	25.97
Reliance AIF Management Company Limited	INR 10	5,10,000	0.51	5,10,000	0.51
			31.30		57.27
Less: Provision for diminution in value of investments			-		-
			<b>31.30</b>		<b>57.27</b>
<b>(II) Investment in Associates (Unquoted, fully paid up)</b>					
Reliance Capital Pension Fund Limited*	INR 10	1,22,50,000	12.73	-	-
			<b>12.73</b>		<b>-</b>
<b>B. Non - Trade investment (valued at cost less provision for diminution)</b>					
<b>(I) Investments in equity shares (Quoted, fully paid up)</b>					
Reliance Industries Limited	INR 10	-	-	49,964	3.43
Reliance Communications Limited	INR 5	-	-	24,923	1.05
ICICI Bank Limited	INR 2	-	-	20,750	0.50
Kotak Mahindra Bank Limited	INR 5	-	-	18,480	0.50
			-		<b>5.48</b>
Less: Provision for diminution in value of investments			-		0.84
			-		<b>4.64</b>
<b>(II) Investments in equity shares (Unquoted fully paid up)</b>					
MF Utilities India Private Limited	INR 1	5,00,000	0.05	5,00,000	0.05
			0.05		<b>0.05</b>
<b>(III) a. Investments in mutual fund (Unquoted)</b>					
Reliance Growth Fund- Direct - Growth Option	INR 10	3,41,481	32.79	2,44,576	20.33
Reliance Growth Fund- Direct Dividend Plan Dividend Payout	INR 10	41,53,778	36.75	-	-
Reliance Vision Fund - Direct - Growth Option	INR 10	1,18,997	5.29	4,71,273	20.92
Reliance Vision Fund - Direct Dividend Plan Dividend Payout	INR 10	40,78,553	20.00	-	-
Reliance Focused Large Cap Fund - Direct - Growth Plan	INR 10	20,71,708	4.90	42,27,501	10.00
Reliance Focused Large Cap Fund - Direct Plan Dividend Plan Dividend Payout	INR 10	1,31,94,578	26.75	-	-
Reliance Equity Opportunities Fund - Direct - Growth Option	INR 10	4,63,563	3.19	26,43,054	17.94
Reliance Top 200 Fund- Direct - Growth Plan	INR 10	1,23,37,298	33.51	94,55,279	21.54
Reliance Top 200 Fund- Direct Dividend Plan Dividend Payout	INR 10	99,92,855	20.00	-	-
Reliance Small Cap Fund - Direct - Growth Plan	INR 10	2,05,854	0.50	2,05,854	0.50
Reliance Regular Savings Fund - Equity Plan - Growth Plan	INR 10	95,125	0.50	7,37,754	3.68
Reliance Banking Fund - Direct - Growth Plan	INR 10	4,09,599	7.11	9,57,093	16.58
Reliance Banking Fund - Direct Dividend Plan Dividend Payout	INR 10	29,15,252	20.00	-	-
Reliance Mid & Small cap Fund - Direct - Growth Plan	INR 10	16,37,399	6.14	29,48,940	11.12
Reliance Media & Entertainment Fund - Direct - Growth Plan	INR 10	1,00,082	0.50	3,43,101	1.78
Reliance Pharma Fund - Direct - Growth Plan	INR 10	1,49,598	2.04	1,49,598	2.04
Reliance Diversified Power Sector Fund - Direct - Growth Plan	INR 10	66,750	0.50	2,48,441	1.76
Reliance Regular Savings Fund - Balanced Plan - Growth Plan	INR 10	65,14,938	33.90	15,68,697	6.90
Reliance Index Fund - Nifty Plan - Direct - Growth Plan	INR 10	3,57,705	0.50	11,39,982	1.50
Reliance Index Fund - Sensex Plan - Direct - Growth Plan	INR 10	39,472	0.05	39,472	0.05
Reliance Quant Plus Fund - Direct - Growth Plan	INR 10	2,66,323	0.50	2,66,323	0.50
Reliance Arbitrage Advantage Fund-Direct Growth Plan	INR 10	3,60,085	0.50	3,60,085	0.50

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
Reliance Japan Equity Fund - Direct - Growth Plan	INR 10	50,00,000	5.00	50,00,000	5.00
Reliance NRI Equity Fund - Direct Plan - Growth Plan	INR 10	83,833	0.50	83,833	0.50
Reliance Tax Saver Fund-Direct Plan Growth Plan	INR 10	1,19,547	0.50	1,19,547	0.50
Reliance Money Manager Fund - Direct - Growth	INR 10	2,571	0.50	2,571	0.50
Reliance Liquid Fund - Cash Plan - Direct - Growth Option	INR 1000	2,201	0.50	2,201	0.50
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	1,454	0.50	1,454	0.50
Reliance Liquidity Fund - Direct - Growth Option	INR 1000	2,352	0.50	2,352	0.50
Reliance Medium Term Fund - Direct - Growth	INR 10	1,70,328	0.50	1,70,328	0.50
Reliance Floating Rate Fund - Short Term Plan - Direct - Growth Plan	INR 10	7,09,914	1.50	7,09,914	1.50
Reliance Gilt Securities Fund - Direct - Growth Plan	INR 10	1,35,65,787	25.13	1,70,01,929	31.50
Reliance Short Term Fund - Direct Plan - Growth Option	INR 10	1,87,303	0.50	1,87,303	0.50
Reliance Dynamic Bond Fund - Direct Plan - Growth Plan	INR 10	2,59,329	0.50	2,59,329	0.50
Reliance Income Fund - Direct - Growth Option	INR 10	1,07,764	0.50	1,07,764	0.50
Reliance Monthly Income Plan - Direct - Growth Plan	INR 10	4,85,824	1.50	4,85,824	1.50
Reliance Regular Savings Fund - Debt Plan - Direct - Growth Plan	INR 10	2,03,95,229	50.51	8,18,724	1.50
Reliance Corporate Bond Fund - Direct - Growth Plan	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance Retirement Fund - Income Generation Scheme-Direct-Growth	INR 10	45,00,000	4.50	45,00,000	4.50
Reliance Retirement Fund - Wealth Creation Scheme-Direct - Growth	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance Equity Savings Fund - Direct - Growth Plan	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance US Equity Opportunity Fund - Direct Growth Plan	INR 10	15,00,000	1.50	15,00,000	1.50
Reliance Dual Advantage Fixed Tenure Fund VIII - Plan C - Direct - Growth	INR 10	20,00,000	2.00	20,00,000	2.00
Reliance Dual Advantage Fixed Tenure Fund XI - Plan B - Direct Growth Plan	INR 10	23,00,000	2.30	-	-
Reliance Dual Advantage Fixed Tenure Fund XII - Plan A - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Capital Builder Fund IV - Series C - Direct Growth Plan	INR 10	10,00,0,000	10.00	-	-
Reliance Capital Builder Fund IV - Series D - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Banking & PSU Debt Fund - Direct - Growth Plan	INR 10	5,00,001	0.50	3,48,26,514	40.50
HDFC Charity Fund for Cancer Cure - Arbitrage Plan	INR 10	10,00,000	1.00	10,00,000	1.00
			<b>382.86</b>		<b>234.64</b>
<b>(III) b. Investments in mutual fund (Quoted)</b>					
Reliance ETF Nifty 100	INR 10	2,60,723	1.98	3,60,723	2.00
Reliance ETF Consumption	INR 10	22,46,651	10.73	37,46,651	10.00
Reliance ETF Dividend Opportunities	INR 10	55,17,301	9.48	58,17,301	10.00
Reliance ETF Sensex	INR 10	3,23,070	11.19	3,73,070	10.00
Reliance ETF Nifty BeES	INR 10	50,303	4.71	15,303	1.20
Reliance ETF Bank BeES	INR 10	10,774	1.70	10,774	1.70
Reliance Close Ended Equity Fund - Series A - Direct - Dividend Plan	INR 10	1,00,00,000	10.00	1,00,00,000	10.00
Reliance Gold savings Fund - Direct - Growth Plan	INR 10	47,31,897	6.84	47,31,897	6.84
Reliance Fixed Horizon Fund - XXII Series 32 - Dividend Plan	INR 10	-	-	50,00,000	5.00
Reliance Fixed Horizon Fund - XXV Series 35 - Direct - Growth Plan	INR 10	12,00,000	1.20	12,00,000	1.20
Reliance Fixed Horizon Fund - XXVI Series 15 - Direct - Growth Plan	INR 10	-	-	25,00,000	2.50
Reliance Fixed Horizon Fund - XXVI Series 32 - Direct - Growth Plan	INR 10	-	-	26,00,000	2.60
Reliance Fixed Horizon Fund - XXVII Series 6 - Direct - Growth Plan	INR 10	-	-	50,00,000	5.00
Reliance Fixed Horizon Fund - XXVII Series 7 - Direct - Growth Plan	INR 10	-	-	65,50,000	6.55
Reliance Fixed Horizon Fund - XXVIII Series 2 - Direct - Growth Plan	INR 10	3,00,000	0.30	3,00,000	0.30
Reliance Fixed Horizon Fund XXIX - Series 6 - Direct - Growth Plan	INR 10	27,50,000	2.75	27,50,000	2.75
Reliance Fixed Horizon Fund - XXVIII Series 19 - Direct - Growth Plan	INR 10	1,50,000	0.15	1,50,000	0.15
Reliance Fixed Horizon Fund - XXX - Series 4 - Direct Growth Plan	INR 10	3,50,00,000	35.00	3,50,00,000	35.00
Reliance Fixed Horizon Fund - XXX - Series 12 - Direct Growth Plan	INR 10	20,00,000	2.00	20,00,000	2.00
Reliance Fixed Horizon Fund - XXX - Series 17 - Direct Growth Plan	INR 10	30,00,000	3.00	30,00,000	3.00

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
Reliance Fixed Horizon Fund - XXX - Series 19 - Direct Growth Plan	INR 10	50,00,000	5.00	50,00,000	5.00
Reliance Fixed Horizon Fund - XXXII - Series 9 - Direct Growth Plan	INR 10	10,00,000	1.00	10,00,000	1.00
Reliance Fixed Horizon Fund - XXXIII - Series 7 - Direct Growth Plan	INR 10	30,00,000	3.00	30,00,000	3.00
Reliance Fixed Horizon Fund - XXXV - Series 5 - Direct Growth Plan	INR 10	13,00,000	1.30	-	-
Reliance Fixed Horizon Fund - XXXV - Series 12 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 9 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 13 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 14 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 15 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 16 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 1 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 3 - Direct Growth Plan	INR 10	30,00,000	3.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 6 - Direct Growth Plan	INR 10	3,00,00,000	30.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 11 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance ETF Gold BeES	INR 10	2,175	0.50	2,175	0.50
Reliance ETF Infra BeES	INR 10	10,000	0.28	10,000	0.28
Reliance ETF Junior BeES	INR 10	2,72,000	7.94	32,000	0.74
Reliance ETF PSU Bank BeES	INR 10	35,000	1.27	15,000	0.51
CPSE ETF	INR 10	2,00,000	0.51	2,00,000	0.51
Reliance ETF Liquid BeES	INR 10	5,351	0.54	5,160	0.52
Reliance ETF Shariah BeES	INR 10	1,170	0.02	1,170	0.02
Reliance ETF Hang Seng BeES	INR 10	300	0.07	300	0.07
Reliance ETF Long Term Gilt	INR 10	1,10,33,444	17.00	1,10,33,444	17.00
Reliance ETF NV20	INR 10	13,444	0.50	13,444	0.50
			<b>223.96</b>		<b>147.44</b>
<b>(IV) Investments in debentures or bonds (Quoted)</b>					
6.72% IRFC Tax Free Bonds 20-Dec-2020	INR 100000	2,500	25.00	2,500	25.00
8.30% National Highways Authority Of India Bonds 25-Jan-2027	INR 1000	61,809	6.18	61,809	6.18
8.30% PFC Tax Free Bonds 01-Feb-2027	INR 1000	3,00,000	31.43	3,00,000	31.59
8.66% NTPC Tax Free Bonds 16-Dec-2033	INR 1000	94,995	9.50	94,995	9.50
8.76% NHB Tax Free Bonds 13-Jan-2034	INR 5000	36,098	18.05	36,098	18.05
8.50% NHAI Tax Free Bonds 05-Feb-2029	INR 1000	2,00,000	20.00	2,00,000	20.00
7.11% NTPC Tax Free Bonds 05-Oct-2025	INR 1000	62,457	6.25	62,457	6.25
7.28% IRFC Tax Free Bond 20-Dec-2030	INR 1000	1,20,800	12.08	1,20,800	12.08
7.35% NHAI Tax Free Bond 10-Jan-2031	INR 1000	42,855	4.29	42,855	4.29
7.11% PFC Tax Free Bonds 17-Oct-2025	INR 1000	25,670	2.57	25,670	2.57
			<b>135.35</b>		<b>135.51</b>
<b>(V) Investment in Preference Shares (Unquoted, Fully Paid Up)</b>					
L&T Finance Holdings Limited - 8.40% Cumulative Preference Shares	INR 100	-	-	30,10,000	30.20
Zee Entertainment Enterprises Limited - 6% Cumulative Preference Shares	INR 1	298,600,000	22.02	29,86,00,000	26.90
			<b>22.02</b>		<b>57.10</b>
<b>Total Non Current Investments</b>			<b>808.27</b>		<b>636.65</b>
<b>Notes:</b>					
1. Quoted investments					
Aggregate of Book value			359.31		287.59
Aggregate of Market value			382.04		320.89
2. Unquoted investments					
Aggregate of Book value			448.96		349.06
3. Provision for diminution in value of investments			-		0.84

\* Ceased to be a subsidiary and became an associate of the Company w.e.f. 3 July 2017

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
<b>3.9B Current investments</b>					
<b>Current investments (At cost or market value whichever is less)</b>					
<b>(I) Investment in Mutual Fund (Unquoted)</b>					
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	40,049	16.87	4,06,606	160.21
Reliance Medium Term Fund - Direct - Growth	INR 10	-	-	58,72,175	20.00
Reliance Money Manager Fund - Direct - Growth	INR 10	-	-	1,21,487	27.60
Reliance Short Term Fund - Growth Plan - Growth Option	INR 10	-	-	75,02,553	15.27
Reliance Short Term Fund - Direct Plan - Growth Option	INR 10	2,16,69,011	68.18	1,29,11,609	35.69
Reliance Dynamic Bond Fund - Direct Plan - Growth Plan	INR 10	-	-	3,81,84,049	62.14
			<b>85.05</b>		<b>320.91</b>
<b>(II) Investment in mutual fund (Quoted)</b>					
Reliance Yearly Interval Fund - Series 7 - Direct Plan - Growth Plan	INR 10	-	-	32,50,170	4.20
Reliance Interval Fund - II - Series 4 - Direct Plan - Growth Plan	INR 10	-	-	1,20,00,000	12.00
			-		16.20
<b>Total Current Investments</b>			<b>85.05</b>		<b>337.11</b>
<b>Notes:</b>					
1. Quoted investments					
Aggregate of Book value			-		16.20
Aggregate of Market value			-		20.19
2. Unquoted investments					
Aggregate of Book value			85.05		320.91

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>3.10 Deferred tax assets (net)</b>		
Deferred tax asset / liability arising on account of timing differences in:		
Depreciation on fixed assets	-	(0.15)
Employees' compensation	-	7.23
<b>Straightlining of lease rentals</b>	-	<b>0.51</b>
	-	<b>7.59</b>
<b>3.11 Long - term loans and advances</b>		
Capital advances	1.70	0.89
Security deposits	24.36	19.55
Loans and advances to related parties (Unsecured, considered good)		
Intercompany deposits	14.50	2.50
Parties other than related parties (Unsecured, considered good)		
Intercompany deposits	-	50.00
Loans to employees	0.35	0.15
Advances recoverable in cash or in kind or for value to be received	0.06	0.06
Prepaid expenses	57.38	42.06
Advance tax paid (Net of provision of income tax Rs. 504.18 Crore (PY: Rs. 399.96 Crore))	13.16	21.68
	<b>111.51</b>	<b>136.89</b>

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>3.12 Other non - current assets</b>		
Other bank balances		
Fixed deposits with residual maturity of more than 12 months*	0.30	7.29
	<b>0.30</b>	<b>7.29</b>
* Deposit kept as lien with the bank		
<b>3.13 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for more than six months	-	-
Others	37.30	40.65
	<b>37.30</b>	<b>40.65</b>
<b>3.14 Cash and bank balances</b>		
Cash and cash equivalents		
Balance with banks in current accounts	21.95	4.74
Fixed Deposits with original maturity of less than 3 months	41.00	-
<b>Other bank balance</b>		
Fixed Deposits with residual maturity of less than 12 months*	494.39	-
	<b>557.34</b>	<b>4.74</b>
* Deposits include lien with the bank amounting to Rs. 44.39 Crore (PY: Nil)		
<b>3.15 Short - term loans and advances</b>		
Loans and advances to related parties (Unsecured, considered good)	-	1.27
Parties other than related parties (Unsecured, considered good)		
Intercompany deposits	425.00	376.50
Loans to employees	0.73	0.29
Prepaid expenses	123.21	142.17
Goods and service tax credit-unutilised	61.33	43.23
Advances recoverable in cash or in kind or for value to be received	22.23	7.54
	<b>632.50</b>	<b>571.00</b>
<b>3.16 Other current assets</b>		
Dividend receivable	-	1.79
Interest accrued	28.13	23.18
Income accrued	4.72	2.04
	<b>32.85</b>	<b>27.01</b>

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>3.17 Revenue from operations</b>		
Investment Management Fees (net of tax)	1,486.20	1,226.70
Portfolio Management Fees (including advisory fees net of tax)	45.78	42.93
	<b>1,531.98</b>	<b>1,269.63</b>
<b>3.18 Other income</b>		
Dividend on:		
Long term investment	16.46	6.34
Profit on sale of investments (net)		
Long term investment	99.35	41.56
Current investment	15.10	11.80
Interest Income		
Long term investment	10.61	10.60
Inter corporate deposit	56.98	53.27
Income tax refund	1.50	5.29
Others	12.91	0.70
Profit on sale of fixed assets	0.02	0.03
Others	1.08	1.22
	<b>214.01</b>	<b>130.81</b>
<b>3.19 Employee benefits expense</b>		
Salaries, allowances and bonus	196.64	164.80
Contribution to provident and other funds	9.08	8.16
Staff welfare expenses	9.05	8.60
	<b>214.77</b>	<b>181.56</b>
<b>3.20 Employees Stock Option Plan (ESOP) :</b>		
(i) Pursuant to a resolution dated 8 August 2017, shareholders approved Reliance Nippon Life Asset Management Limited – Employee Stock Option Plan 2017 ('ESOP 2017'), to provide for grant of option to eligible employees of the companies and subsidiaries. Under the scheme, 49,44,246 equity shares (taking into account the effect of bonus issuance dated 11 August 2017) have been granted to the eligible employees and each option (after it is vested) is excisable for one equity share having face value of Rs 10 each for an exercise price of Rs 204.25. Vesting of the options shall take place over a maximum period of 4 years with a minimum vesting period of 1 year from the date of grant i.e. 8 August 2017. The exercise period would be maximum of 7 years from the date of grant of options.		

(i)(a) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of stock options	Weighted average exercise price (Rs.)	Number of stock options	Weighted average exercise price (Rs.)
<b>Number of shares under option:</b>				
<b>Year 2017</b>				
Outstanding at beginning of year	-	-	-	-
Granted	4,944,246	204.25		
Exercised	-	-	-	-
Cancelled or expired	97,869	-	-	-
Outstanding at the year end	4,846,377	204.25	-	-
Exercisable at end of year	-	-	-	-

(i)(b) The fair value of the options granted was estimated on the date of grant using the Black- Scholes model with the following assumptions

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Risk free interest rate	6.20%	NA
Expected life	7 years	NA
Dividend yield	3.09%	NA

(i)(c) The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is Rs.Nil (PY Rs. NA). The net results for the year, had the Company adopted the Fair Value Method, would have been lower by Rs. 1.43 (PY Rs. NA) and accordingly basic and diluted EPS would have been lower by Rs. 0.02 and Rs. 0.02 respectively (PY impact Rs. NA and Rs. NA).

(ii) During the year, performance linked incentive/ ex-gratia of Rs. 27.50 Crore (P.Y. 20.00 Crore) was paid from Reliance Capital Asset Management Employees Benefits Trust out of its surplus funds as per Employee Benefit Scheme, 2016.

### 3.21 Disclosure pursuant to Accounting Standard - 15 (Revised) " Employee Benefits" :

#### A Defined Contribution Plans:

Contributions to fund made under "Defined Contribution Plans" are recognized as expense in the Statement of profit and loss as follows:

Particulars	2017-18	2016-17
Employer's contribution to provident fund	5.73	5.02
Employer's contribution to super annuation fund	0.07	0.07
Employer's contribution to pension scheme	1.41	1.26
<b>Total Contribution</b>	<b>7.21</b>	<b>6.35</b>

#### B Defined Benefit Plans:

i. Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation :

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Present value of Defined Benefit Obligation at the beginning of the year	15.66	13.01	4.28	3.65
b. Interest cost	1.14	1.00	0.31	0.28
c. Current service cost	1.82	1.57	0.63	0.76
d. Actuarial Losses / ( Gains)	0.96	0.83	(0.59)	(0.14)
e. Liability Transferred in / Acquisitions	0.18	-	(1.02)	-
f. Benefits paid	(3.00)	(0.75)	(0.30)	(0.28)
g. Present value of Defined Benefit Obligation at the close of the year	16.76	15.66	3.31	4.28

ii. Changes in the fair value of Plan Assets and the reconciliation thereof:

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Fair value of Plan Assets at the beginning of the year	15.93	13.15	-	-
b. Add: Expected return on Plan Assets	1.16	1.02	-	-
c. Add / (Less) : Actuarial (Losses) / Gains	(0.32)	0.51	-	-
d. Add: Contributions	3.69	2.00	-	0.28
e. Less: Benefits Paid	(3.00)	(0.75)	-	(0.28)
f. Fair value of Plan Assets at the close of the year	17.46	15.93	-	-

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to the assets and liabilities recognised in the Balance sheet:

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Present value of Defined Benefit obligation	16.76	15.66	3.31	4.28
b. Less: Fair value of Plan Assets	17.46	15.93	-	-
c. Present value of unfunded obligation	(0.70)	(0.27)	3.31	4.28
d. Net Liability/(Asset) recognised in the Balance sheet	-	-	3.31	4.28

iv. Amount recognised in the Statement of profit & loss are as follows :

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Current Service Cost	1.82	1.57	0.63	0.76
b. Interest Cost	(0.02)	(0.01)	0.31	0.28
c. Expected return on Plan Assets	-	-	-	-
d. Actuarial Losses / ( Gains)	1.28	0.32	(0.59)	(0.14)
e. Past service costs	-	-	-	-
f. Effect of curtailment / settlement	-	-	-	-
g. Adjustments for earlier years Recognised in the Statement of Profit and Loss	-	-	-	-
<b>Total</b>	<b>3.08</b>	<b>1.88</b>	<b>0.35</b>	<b>0.90</b>

## v. Broad Categories of plan assets as a percentage of total assets

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Government of India Securities	29.95%	28.14%	UNFUNDED	UNFUNDED
b. State Government Securities	-	-		
c. Corporate Bonds	35.12%	26.69%		
d. Fixed Deposit under Special Deposit Scheme	-	-		
e. Equity Shares	18.76%	18.39%		
f. Money market instruments	16.17%	13.55%		
g. Public Sector Bonds	-	-		
i. Others	0.00%	13.23%		
	100.00%	100.00%		

## vi. Actuarial Assumptions as the Balance sheet date:

Particulars	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a. Discount Rate	7.71%	7.28%	7.71%	7.28%
b. Expected rate of return on Plan Assets	7.71%	7.28%	-	-
c. Salary Escalation rate -- Management Staff	6.00%	6.00%	6.00%	6.00%
d. Attrition rate	For Service 4 yrs & below 16% p.a. & 6% thereafter	For Service 4 yrs & below 16% p.a. & 6% thereafter	For Service 4 yrs & below 16% p.a. & 6% thereafter	For Service 4 yrs & below 16% p.a. & 6% thereafter

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## vii. General Descriptions of significant defined benefits plans:

**a. Gratuity Plan :**

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

**b. Leave Plan :**

Encashment of leave can be availed by the employee for the balance in the earned account as on 1 January 2009. All carry forward earned leaves are available for availment but not encashment. Leave can be encashed subject to available balance of more than 15 days.

## viii. Five-year information

Amounts for the current and the previous four years are as follows:

Gratuity	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	16.76	15.66	13.01	9.42	5.27
Fair value of plan assets	17.46	15.93	13.15	6.41	5.92
(Surplus) / deficit in the plan	(0.70)	(0.27)	(0.14)	6.65	(0.64)
Experience adjustment arising on Obligation	1.56	0.26	1.90	0.94	(0.14)
Experience adjustment arising on plan Assets	(0.32)	0.51	(0.24)	-	(0.06)

**C Other employee benefits :**

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

<b>Date of grant</b>	01 December 2015
<b>Appreciation as per Phantom stock Option</b>	Excess of 'fair market value of share on the date of exercise' / 'NAV of unit on the date of exercise' determined in term of the Phantom Stock Option Scheme over 'the Base Price' / 'the Base NAV'
<b>Exercise Period</b>	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.
<b>Settlement of Phantom Stock Options</b>	Within 90 days from the date of exercise by cash.

- (ii)(b) The fair value of the options granted was estimated on the date of grant with the following assumptions

Particulars	March 31, 2018	March 31, 2017
<b>Discount rate</b>	7.35%	6.77%
<b>Expected Life</b>	5 years	5 years

- iii. The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation performed at the year end. The valuation of the shares/units is performed considering the intrinsic value and the progression of share/unit price up to the exercise of the option.

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
-------------	--------------------------------------	--------------------------------------

**3.22 Other expenses**

Brokerage, incentives and others	333.42	257.00
Marketing, advertisement and publicity	170.20	112.79
Legal and professional charges	21.90	24.40
Rent	21.67	20.04
Conveyance and travelling	14.44	9.83
Communication	24.07	20.14
Filing fees and stamp duty	6.11	2.35
Office administration	11.16	9.26
Membership and subscription	3.92	5.50
Electricity	2.49	4.27
Seminar and training	3.28	4.04
Repairs and maintenance	4.17	4.73
Printing and stationary	11.91	7.50
Information technology	24.99	21.05
Insurance	1.65	0.87
Auditors remuneration:		
Audit fees	0.16	0.18
Certification matters	0.18	0.12
Other matters	0.26	0.42
Out of pocket expenses	-	0.01
Director sitting fees	0.63	0.42
Net loss on foreign currency transactions and translations	0.15	0.09
Outsourced business service	121.32	102.60
Corporate social responsibility expense (Refer note 3.30)	10.25	9.00
Rates and taxes	1.04	0.71
Miscellaneous expenses	1.74	1.60
	<b>791.11</b>	<b>618.92</b>

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
<b>3.23 Contingent liability and commitments:</b>		
<b>a) Contingent liability</b>		
Guarantees to Banks and Financials Institutions (against Fixed deposits)	23.51	11.11
Claims against the Company not acknowledged as debts	5.69	5.87
	<b>29.20</b>	<b>16.98</b>
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided.	7.77	2.41

Note

The Company did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses.

**3.24 Related Party Disclosure:**

A. List of Related Parties and their relationship:

**i) Holding company**

Reliance Capital Limited (upto 12 July 2017)

**ii) Individual Promoter**

Shri Anil D. Ambani, the person having control during the period (Up to 12 July 2017)

**iii) Major investing party**

Reliance Capital Limited (Ceased to be holding Company w.e.f 13 July 2017)

Nippon Life Insurance Company

**iv) Subsidiaries**

Reliance Asset Management (Singapore) Pte Limited

Reliance Asset Management (Mauritius) Limited

Reliance AIF Management Company Limited

Reliance Capital Pension Fund Limited (Up to 2 July 2017)

**v) Associate**

Reliance Capital Pension Fund Limited (Became an associate w.e.f 3 July 2017)

**vi) Subsidiaries of holding company (Up to 12 July 2017)**

Reliance Capital Trustee Co. Limited

Reliance General Insurance Company Limited

Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)

Reliance Commercial Finance Limited (formerly Reliance Gilts Limited)

Reliance Money Precious Metals Private Limited

Reliance Home Finance Limited

Reliance Securities Limited

Reliance Commodities Limited

Reliance Financial Limited

Reliance Wealth Management Limited

Reliance Money Solutions Private Limited

Reliance Exchangenext Limited

Reliance Corporate Advisory Services Limited (formerly Reliance Spot Exchange Infrastructure Limited)

Reliance Capital AIF Trustee Company Private Limited

Reliance Health Insurance Limited (w.e.f. 4 May 2017)

Reliance Infocomm Infrastructure Limited

Quant Capital Private Limited

Quant Broking Private Limited

Quant Securities Private Limited

Quant Investment Services Private Limited

**B. Significant influence: (Up to 12 July 2017)**

Enterprise over which individual described in clause A (ii) above has control

Reliance Communications Infrastructure Limited

Reliance IDC Limited

Reliance Communications Limited

Reliance Webstore Limited

Zapak Digital Entertainment Limited

**C. Key management personnel:**

Sundeeep Sikka (Whole Time Director) w.e.f. 22 April 2016

**D. Transaction during the year with related parties:**

₹ in Crores

Sr. No.	Nature of Transaction	Subsidiary	Associate	Fellow Subsidiary	Major Investing Party (Full year's transaction)	Significant Influence	Key Managerial Personnel	Total
<b>I</b>	<b>Transactions during the year</b>							
<b>A</b>	<b>Inter corporate deposit given</b>							
	Reliance AIF Management Company Limited*	32.26 (5.50)						32.26 (5.50)
	Reliance Securities Limited			15.00 -				15.00 -
<b>B</b>	<b>Repayment of inter corporate deposit</b>							
	Reliance Securities Limited			- (40.00)				- (40.00)
	Reliance AIF Management Company Limited	20.26 (15.30)						20.26 (15.30)
<b>C</b>	<b>Purchase of equity shares of Reliance Capital Pension Fund Limited</b>							
	Reliance Commercial Finance Limited			- (9.72)				- (9.72)
<b>D</b>	<b>Interest income</b>							
	Reliance AIF Management Company Limited	0.72 (0.95)						0.72 (0.95)
	Reliance Securities Limited			0.08 (2.09)				0.08 (2.09)
<b>E</b>	<b>Director sitting fees</b>							
	Nippon Life Insurance Company				0.15 (0.12)			0.15 (0.12)
<b>F</b>	<b>Insurance Charges (net of claims received)</b>							
	Reliance General Insurance Company Limited			2.19 (3.32)				2.19 (3.32)
	Reliance Nippon Life Insurance Company Limited			0.52 (2.59)				0.52 (2.59)

₹ in Crores

Sr. No.	Nature of Transaction	Subsidiary	Associate	Fellow Subsidiary	Major Investing Party (Full year's transaction)	Significant Influence	Key Managerial Personnel	Total
<b>G</b>	<b>Brokerage</b>							
	Reliance Wealth Management Limited			0.27 -				0.27 -
	Reliance Money Solutions Private Limited			0.01 (0.04)				0.01 (0.04)
	Reliance Securities Limited			0.34 (0.21)				0.34 (0.21)
<b>H</b>	<b>Reimbursement of expenses charged</b>							
	Reliance Capital Pension Fund Limited	- (0.12)	0.12 -					0.12 (0.12)
	Reliance AIF Management Company Limited	1.76 (1.89)						1.76 (1.89)
	Reliance Capital Limited				8.49 -			8.49 -
	Nippon Life Insurance Company				8.49 -			8.49 -
<b>I</b>	<b>Reimbursement of expenses paid</b>							
	Reliance Capital Limited				2.75 (2.70)			2.75 (2.70)
	Reliance General Insurance Company Limited			0.02 (0.08)				0.02 (0.08)
	Nippon Life Insurance Company				0.76 (0.41)			0.76 (0.41)
	Reliance AIF Management Company Limited	0.02 -						0.02
	Reliance Capital Pension Fund Limited		0.01 -					0.01
	Reliance Infocom Infrastructure Limited			0.00 -				0.00 -
	Reliance Asset Management (Singapore) Pte Limited	0.21 -						0.21 -
	Reliance Asset Management (Mauritius) Limited	0.04						0.04
		-						-
<b>J</b>	<b>Management fee expense</b>							
	Reliance Capital Limited				6.00 (6.00)			6.00 (6.00)
<b>K</b>	<b>Advisory Fee income</b>							
	Reliance Asset Management (Singapore) Pte Limited	6.63 (3.29)						6.63 (3.29)
<b>L</b>	<b>Networking / communication expenses</b>							
	Reliance Communications Infrastructure Limited					- (0.68)		- (0.68)
	Reliance Communication Limited					0.77 (2.27)		0.77 (2.27)
	Reliance IDC Limited					0.41 (1.04)		0.41 (1.04)
	Reliance Webstore Limited					0.68 (0.91)		0.68 (0.91)

₹ in Crores

Sr. No.	Nature of Transaction	Subsidiary	Associate	Fellow Subsidiary	Major Investing Party (Full year's transaction)	Significant Influence	Key Managerial Personnel	Total
<b>M</b>	<b>Marketing expenses</b>							
	Zapak Digital Entertainment Limited					- (0.38)		- (0.38)
<b>N</b>	<b>Remuneration to key management personnel</b>							
	Sundeep Sikka						5.94 (8.42)	5.94 (8.42)
<b>O</b>	<b>Investment Activities</b>							
	Reliance Exchangnext Limited			4.90 -				4.90 -
	Reliance Corporate Advisory Services Limited			4.90 -				4.90 -
	Reliance Capital Limited				4.90 -			4.90 -
<b>II</b>	<b>Balances outstanding at the end of the year</b>							
<b>A</b>	<b>Loans and advances to related parties</b>							
	Reliance AIF Management Company Limited	14.50 (2.50)						14.50 (2.50)
	Reliance Nippon Life Insurance Company Limited			- (1.14)				- (1.14)
	Reliance General Insurance Company Limited			- (0.14)				- (0.14)
<b>B</b>	<b>Trade receivables</b>							
	Reliance Asset Management (Singapore) Pte Limited	0.63 (0.41)						0.63 (0.41)
	Reliance AIF Management Company Limited	0.08 -						0.08 -
<b>C</b>	<b>Trade Payables</b>							
	Reliance Capital Limited				0.13 -			0.13 -
	Reliance Asset Management (Singapore) Pte Limited	0.21 -						0.21 -
	Reliance Asset Management (Mauritius) Limited	0.04 -						0.04 -

Note : Related Party Relationship is as identified by the Company.  
(Previous year figures are in brackets)  
Refer note 3.9A(A) for investment in subsidiaries

### 3.25 Deferred Tax

In compliance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22) notified under Section 133 of the Act, the Company has made net deferred tax adjustment of Rs. 7.98 Crore (Previous Year - (Rs. 4.62 Crore)) as per details given below. The amount has been debited to the Statement of Profit and Loss.

Description	As at March 31, 2017	For the Year	As at March 31, 2018
<b>Assets</b>			
Employees' compensation	7.23	2.94	10.17
Straight lining of lease rental	0.51	0.10	0.61
	<b>7.74</b>	<b>3.04</b>	<b>10.78</b>
<b>Liabilities</b>			
Depreciation on fixed assets	0.15	11.02	11.17
	<b>0.15</b>	<b>11.02</b>	<b>11.17</b>
<b>Net Deferred Tax Asset/ (Liabilities)</b>	<b>7.59</b>	<b>(7.98)</b>	<b>(0.39)</b>

### 3.26 Details of Loans given, investment made and guarantee given covered under section 186(4) of the Companies Act 2013:

- Details of Investments made have been given as part of Notes 3.9A and 3.9B
- Loans given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Reliance AIF Management Company Limited *		
(Inter Corporate Deposit utilised for General Corporate Purpose and for investment of continuing interest in the new Alternative investment schemes managed by Reliance AIF Management Company Limited at the rate of interest of 12.00% p.a.)	14.50	2.50
Reliance Infrastructure Limited		
(Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 13.50% p.a.)	175.00	175.00
Reliance Power Limited		
(Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.50% p.a.)	150.00	150.00
Reliance Asset Reconstruction Company Limited		
(Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.00% p.a.)	85.00	100.00
Reliance Securities Limited		
(Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.50% p.a.)	15.00	-
Reliance India Realty Opportunities LLP		
(Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.00% p.a.)	-	1.50

\* Maximum amount outstanding during the year is Rs. 24.35 Crore (Previous year – Rs. 12.30 Crore) as per additional disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The Company has not given any guarantee or provided any security in connection with loans to any body corporate or person.

### 3.27 Future minimum lease payments in respect of non-cancellable operating lease for premises:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Not later than one year	2.56	-
b) Later than one year and not later than five years	1.97	-
	<b>4.53</b>	<b>-</b>

**3.28** The Company has issued bonus shares of 50 Equity shares for every one Equity share held on the record date i.e. 10 August 2017 through capitalisation of amount standing to the credit of Capital Redemption Reserve and Securities Premium account. Accordingly, the Company has issued 57,60,00,000 equity shares as bonus shares during the year ended March 31, 2018. The Earning Per Share figures for the year ended March 31, 2017 have been restated to give effect to the allotment of the bonus shares, as required by Accounting Standard (AS 20) - Earnings per share.

### 3.29 Earning Per Share (EPS)

	March 31, 2018	March 31, 2017
Net profit attributable to equity shareholders (after preference dividend)	504.85	404.78
Weighted average number of equity shares outstanding	59,75,80,274	58,75,20,000
Basic EPS restated	8.45	6.90
Basic EPS reported	8.45	351.37
Effect of potential equity shares on exercise of employee stock options	8,03,909	-
Weighted average number of equity shares outstanding	59,83,84,183	58,75,20,000
Diluted EPS restated	8.44	6.90
Diluted EPS reported	8.44	351.37

### 3.30 Corporate social responsibility (CSR)

- a) Gross amount required to be spent by the company during the year was Rs. 10.18 Crore (PY Rs. 8.89 crore) as per calculation.  
b) Amount spent for the year ended March 31, 2018:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any assets	-	-	-
On purposes other than above	10.25	-	10.25

- c) Amount spent for the year ended March 31, 2017:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any assets	-	-	-
On purposes other than above	9.00	-	9.00

### 3.31 Expenditure in foreign currency (including expenses incurred at Foreign Branch):

	March 31, 2018	March 31, 2017
Salary and benefits	2.94	3.33
Travelling	0.82	0.62
Professional fees and consultancy	3.41	1.51
Other expenses	1.18	1.13
	<b>8.35</b>	<b>6.59</b>

### 3.32 Earnings in foreign currency:

	March 31, 2018	March 31, 2017
Portfolio Management Fees (including advisory fees)	28.69	26.06
	<b>28.69</b>	<b>26.06</b>

### 3.33 Segment Reporting

The Company is in the business of providing asset management services to the fund and portfolio management service to clients. The primary segment is identified as asset management services. As such the Company's financial statements is largely reflective of the asset management business and there is no separate reportable segment.

Pursuant to Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

### 3.34 Asset Management Right:

During the FY 2015-16, the Company and Reliance Capital Trustee Company Limited had jointly entered into a Scheme Transfer Agreement with Goldman Sachs Asset Management (India) Private Limited, Board of Trustees of Goldman Sachs Mutual Fund and Goldman Sachs Asset Management, L.P to acquire the right to manage and administer the schemes of Goldman Sachs Mutual Fund, the right to assume the trusteeship of the schemes of Goldman Sachs Trustee Company (India) Private Limited and takeover of the schemes of Goldman Sachs Mutual Fund respectively. The said transaction has been approved by the relevant regulatory authorities and the Unit holders of the Schemes of Goldman Sachs Mutual Fund in the FY 2016-17. The amount paid along with the incidental expenditure incurred thereon aggregating to Rs. 250.14 Crore has been treated as Asset management Right as intangible asset. The Asset management Right will be amortized over a period of 120 months. For the year ended March 31, 2018, an amount of Rs. 25.01 Crore has been amortized. Balance life of Asset Management Right is 103 months.

**3.35** Pursuant to Initial Public offering ('IPO'), sale of 6,12,00,000 equity shares of face value of Rs. 10 each at Rs. 252 per equity share consisting of fresh issue of 2,44,80,000 equity shares and offer for sale by Reliance Capital Limited and Nippon Life Insurance Company ('selling shareholders') of 1,12,30,200 equity shares and 2,54,89,800 equity shares, respectively was completed.

**3.36** The details of utilisation of IPO proceeds Rs. 588.85 Crore (net of IPO related expenses) are as follows:

(Rs in Crore)

Particulars	Net IPO Proceeds	Utilised upto March 31, 2018	Unutilised amount as of March 31, 2018*
Setting up new branches and relocating certain existing branches	38.31	-	38.31
Upgrading the IT system	40.65	-	40.65
Advertising, marketing and brand building activities	72.09	-	72.09
Lending to our Subsidiary (Reliance AIF Management Company Limited) for investment of continuing interest in the new Alternative investment schemes managed by Reliance AIF Management Company Limited	125.00	8.00	117.00
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	79.00	21.00
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
<b>Total</b>	<b>588.85</b>	<b>134.80</b>	<b>454.05</b>

\* Temporarily deployed in the current account and fixed deposit with the scheduled commercial banks

**3.37** The Company had estimated Rs. 51.26 Crore (inclusive of taxes) as IPO expenses. Of such IPO related expenses, certain expenses (such as Counsel Fees, Auditor Fees, Marketing, Printing & Stationery) aggregating to Rs. 18.20 Crore (inclusive of taxes) are directly attributable to the Company. Remaining IPO related expenses aggregating to Rs. 33.06 Crore (inclusive of taxes), have been allocated between the Company and selling shareholders in proportion to equity shares offered by them for sale. Expenses to be borne by the selling shareholder has been shared equally by both the shareholders. Selling shareholders have reimbursed Rs. 16.98 Crore to the Company. Till March 31, 2018, an amount of Rs. 51 Crore is paid against IPO related expenses and the balance will be paid in due course. As at March 31, 2018, the total expenses attributable to the Company of Rs 28.04 Crore has been adjusted against Securities Premium Account.

**3.38** During the year the Company had declared and paid interim dividend of Rs. 5/- per equity share amounting to Rs. 368.29 Crore (PY: Nil) including dividend distribution tax. In addition, the Board has recommended final dividend of Rs. 1/- per equity share be paid on fully paid equity shares. The same is subject to approval of Shareholders at Annual General Meeting and has not been recorded as a liability in these financial statement in line with the Accounting Standards requirement. The total estimated equity dividend to be paid is Rs. 73.78 Crore (PY Rs. 298.10 crore) including dividend distribution tax.

### 3.39 Regrouping / Reclassification of Previous Year:

Expenses other than employee benefits expense, depreciation and amortization have been grouped under "Other expenses". Previous year's figures have been regrouped/ reclassified wherever necessary to conform current year's classification/ disclosure. Courier charges have been clubbed with Communication. Advertisement expenses have been clubbed with Marketing expenses and has been renamed as Marketing, advertisement and publicity expenses. Further, Marketing, advertisement and publicity expenses of Rs.6.03 Crore has been reclassified to Outsourced business services. Legal and professional fees of Rs. 10.06 Crore and Rs. 9.05 Crore has been reclassified to Information Technology and Outsourced business services respectively.

### 3.40 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as provided in the table below (for previous year)

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 8 November 2016	0.00	0.00	0.01
(+) permitted receipts	-	0.03	0.03
(+) permitted payments	-	0.03	0.03
(-) Amount deposited in Banks	0.00	-	0.00
Closing Cash in hand as on 31 December 2016	-	0.00	0.00

**3.41** The amounts reflected as "0" in the Financial statements are values with less than rupees one crore.

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Kanu Doshi**  
Director  
DIN No. 00577409

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Deepak Mukhija**  
Company Secretary

Mumbai, 25 April 2018

# Independent Auditor's Report

To the Members of

**Reliance Nippon Life Asset Management Limited**

*(Formerly known as Reliance Capital Asset Management Limited)*

## Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Reliance Nippon Life Asset Management Limited (hereinafter referred to as "the Holding Company") and 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 31 March 2018, the Consolidated statement of profit and loss, the Consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated financial statements

The Holding Company's Board of directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associates 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 to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control over financial reporting relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

We are also responsible to 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 the auditor's report to the related disclosures in the consolidated 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 the auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statement of subsidiaries and associate, the aforesaid consolidated financial statements give the information required by 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 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 53.79 Crore as at 31 March 2018, net assets of Rs. 45.82 Crore as at 31 March 2018, total revenues of Rs. 42.55 Crore and net cash inflows amounting to Rs. 13.70 Crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial results of a subsidiary (which became an associate from 3 July 2017) included in the financial statements which reflects total revenues of Rs. 0.74 Crore for the relevant period during the year ended 31 March 2018. We did not audit the financial statements of an associate considered in the preparation of the consolidated statement, whose financial statements reflect the Group's share of total net profit after tax of Rs. 0.18 Crore for the year ended 31 March 2018. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub section (3) Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the Group.

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.

Our opinion on the consolidated financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of other matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ 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 of subsidiaries and the associate as furnished by the management as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other independent auditors;
- (c) The Consolidated balance sheet, the Consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, made available to us by the management, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31 March 2018 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 Holding Company, its subsidiary company and associate company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on separate financial statements of subsidiaries and associate company, as furnished by the management as noted in the 'Other matter' paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2018 on the consolidated financial position of the Group and its associate company – Refer note 3.26 to the consolidated financial statements;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; – Refer note 3.26 to the consolidated financial statements; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Milind Ranade**

Partner

Membership No: 100564

Mumbai

April 25, 2018

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 financial statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Reliance Nippon Life Asset Management Limited ("the Holding Company"), subsidiary company and its associate company, incorporated in India, as of that date (the Holding Company, its subsidiary company collectively referred to as the "Group")

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

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, incorporated in India, are 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### 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") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports

referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 Holding Company, its subsidiary company and its associate company incorporated in India have, 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate company, incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No: 100564

Mumbai  
April 25, 2018

# Consolidated Balance sheet

as at March 31, 2018

₹ in Crores

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	612.00	41.52
Reserves and surplus	3.2	1,674.84	1,831.06
		<b>2,286.84</b>	<b>1,872.58</b>
<b>Non current liabilities</b>			
Long - term provisions	3.3	15.06	11.60
Deferred tax liability (net)	3.4	3.45	-
		<b>18.51</b>	<b>11.60</b>
<b>Current liabilities</b>			
Trade payables			
Outstanding dues of Micro, Small and Medium Enterprises	3.5	-	-
Outstanding dues of creditors other than Micro, Small and Medium Enterprises	3.5	115.38	108.33
Other current liabilities	3.6	135.76	48.85
Short - term provisions	3.7	14.70	9.95
		<b>265.84</b>	<b>167.13</b>
<b>Total</b>		<b>2,571.19</b>	<b>2,051.31</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Property, plant and equipment	3.8	12.42	8.65
Intangible assets	3.8	220.24	242.50
Non - current investments	3.9A	786.50	589.48
Deferred tax assets (net)	3.10	-	3.71
Long - term loans and advances	3.11	141.38	148.82
Other non - current assets	3.12	0.30	7.41
		<b>1,160.84</b>	<b>1,000.57</b>
<b>Current assets</b>			
Current investments	3.9B	85.05	357.04
Trade receivables	3.13	40.39	43.16
Cash and bank balances	3.14	606.21	39.72
Short - term loans and advances	3.15	646.09	583.99
Other current assets	3.16	32.61	26.83
		<b>1,410.35</b>	<b>1,050.74</b>
<b>Total</b>		<b>2,571.19</b>	<b>2,051.31</b>
Significant accounting policies and notes to the accounts	2 and 3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Prateek Jain**  
Chief Financial Officer

**Deepak Mukhija**  
Company Secretary

**Kanu Doshi**  
Director  
DIN No.00577409

**Ajay Patel**  
Manager

Mumbai, 25 April 2018

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Crores

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	3.17	1,585.80	1,307.50
Other income	3.18	228.87	128.41
<b>Total revenue</b>		<b>1,814.67</b>	<b>1,435.91</b>
<b>EXPENDITURE</b>			
Employee benefits expense	3.19	230.11	195.68
Depreciation and amortization expense	3.8		
Amortization of asset management rights		25.01	10.14
Other depreciation and amortization		8.54	7.77
Other expenses	3.20	825.26	641.01
<b>Total expenditure</b>		<b>1,088.92</b>	<b>854.60</b>
<b>Profit before tax</b>		<b>725.75</b>	<b>581.31</b>
<b>Income tax expense</b>			
Current tax		196.65	174.50
Deferred tax	3.25	7.16	4.85
<b>Profit after tax</b>		<b>521.94</b>	<b>401.96</b>
<b>Add: Share of profit from Associate</b>		<b>0.18</b>	<b>-</b>
<b>Profit after tax and share of profit / (loss) in associate</b>		<b>522.12</b>	<b>401.96</b>
<b>Earnings per share of face value of Rs 10 each</b>			
<b>Basic (in Rs.)</b>		<b>8.74</b>	<b>6.85</b>
<b>Diluted (in Rs.)</b>		<b>8.73</b>	<b>6.85</b>
Significant accounting policies and notes to the accounts	2 and 3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
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Chief Financial Officer

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Company Secretary

**Kanu Doshi**  
Director  
DIN No.00577409

**Ajay Patel**  
Manager

Mumbai, 25 April 2018

# Consolidated Cash flow statement

for the year ended March 31, 2018

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per statement of profit and loss for the year	<b>725.75</b>	<b>581.31</b>
Adjusted for		
Depreciation	33.55	17.91
Dividend income	(16.47)	(6.34)
Interest income	(81.85)	(70.15)
Amortisation of discount / premium on investments	(0.66)	(0.78)
(Profit) on sale of Investment (net)	(119.77)	(50.87)
Loss on foreign currency transactions & translations	0.82	0.15
(Profit) / Loss on sale of fixed Assets / write off	(0.02)	0.03
(Write back) in value of long term investments	-	(184.40)
	(4.16)	(114.21)
<b>Operating profit before working capital changes</b>	<b>541.35</b>	<b>467.10</b>
(Increase) / Decrease in long term loans and advances	(51.40)	164.42
Decrease in trade receivable	2.76	16.26
(Increase) / Decrease in short term loans and advances	(13.70)	37.68
(Increase) / Decrease in other current assets	(2.61)	0.98
Increase in long term provisions	3.45	4.12
Increase in short term provisions	4.74	6.45
(Decrease) in other long-term liabilities	-	(0.05)
Increase in trade payables	6.24	43.32
Increase / (Decrease) in other current liabilities	86.91	36.39
	(25.27)	247.91
<b>Cash generated from operations</b>	<b>577.74</b>	<b>715.01</b>
Taxes paid	(188.31)	(158.97)
<b>Net cash from operating activities</b>	<b>389.43</b>	<b>556.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(15.08)	(257.16)
Sale of fixed assets	0.02	(0.00)
Inter Corporate deposit received	16.50	40.00
Inter Corporate deposit given	(15.00)	(151.50)
Fixed deposits placed with banks	(1,076.50)	(20.81)
Repayment of fixed deposits with banks	579.88	0.46
Purchase of investments	(2,356.00)	(1,886.17)
Drawings received from limited liability partnership	0.82	0.09
Purchase minority of stake in subsidiary	-	(8.87)
Sale of investments	2,551.23	1,906.23
Interest received	76.87	56.84
Dividend received	18.26	-
Share of profit from associate	0.18	6.34
<b>Net Cash used in investing activities</b>	<b>(218.82)</b>	<b>(314.55)</b>

# Consolidated Cash flow statement

for the year ended March 31, 2018

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of preference share capital	(30.00)	-
Issue of equity share capital	616.90	-
Share issue expenses	(28.04)	-
Interim dividend paid including dividend distribution tax	(368.29)	-
Dividend paid including dividend distribution tax	(300.27)	(300.27)
<b>Net cash used in financing activities</b>	<b>(109.70)</b>	<b>(300.27)</b>
<b>D. EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE</b>	<b>1.85</b>	<b>(1.81)</b>
<b>Net increase/(decrease) in cash and cash Equivalents (A+B+C+D)</b>	<b>62.76</b>	<b>(60.59)</b>
Opening Balance of Cash and Cash Equivalents	<b>13.07</b>	<b>73.66</b>
Closing Balance of Cash and Cash Equivalents	<b>75.83</b>	<b>13.07</b>
<b>Cash and cash equivalents comprising of :</b>		
Cash on Hand	0.00	0.00
Balance with banks in current accounts	34.82	13.07
Fixed deposits with original maturity of less than 3 months	41.00	-
Effect of exchange differences on balances with banks in foreign currency	0.01	(0.00)
<b>Total</b>	<b>75.83</b>	<b>13.07</b>

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Prateek Jain**  
Chief Financial Officer

**Deepak Mukhija**  
Company Secretary

**Kanu Doshi**  
Director  
DIN No.00577409

**Ajay Patel**  
Manager

Mumbai, 25 April 2018

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Currency : Indian Rupees)

## 1. BACKGROUND

Reliance Nippon Life Asset Management Limited ('the Company') was incorporated on 24 February 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 Company manages the investment portfolio of the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated 12 August 1997.

During the year ended 31 March 2018, the Company completed the Initial Public Offering (IPO) through an offer for sale and fresh issue of equity shares. The equity shares of the Company were listed on National Stock exchange of India Limited and Bombay Stock exchange Limited on 6 November 2017.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries (together referred as the "Group") have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra group transactions and unrealized profit and losses if any, are fully eliminated.

The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of profit and loss as the profit or loss on disposal of investment in subsidiary as the case may be.

The Standalone financial statements of the holding company and its associate have been combined on the basis of equity method, whereby, the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquiring control. The carrying amount of the investment is adjusted thereafter for post acquisition change in the holding company's share of net assets of the associate. Unrealised profits and losses resulting from transaction between the holding company and the associate are eliminated to the extent of the company's interest in the associate. Unrealised losses are not eliminated if and to the extent the cost of the transferred asset cannot be recovered. The consolidated statement of profit and loss reflects the Holding Company's share of operations of the associates.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements. In translating the financial statements of non integral foreign operations for consolidation the following procedures have been followed:

- the assets and liabilities both monetary and non monetary, of the non integral foreign operations are translated at the closing rate;
- income and expense items of the non integral foreign operations are translated at the average exchange rates; and
- all resulting exchange differences are accumulated in a foreign currency translation reserve.

Following subsidiaries have been consolidated and the proportion of ownership thereof is as under:

Investment in Subsidiaries	Country of Incorporation	Proportion of ownership interest	
		March 31, 2018	March 31, 2017
Reliance Asset Management (Mauritius) Limited	Mauritius	100%	100%
Reliance Asset Management Singapore Pte Limited	Singapore	100%	100%
Reliance Capital Pension Fund Limited*	India	49%	100%
Reliance AIF Management Company Ltd.	India	100%	100%

\* Became an associate w.e.f 3 July 2017. The difference between the proceeds from disposal of investment in a subsidiary of Rs. 14.70 Crore and the carrying amount of its assets less liabilities as of the date of disposal of Rs. 13.38 Crore is recognized in the consolidated Statement of profit and loss as the profit on disposal of investment in subsidiary.

### 2.2 Basis of preparation

The accompanying consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards under section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rule 2014 and other accounting

principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees rounded to the nearest crore except otherwise stated. The accounting policies set out below have been applied consistently to the periods prescribed in the consolidated financial statements except otherwise disclosed separately.

### 2.3 Use of Estimates

The preparation of the consolidated financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.4 Operating Cycle

Based on the nature of its activities, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 2.5 Fixed assets and depreciation/amortisation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets.

Depreciation on fixed assets is provided on straight line basis at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 which are mentioned as under :

Asset Class	Useful Life (years)
Office Equipments	5
Furniture and fixtures	10
Vehicles	8
IT Equipments - computers & printers	3

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

Intangible assets comprising of software purchased / developed and licensing costs are amortised over the useful life of the software up to a maximum of three years commencing from the date on which such software is first utilised.

Goodwill is amortised over estimated useful life or five years, whichever is lower.

Acquisition of rights to manage and administer the schemes of Goldman Sachs Mutual Fund has been amortised equally over a period of 10 years.

The Group provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

### 2.6 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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.

### 2.7 Investments

Purchase and sale of investments are recorded on trade date.

Investments are classified as long term or current based on intention of the management at the time of purchase. Investments that are intended to be held for not more than 1 year from the date on which such investments are made, are classified as current. All other investments are classified as long term investments.

Long-term investments are stated at cost of acquisition. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

Current investments are valued at the lower of cost and fair value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

### 2.8 Cash and cash equivalent

Cash and cash equivalent represent cash in hand, balance with scheduled banks and current account and short term deposits with bank with original maturity of three months or less.

### 2.9 Employee Benefits

#### Provident Fund

The Company expenses its contribution to the statutory provident fund, a defined contribution scheme, made at 12% of the basic salary of each employee.

#### Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the Company are annually funded with the Reliance Life Insurance Company Limited and Birla Sun Life Insurance Company Limited respectively.

#### Leave Encashment

Leave Encashment which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

#### Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

#### 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 formulae linked to fair market value of shares upon exercise of phantom stock options over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of shares. The present value of the obligation under such plan is determined based on actuarial valuation.

#### Employee Stock option plan ("ESOP")

The employees of the Group and its subsidiaries are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOP plan of the Company. The employee compensation expenses are accounted on the basis of

"intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation expense on the basis of estimated number of stock options expected to vest.

### 2.10 Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

#### Revenue From Operation:

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.

#### Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

#### 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.

#### Other Income:

The gains/ losses on sale of investments are recognised in the statement of profit and loss on the trade date. Profit or loss on sale of investments is determined on weighted average cost basis.

Interest income is accounted on an time proportion basis.

Dividend income is recognised when the right to receive dividend is established.

Contingent deferred sales charge and service charge is included in other income. These are recognised in accordance with the terms of the Private Placement Memorandum.

### 2.11 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

## 2.12 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 duration or clawback period of the scheme for close ended and open ended schemes respectively.

## 2.13 Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under brokerage, incentives, marketing, advertisement and publicity 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 duration or clawback period of the scheme for close ended and open ended schemes respectively.

## 2.14 Leases

### Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognised as an expense on straight line basis over the lease period.

### Hire purchase

Assets held under hire purchase arrangements are classified as finance leases and are recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a hire purchase liability. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

## 2.15 Income Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

## Current tax

Provision for income tax is recognised on an annual basis under the taxes payable method, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

MAT Credit entitlement is recognised where there is convincing evidence that the same can be realised in future. The company has balance of unrecognised MAT credit of Rs. Nil (P.Y. Rs. 0.28 Crore) as at March 31, 2018.

## Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future: however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

## 2.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

## 2.17 Contingencies and provisions

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

### 3.1 SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>AUTHORISED</b>		
Equity shares, Rs.10 par value		
100,00,00,000 (1,20,00,000) equity shares	1,000.00	12.00
Preference shares, Rs.100 par value		
30,00,000 (30,00,000) preference shares	30.00	30.00
	<b>1,030.00</b>	<b>42.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
<b>Equity Shares, Rs.10 par value</b>		
61,20,00,000 (1,15,20,000 shares) equity shares fully paid up	612.00	11.52
Preference shares, Rs.100 par value		
30,00,000 (30,00,000 shares) 6% Non-Cumulative Redeemable Preference shares of Rs.100 each	-	30.00
	-	<b>30.00</b>
<b>Total Share Capital</b>	<b>612.00</b>	<b>41.52</b>

I. The details of equity shareholders holding more than 5% of equity share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Reliance Capital Limited	26,23,95,000	42.88*	58,75,200	51.00
Nippon Life Insurance Company	26,23,95,000	42.88*	51,34,800	44.57

\* Refer note 3.28 and 3.32

II. The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares at the beginning	1,15,20,000	11.52	1,15,20,000	11.52
Add: Bonus shares issued during the year (Refer Note 3.28)	57,60,00,000	576.00	-	-
Add : Fresh Issue (Refer note 3.32)	2,44,80,000	24.48	-	-
Equity shares at the end	61,20,00,000	612.00	1,15,20,000	11.52

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Preference shares at the beginning	30,00,000	30.00	30,00,000	30.00
Add : Movement during the year	(30,00,000)	(30.00)	-	-
Preference shares at the end	-	-	30,00,000	30.00

III. The details of preference shareholders holding more than 5% of preference share capital is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Reliance Television Private Limited	-	-	30,00,000	100.00

**Terms / rights attached to equity shares :**

The Company has one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**IV. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

During the year ended March 31, 2015, the Company had issued 3,000,000 6% Non-Convertible Non-Cumulative Redeemable Preference shares of Rs.100 each amounting to Rs. 30 Crore for consideration other than cash. On 18 July 2017, the Company has redeemed the same out of free reserves.

**3.2 RESERVES AND SURPLUS**

Particulars	₹ in Crores	
	As at March 31, 2018	As at March 31, 2017
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	0.44	0.44
Add: Amount transferred for redemption of Preference shares	30.00	-
	<b>30.44</b>	<b>0.44</b>
Less: Amount transferred for issue of bonus shares (Refer note: 3.28)	30.44	-
Balance at the end of the year	-	<b>0.44</b>
<b>Capital reserve</b>		
Balance at the beginning of the year	0.34	0.34
Balance at the end of the year	<b>0.34</b>	<b>0.34</b>
<b>Securities Premium Account</b>		
Balance at the beginning of the year	555.29	555.29
Add : Fresh issue of equity shares ( Refer note: 3.32)	592.41	-
Less: Amount utilised for issue of bonus shares (Refer note: 3.28)	545.56	-
Less: Amount utilised towards expenses for Initial public offer (Refer note: 3.34)	28.04	-
Balance at the end of the year	<b>574.10</b>	<b>555.29</b>
<b>General Reserve</b>		
Balance at the beginning of the year	126.50	126.50
Less : Amount utilised towards redemption of Preference shares	30.00	-
Balance at the end of the year	<b>96.50</b>	<b>126.50</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	36.81	38.62
Movement during the year	1.85	(1.81)
Balance at the end of the year	<b>38.66</b>	<b>36.81</b>
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	1,111.68	709.72
Add: Profit after tax for the year	522.12	401.96

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Profit available for appropriations</b>	<b>1,633.80</b>	<b>1,111.68</b>
Interim dividend paid on equity shares (Refer Note 3.35)	(306.00)	-
Dividend paid on equity shares	(247.68)	-
Dividend paid on preference share	(1.80)	-
Tax on Interim dividend (Refer Note 3.35)	(62.29)	-
Tax on dividend	(50.79)	-
<b>Balance at the end of the year</b>	<b>965.24</b>	<b>1,111.68</b>
<b>Total Reserves and surplus</b>	<b>1,674.84</b>	<b>1,831.06</b>
<b>3.3 Long - term provisions</b>		
Provision for employee benefits:		
Provision for leave encashment	2.97	4.17
Provision for gratuity	0.12	0.20
Provision for phantom shares	11.97	7.23
	<b>15.06</b>	<b>11.60</b>
<b>3.4 Deferred tax liability (net)</b>		
Deferred tax liability / asset arising on account of timing differences in:		
Depreciation on fixed assets	11.17	-
Employee compensation	(10.23)	-
Straight lining of lease rentals	(0.61)	-
Brokerage	3.12	-
	<b>3.45</b>	<b>-</b>
<b>3.5 Trade payables</b>		
Outstanding dues of Micro, Small and Medium Enterprises*	-	-
Outstanding dues of creditors other than Micro, Small and Medium Enterprises	115.38	108.33
	<b>115.38</b>	<b>108.33</b>
* The Group does not have any outstanding dues towards small scale industrial undertakings as at March 31, 2018. The Group did not have any outstanding dues to any micro or small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance (as certified by Management).		
<b>3.6 Other current liabilities</b>		
Statutory liabilities	54.23	8.76
Outstanding liabilities against expenses	77.38	38.40
Income received in advance	0.20	-
Other payables	3.95	1.69
	<b>135.76</b>	<b>48.85</b>

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>3.7 Short - term provisions</b>		
Provision for employees' benefit:		
Provision for leave encashment	0.53	0.46
Provision for compensated absence cost	4.26	3.61
Provision for gratuity	0.01	0.02
Provision for Phantom shares	9.90	5.86
	<b>14.70</b>	<b>9.95</b>

**3.8 Fixed assets**

₹ in Crores

Assets	Gross block (at cost)			As at March 31, 2018	Depreciation and amortization			Net block	
	As at 1 April 2017	Additions	Deductions		Up to 1 April 2017	During the Year*	Deductions	Up to March 31, 2018	As at March 31, 2018
<b>Property, plant and equipment</b>									
Computer	22.63	5.40	0.12	27.91	19.13	3.16	0.12	22.17	5.74
Vehicle	1.20	0.15	-	1.35	0.95	0.17	-	1.12	0.23
Office equipment	9.31	1.03	0.28	10.06	7.88	0.56	0.28	8.16	1.90
Furniture	3.03	0.09	0.16	2.96	2.51	0.14	0.15	2.50	0.46
Leasehold improvements	13.43	3.32	1.11	15.64	10.48	2.17	1.10	11.55	4.09
<b>Sub Total</b>	<b>49.60</b>	<b>9.99</b>	<b>1.67</b>	<b>57.92</b>	<b>40.95</b>	<b>6.20</b>	<b>1.65</b>	<b>45.50</b>	<b>12.42</b>
<b>Intangible assets</b>									
Software	13.35	5.09	0.23	18.21	10.85	2.34	0.23	12.96	5.25
Asset management rights (Refer note 3.31)	250.14	-	-	250.14	10.14	25.01	-	35.15	214.99
<b>Sub Total</b>	<b>263.49</b>	<b>5.09</b>	<b>0.23</b>	<b>268.35</b>	<b>20.99</b>	<b>27.35</b>	<b>0.23</b>	<b>48.11</b>	<b>220.24</b>
<b>Grand total</b>	<b>313.09</b>	<b>15.08</b>	<b>1.90</b>	<b>326.27</b>	<b>61.94</b>	<b>33.55</b>	<b>1.88</b>	<b>93.61</b>	<b>232.66</b>

As at March 31, 2017

₹ in Crores

Assets	Gross block (at cost)			As at March 31, 2017	Depreciation and amortization			Net block	
	As at 1 April 2016	Additions	Deductions		Up to 1 April 2016	During the Year*	Deductions	Up to March 31, 2017	As at March 31, 2017
<b>Property, plant and equipment</b>									
Computer	21.16	2.23	0.76	22.63	17.25	2.63	0.75	19.13	3.50
Vehicle	1.23	-	0.03	1.20	0.83	0.14	0.02	0.95	0.25
Office equipment	8.98	0.78	0.45	9.31	7.94	0.39	0.45	7.88	1.43
Furniture	3.19	0.02	0.18	3.03	2.49	0.19	0.17	2.51	0.52
Leasehold improvements	12.65	2.03	1.25	13.43	10.16	1.57	1.25	10.48	2.95
<b>Sub Total</b>	<b>47.21</b>	<b>5.06</b>	<b>2.67</b>	<b>49.60</b>	<b>38.67</b>	<b>4.92</b>	<b>2.64</b>	<b>40.95</b>	<b>8.65</b>
<b>Intangible assets</b>									
Software	11.38	1.97	-	13.35	8.00	2.85	-	10.85	2.50
Asset management rights (Refer note 3.31)	-	250.14	-	250.14	-	10.14	-	10.14	240.00
<b>Sub Total</b>	<b>11.38</b>	<b>252.11</b>	<b>-</b>	<b>263.49</b>	<b>8.00</b>	<b>12.99</b>	<b>-</b>	<b>20.99</b>	<b>242.50</b>
<b>Grand Total</b>	<b>58.59</b>	<b>257.17</b>	<b>2.67</b>	<b>313.09</b>	<b>46.67</b>	<b>17.91</b>	<b>2.64</b>	<b>61.94</b>	<b>251.15</b>

\* Depreciation other than asset management rights comprises of depreciation on property, plant and equipment and amortization of software

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
<b>3.9A Non - current investments</b>					
<b>Non - Trade Investment (Valued at Cost unless stated otherwise)</b>					
<b>Unquoted Equity Instruments :</b>					
<b>(I) Investment in subsidiaries (Unquoted, fully paid up)</b>					
Reliance Capital Pension Fund Limited*	INR 10	1,22,50,000	12.86	-	-
Add: Share of profit from Associate			0.18	-	-
			<b>13.04</b>		-
<b>(II) Investment in equity instruments (Unquoted, fully paid up)</b>					
Reliance Industries Limited	INR 10	-	-	49,964	3.43
Reliance Communications Limited	INR 5	-	-	24,923	1.05
ICICI Bank Limited	INR 10	-	-	20,750	0.50
Kotak Mahindra Bank Limited	INR 5	-	-	9,240	0.50
Prakash Industries Limited	INR 10	-	-	10,06,960	3.45
			-		<b>8.93</b>
Less: Provision for diminution in value of investments			-		0.84
			-		<b>8.09</b>
<b>(III) Investments in equity instruments (Unquoted, fully paid up)</b>					
Emergent India Investments Ltd	USD 1	10	0.00	10	0.00
Reliance Emergent India Fund Limited	USD 1	1,000	0.01	1,000	0.01
Teracom Limited	INR 10	8,00,000	0.00	8,00,000	0.00
MF Utilities India Private Limited	INR 1	5,00,000	0.05	5,00,000	0.05
			0.06		<b>0.06</b>
<b>(IV) a. Investments in mutual fund (Unquoted)</b>					
Reliance Growth Fund- Direct - Growth Option	INR 10	3,41,481	32.78	2,44,576	20.33
Reliance Growth Fund- Direct Dividend Plan Dividend Payout	INR 10	41,53,778	36.75	-	-
Reliance Vision Fund - Direct Dividend Plan Dividend Payout	INR 10	40,78,553	20.00	-	-
Reliance Focused Large Cap Fund - Direct Plan Dividend Plan Dividend Payout	INR 10	1,31,94,578	26.75	-	-
Reliance Vision Fund - Direct -Growth Option	INR 10	1,18,997	5.29	4,71,273	20.92
Reliance Focused Large Cap Fund - Direct - Growth Plan	INR 10	20,71,708	4.90	42,27,501	10.00
Reliance Equity Opportunities Fund - Direct - Growth Option	INR 10	4,63,563	3.19	26,43,054	17.94
Reliance Top 200 Fund- Direct - Growth Plan	INR 10	1,23,37,298	33.51	94,55,279	21.54
Reliance Small Cap Fund - Direct - Growth Plan	INR 10	2,05,854	0.50	2,05,854	0.50
Reliance Regular Savings Fund - Equity Plan - Growth Plan	INR 10	95,125	0.50	7,37,754	3.68
Reliance Banking Fund - Direct - Growth Plan	INR 10	4,09,599	7.11	9,57,093	16.58
Reliance Top 200 Fund- Direct Dividend Plan Dividend Payout	INR 10	99,92,855	20.00	-	-
Reliance Long Term Equity Fund - Direct - Growth Plan	INR 10	-	-	29,48,940	11.12
Reliance Media & Entertainment Fund - Direct - Growth Plan	INR 10	1,00,082	0.50	3,43,101	1.79
Reliance Pharma Fund - Direct - Growth Plan	INR 10	1,49,598	2.04	1,49,598	2.04
Reliance Banking Fund - Direct Dividend Plan Dividend Payout	INR 10	29,15,252	20.00	-	-
Reliance Mid & Small cap Fund - Direct - Growth Plan	INR 10	16,37,399	6.14	-	-
Reliance Diversified Power Sector Fund - Direct - Growth Plan	INR 10	66,750	0.50	2,48,441	1.75
Reliance Regular Savings Fund - Balanced Plan - Growth Plan	INR 10	65,14,938	33.90	15,68,697	6.90
Reliance Index Fund - Nifty Plan - Direct - Growth Plan	INR 10	3,57,705	0.50	11,39,982	1.50

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
Reliance Index Fund - Sensex Plan - Direct - Growth Plan	INR 10	39,472	0.05	39,472	0.05
Reliance Quant Plus Fund - Direct - Growth Plan	INR 10	2,66,323	0.50	2,66,323	0.50
Reliance Arbitrage Advantage Fund-Direct Growth Plan	INR 10	3,60,085	0.50	3,60,085	0.50
Reliance Japan Equity Fund - Direct - Growth Plan	INR 10	50,00,000	5.00	50,00,000	5.00
Reliance NRI Equity Fund - Direct Plan - Growth Plan	INR 10	83,833	0.50	83,833	0.50
Reliance Tax Saver Fund-Direct Plan Growth Plan	INR 10	1,19,547	0.50	1,19,547	0.50
Reliance Money Manager Fund - Direct - Growth	INR 1000	2,571	0.50	2,571	0.50
Reliance Liquid Fund - Cash Plan - Direct - Growth Option	INR 1000	2,201	0.50	2,201	0.50
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	1,454	0.50	1,454	0.50
Reliance Liquidity Fund - Direct - Growth Option	INR 1000	2,352	0.50	2,352	0.50
Reliance Floating Rate Fund - Short Term Plan - Direct - Growth Plan	INR 10	7,09,914	1.50	7,09,914	1.50
Reliance Gilt Securities Fund - Direct - Growth Plan	INR 10	1,35,65,787	25.13	1,70,01,929	31.50
Reliance Short Term Fund - Direct Plan - Growth Option	INR 10	1,87,303	0.50	1,87,303	0.50
Reliance Dynamic Bond Fund - Direct Plan - Growth Plan	INR 10	2,59,329	0.50	2,59,329	0.50
Reliance Income Fund - Direct - Growth Option	INR 10	1,07,764	0.50	1,07,764	0.50
Reliance Monthly Income Plan - Direct - Growth Plan	INR 10	4,85,824	1.50	4,85,824	1.50
Reliance Regular Savings Fund - Debt Plan - Direct - Growth Plan	INR 10	2,03,95,229	50.51	8,18,724	1.50
Reliance Corporate Bond Fund - Direct - Growth Plan	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance Retirement Fund - Income Generation Scheme-Direct -Growth	INR 10	45,00,000	4.50	45,00,000	4.50
Reliance Retirement Fund - Wealth Creation Scheme-Direct -Growth	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance Equity Savings Fund - Direct - Growth Plan	INR 10	5,00,000	0.50	5,00,000	0.50
Reliance Banking & PSU Debt Fund - Direct - Growth Plan	INR 10	5,00,001	0.50	3,48,26,514	40.50
Reliance Capital Builder Fund IV - Series C - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Medium Term Fund - Direct - Growth	INR 10	1,70,328	0.50	1,70,328	0.50
Reliance US Equity Opportunity Fund - Direct Growth Plan	INR 10	15,00,000	1.50	15,00,000	1.50
Reliance Dual Advantage Fixed Tenure Fund Xi - Plan B - Direct Growth Plan	INR 10	23,00,000	2.30	-	-
Reliance Dual Advantage Fixed Tenure Fund VIII - Plan C - Direct - Growth	INR 10	20,00,000	2.00	20,00,000	2.00
HDFC Charity Fund for Cancer Cure - Arbitrage Plan	INR 10	10,00,000	1.00	10,00,000	1.00
Reliance Dual Advantage Fixed Tenure Fund XII - Plan A - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Capital Builder Fund IV - Series D - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
			<b>382.86</b>		<b>234.64</b>
<b>(IV) Investments in debentures or bonds (Quoted)</b>					
Reliance ETF Nifty 100	INR 10	2,60,723	1.98	3,60,723	2.00
Reliance ETF Consumption	INR 10	22,46,651	10.73	37,46,651	10.00
Reliance ETF Dividend Opportunities	INR 10	55,17,301	9.48	58,17,301	10.00
Reliance ETF Sensex	INR 10	3,23,070	11.19	3,73,070	10.00
Reliance ETF Nifty BeES	INR 10	50,303	4.88	15,303	1.20
Reliance ETF Bank BeES	INR 10	10,774	1.70	10,774	1.70
Reliance Close Ended Equity Fund - Series A - Direct - Dividend Plan	INR 10	1,00,00,000	10.00	1,00,00,000	10.00
Reliance Gold savings Fund - Direct - Growth Plan	INR 10	47,31,897	6.84	47,31,897	6.84
Reliance Fixed Horizon Fund - XXII Series 32 - Dividend Plan	INR 10	-	-	50,00,000	5.00

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
Reliance Fixed Horizon Fund - XXV Series 35 - Direct - Growth Plan	INR 10	12,00,000	1.20	12,00,000	1.20
Reliance Fixed Horizon Fund - XXXV - Series 16 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXVI Series 15 - Direct - Growth Plan	INR 10	-	-	25,00,000	2.50
Reliance Fixed Horizon Fund - XXVI Series 32 - Direct - Growth Plan	INR 10	-	-	26,00,000	2.60
Reliance Fixed Horizon Fund - XXVII Series 6 - Direct - Growth Plan	INR 10	-	-	50,00,000	5.00
Reliance Fixed Horizon Fund - XXVII Series 7 - Direct - Growth Plan	INR 10	-	-	65,50,000	6.55
Reliance Fixed Horizon Fund - XXXVI - Series 1 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXVIII Series 2 - Direct - Growth Plan	INR 10	3,00,000	0.30	3,00,000	0.30
Reliance Fixed Horizon Fund - XXVIII Series 19 - Direct - Growth Plan	INR 10	1,50,000	0.15	1,50,000	0.15
Reliance Fixed Horizon Fund XXIX - Series 6 - Direct - Growth Plan	INR 10	27,50,000	2.75	27,50,000	2.75
Reliance Fixed Horizon Fund - XXX - Series 4 - Direct Growth Plan	INR 10	3,50,00,000	35.00	3,50,00,000	35.00
Reliance Fixed Horizon Fund - XXXII - Series 9 - Direct Growth Plan	INR 10	10,00,000	1.00	10,00,000	1.00
Reliance Fixed Horizon Fund - XXXV - Series 5 - Direct Growth Plan	INR 10	13,00,000	1.30	-	-
Reliance Fixed Horizon Fund - XXXIII - Series 7 - Direct Growth Plan	INR 10	30,00,000	3.00	30,00,000	3.00
Reliance ETF NV20	INR 10	13,444	0.50	13,444	0.50
Reliance ETF Gold BeES	INR 10	2,175	0.50	2,175	0.50
Reliance Fixed Horizon Fund - XXX - Series 12 - Direct Growth Plan	INR 10	20,00,000	2.00	20,00,000	2.00
Reliance Fixed Horizon Fund - XXX - Series 17 - Direct Growth Plan	INR 10	30,00,000	3.00	30,00,000	3.00
Reliance Fixed Horizon Fund - XXX - Series 19 - Direct Growth Plan	INR 10	50,00,000	5.00	50,00,000	5.00
Reliance ETF Long Term Gilt	INR 10	1,10,33,444	17.00	1,10,33,444	17.00
Reliance ETF Infra BeES	INR 10	10,000	0.28	10,000	0.28
Reliance ETF Junior BeES	INR 10	2,72,000	7.94	32,000	0.74
Reliance ETF PSU Bank BeES	INR 10	35,000	1.27	15,000	0.51
CPSE ETF	INR 10	2,00,000	0.51	2,00,000	0.51
Reliance ETF Liquid BeES	INR 10	5,351	0.54	5,160	0.52
Reliance ETF Shariah BeES	INR 10	1,170	0.02	1,170	0.02
Reliance ETF Hang Seng BeES	INR 10	300	0.07	300	0.07
Reliance Fixed Horizon Fund - XXXV - Series 12 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 9 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 11 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 13 - Direct Growth Plan	INR 10	50,00,000	5.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 14 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXV - Series 15 - Direct Growth Plan	INR 10	20,00,000	2.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 3 - Direct Growth Plan	INR 10	30,00,000	3.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 - Direct Growth Plan	INR 10	1,00,00,000	10.00	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 6 - Direct Growth Plan	INR 10	3,00,00,000	30.00	-	-
		<b>224.13</b>		<b>147.44</b>	
<b>(V) Investments in debentures or bonds (Quoted)</b>					
6.72% IRFC Tax Free Bonds 20-Dec-2020	INR 100000	2,500	25.00	2,500	25.00
8.30% National Highways Authority Of India Bonds 25-Jan-2027	INR 1000	61,809	6.18	61,809	6.18
8.30% PFC Tax Free Bonds 01-Feb-2027	INR 1000	3,00,000	31.43	3,00,000	31.60
8.66% NTPC Tax Free Bonds 16-Dec-2033	INR 1000	94,995	9.50	94,995	9.50
8.76% NHB Tax Free Bonds 13-Jan-2034	INR 5000	36,098	18.05	39,708	19.85
8.50% NHAI Tax Free Bonds 05-Feb-2029	INR 1000	2,00,000	20.00	2,20,000	22.00
8.55% IIFCL Tax Free Bonds 27-Mar-2029	INR 1000	-	-	10,000	1.00
7.11% NTPC Tax Free Bonds 05-Oct-2025	INR 1000	62,457	6.25	68,703	6.87
7.28% IRFC Tax Free Bond 20-Dec-2030	INR 1000	1,20,800	12.08	1,32,880	13.29
7.11% PFC Tax Free Bonds 17-Oct-2025	INR 1000	25,670	2.57	25,670	2.57
7.35% NHAI Tax Free Bond 10-Jan-2031	INR 1000	42,855	4.29	42,855	4.29
		<b>135.35</b>		<b>142.15</b>	

₹ in Crores

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
<b>(VI) Investment in Preference Shares (Unquoted, fully paid Up)</b>					
L&T Finance Holdings Limited - 8.40% Cumulative Preference Shares	INR 100	-	-	30,10,000	30.20
Zee Entertainment Enterprises Limited - 6% Cumulative Preference Shares	INR 1	29,86,00,000	22.07	29,86,00,000	26.90
			<b>22.07</b>		<b>57.10</b>
<b>(VII) Other Investments</b>					
Reliance Equity Opportunities AIF Scheme - 2	100	1,00,000	5.00		
Reliance Equity Opportunities AIF Scheme - 3	100	5,00,000	3.00		
Reliance Yield Maximiser Alternative Investment Fund Scheme IV	100	3,00,000	1.00		-
			<b>9.00</b>		-
<b>Total Non Current Investment</b>			<b>786.50</b>		<b>589.48</b>
<b>Notes:</b>					
1. Quoted investments					
Aggregate of Book value			<b>359.48</b>		<b>297.68</b>
Aggregate of Market value			<b>382.04</b>		<b>328.77</b>
2. Unquoted investments					
Aggregate of Book value			<b>427.02</b>		<b>291.80</b>
3. Provision for diminution in value of investments			-		<b>0.84</b>

\* Ceased to be a subsidiary and became an associate of the Company w.e.f. 3 July 2017

₹ in Crores

**3.9B Current investments**

Particulars	Face Value	Quantity As at March 31, 2018	Cost/Fair Value As at March 31, 2018	Quantity As at March 31, 2017	Cost/Fair Value As at March 31, 2017
<b>Current investments (At cost or market value whichever is less)</b>					
<b>(I) Investment in Mutual Fund (Unquoted)</b>					
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	40,049	16.87	4,06,606	160.21
Reliance Medium Term Fund - Direct - Growth	INR 10	-	-	74,55,515	25.14
Reliance Money Manager Fund - Direct - Growth	INR 10	-	-	121,487	27.60
Reliance Gilt Securities Fund - Direct - Growth	INR 10	-	-	180,563	0.27
Reliance Short Term Fund - Growth Plan - Growth Option	INR 10	-	-	75,02,553	15.27
Reliance Short Term Fund - Direct Plan - Growth Option	INR 10	2,16,69,011	68.18	1,46,02,651	40.65
Reliance Regular Saving Fund - Debt - Direct - Growth Option	INR 10	-	-	28,98,697	6.36
Reliance Income Fund - Growth Plan - Growth Option	INR 10	-	-	2,15,584	1.00
Reliance Dynamic Bond Fund - Direct Plan - Growth Plan	INR 10	-	-	3,81,84,049	62.14
			<b>85.05</b>		<b>338.64</b>
<b>(II) Investment in mutual fund (Quoted)</b>					
Reliance Yearly Interval Fund - Series 7 - Direct Plan - Growth Plan	INR 10	-	-	32,50,170	4.20
Reliance Interval Fund - II - Series 4 - Direct Plan - Growth Plan	INR 10	-	-	1,20,00,000	12.00
Reliance Fixed Horizon Fund - XXVI - Series 18 - Direct Plan - Growth Plan	INR 10	-	-	20,00,000	2.00
Reliance Fixed Horizon Fund - XXVI - Series 32 - Direct Plan - Growth Plan	INR 10	-	-	2,00,000	0.20
			-		18.40
<b>Total Current Investments</b>			<b>85.05</b>		<b>357.04</b>
<b>Notes:</b>					
1. Quoted investments					
Aggregate of Book value			-		<b>18.40</b>
Aggregate of Market value			-		<b>23.00</b>
2. Unquoted investments					
Aggregate of Book value			<b>85.05</b>		<b>338.64</b>

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
<b>3.10 Deferred tax assets (net)</b>		
Deferred tax asset / liability arising on account of timing differences in:		
Depreciation on fixed assets	-	(0.15)
Employee compensation	-	7.30
Straight lining of lease rentals	-	0.51
Brokerage	-	(3.95)
	<b>-</b>	<b>3.71</b>
<b>3.11 Long - term loans and advances</b>		
Balances with limited liability partnership in current account	0.47	1.23
Parties other than related parties (Unsecured, considered good)		
Intercompany deposits	-	50.00
Capital advances (Unsecured, considered good)	1.70	0.89
Loans to employees	0.15	0.15
Security deposits	24.36	19.55
Advances recoverable in cash or in kind or for value to be received	0.20	0.06
Prepaid expenses	98.38	52.79
Advance tax paid	16.12	24.15
	<b>141.38</b>	<b>148.82</b>
<b>3.12 Other non - current assets</b>		
Other bank balances		
Fixed deposits with residual maturity of more than 12 months* (including accrued interest)	0.30	7.41
	<b>0.30</b>	<b>7.41</b>
* Deposits include lien with the bank amounting to Rs. 0.30 Crore (PY: Rs. 7.29 Crore)		
<b>3.13 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for more than six months	2.76	1.86
Others	37.63	41.30
	<b>40.39</b>	<b>43.16</b>
<b>3.14 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.00	0.00
Balance with banks in current accounts	34.83	13.07
Fixed Deposits with original maturity of less than 3 months*	41.00	-
<b>Other bank balance</b>	-	-
Fixed Deposits with residual maturity of less than 12 months*	530.38	26.65
	<b>606.21</b>	<b>39.72</b>
* Deposits include lien with the bank amounting to Rs. 44.39 Crore (PY: Nil)		

As at  
March 31, 2017

### 3.16 Other current assets

Particulars	₹ in Crores	
	For the year ended March 31, 2018	For the year ended March 31, 2017

### 3.18 Other income

### 3.19 Employee benefits expense

137

₹ in Crores

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	<b>230.11</b>	<b>195.68</b>
<b>3.20 Other expenses</b>		
Brokerage, incentives and others	358.94	259.43
Marketing, advertisement and publicity	172.63	123.77
Legal and professional charges	23.09	23.26
Rent	22.31	20.68
Conveyance and travelling	14.55	10.04
Communication	24.28	20.38
Filing fees and stamp duty	6.53	2.50
Office administration	11.17	9.27
Membership and subscription	4.03	5.65
Electricity	2.50	4.29
Seminar and training	3.28	4.04
Repairs and maintenance	4.17	4.73
Printing and stationary	11.95	7.54
Information technology	25.02	21.07
Insurance	2.00	1.19
Auditors remuneration		
Audit fees	0.60	0.59
Certification matters	0.18	0.12
Other matters	0.27	0.43
Out of Pocket expenses	0.00	0.01
Director sitting fees	0.70	0.55
Net loss on foreign currency transactions and translations	0.97	0.17
Outsourced business service	121.32	102.60
Bad debts	1.17	6.28
Corporate social responsibility expense (Refer note 3.30)	10.42	9.11
Rates and taxes	1.04	3.91
Miscellaneous expenses	2.14	3.56
(Write back) in value of long term investments	-	(4.16)
	<b>825.26</b>	<b>641.01</b>

**3.21 Employees Stock Option Plan (ESOP) :**

- (i) Pursuant to a resolution dated August 8, 2017, shareholders approved Reliance Nippon Life Asset Management Limited – Employee Stock Option Plan 2017 ('ESOP 2017'), to provide for grant of option to eligible employees of the companies and subsidiaries. Under the scheme, 49,44,246 equity shares (taking into account the effect of bonus issuance dated August 11, 2017) have been granted to the eligible employees and each option (after it is vested) is excisable for one equity share having face value of Rs 10 each for an exercise price of Rs 204.25. Vesting of the options shall take place over a maximum period of 4 years with a minimum vesting period of 1 year from the date of grant i.e. August 8, 2017. The exercise period would be maximum of 7 years from the date of grant of options.

(i)(a) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of stock options	Weighted average exercise price (Rs.)	Number of stock options	Weighted average exercise price (Rs.)
<b>Number of shares under option:</b>				
<b>Year 2017</b>				
Outstanding at beginning of year	-	-	-	-
Granted	49,44,246	204.25	-	-
Exercised	-	-	-	-
Cancelled or expired	97,869	-	-	-
Outstanding at the year end	48,46,377	204.25	-	-
Exercisable at end of year	-	-	-	-

(i)(b) The fair value of the options granted was estimated on the date of grant using the Black- Scholes model with the following assumptions

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Risk free interest rate	6.20%	NA
Expected life	7 years	NA
Dividend yield	3.09%	NA

(i)(c) The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is Rs.Nil (PY Rs. NA). The net results for the year, had the Company adopted the Fair Value Method, would have been lower by Rs. 1 Crore (PY Rs. Nil) and accordingly basic and diluted EPS would have been lower by Rs. 0.02 and Rs. 0.02 respectively (PY impact Rs. Nil and Rs. Nil).

(ii) During the year, performance linked incentive/ ex-gratia of Rs. 27.50 Crore (P.Y. Rs. 20 Crore) was paid from Reliance Capital Asset Management Employees Benefits Trust out of its surplus funds as per Employee Benefit Scheme, 2016.

### 3.22 Related Party Disclosure:

#### A. List of Related Parties and their relationship:

##### i) Holding company

Reliance Capital Limited (Up to 12 July 2017)

##### ii) Individual Promoter

Shri Anil D. Ambani, the person having control during the period (Up to 12 July 2017)

##### iii) Major investing party

Reliance Capital Limited (Ceased to be holding Company w.e.f 13 July 2017)

Nippon Life Insurance Company

##### iv) Associate

Reliance Capital Pension Fund Limited (Became an associate w.e.f 3 July 2017)

##### v) Subsidiaries of holding company (Up to 12 July 2017)

Reliance Capital Trustee Co. Limited

Reliance General Insurance Company Limited

Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)

Reliance Commercial Finance Limited (formerly Reliance Gilts Limited)

Reliance Money Precious Metals Private Limited

Reliance Home Finance Limited

Reliance Securities Limited

Reliance Commodities Limited  
 Reliance Financial Limited  
 Reliance Wealth Management Limited  
 Reliance Money Solutions Private Limited  
 Reliance Exchangenext Limited  
 Reliance Corporate Advisory Services Limited (formerly Reliance Spot Exchange Infrastructure Limited)  
 Reliance Capital AIF Trustee Company Private Limited  
 Reliance Health Insurance Limited (w.e.f. 4 May 2017)  
 Reliance Infocomm Infrastructure Limited  
 Quant Capital Private Limited  
 Quant Broking Private Limited  
 Quant Securities Private Limited  
 Quant Investment Services Private Limited

**B. Significant influence: (Up to 12 July 2017)**

Enterprise over which individual described in clause A (ii) above has control

Reliance Communications Infrastructure Limited  
 Reliance IDC Limited  
 Reliance Communications Limited  
 Reliance Webstore Limited  
 Zapak Digital Entertainment Limited

**C. Key management personnel:**

Sundeepp Sikka (Whole Time Director) w.e.f. 22 April 2016

**D. Transaction during the year with related parties:**

₹ in Crores

Sr. No.	Nature of Transaction	Associate	Fellow Subsidiary	Major Investing Party (Full year's transactions)	Significant Influence	Key Managerial Personnel	Total
<b>I</b>	<b>Transactions during the year</b>						
<b>A</b>	<b>Inter corporate deposit given</b>						
	Reliance Securities Limited		15.00 -				15.00 -
<b>B</b>	<b>Repayment of inter corporate deposit</b>						
	Reliance Securities Limited		- (40.00)				- (40.00)
<b>C</b>	<b>Purchase of equity shares of Reliance Capital Pension Fund Limited</b>						
	Reliance Commercial Finance Limited		- (9.72)				- (9.72)
<b>D</b>	<b>Interest income</b>						
	Reliance Securities Limited		0.08 (2.09)				0.08 (2.09)
<b>E</b>	<b>Director sitting fees</b>						
	Nippon Life Insurance Company			0.15 (0.12)			0.15 (0.12)

₹ in Crores

Sr. No.	Nature of Transaction	Associate	Fellow Subsidiary	Major Investing Party (Full year's transactions)	Significant Influence	Key Managerial Personnel	Total
<b>F</b>	<b>Insurance Charges (net of claims received)</b>						
	Reliance General Insurance Company Limited		2.19 (3.32)				2.19 (3.32)
	Reliance Nippon Life Insurance Company Limited		0.52 (2.59)				0.52 (2.59)
<b>G</b>	<b>Brokerage</b>						
	Reliance Wealth Management Limited		0.27 -				0.27 -
	Reliance Money Solutions Private Limited		0.01 (0.04)				0.01 (0.04)
	Reliance Securities Limited		0.34 (0.21)				0.00 (0.21)
<b>H</b>	<b>Reimbursement of expenses charged</b>						
	Reliance Capital Pension Fund Limited	0.12					0.12
	Reliance Capital Limited			8.49 -			8.49 -
	Nippon Life Insurance Company			8.49 -			8.49 -
<b>I</b>	<b>Reimbursement of expenses paid</b>						
	Reliance Capital Limited			2.75 (2.70)			2.75 (2.70)
	Reliance General Insurance Company Limited		0.02 (0.08)				0.02 (0.08)
	Nippon Life Insurance Company			0.76 (0.41)			0.76 (0.41)
	Reliance Capital Pension Fund Limited	0.01 -					0.01 -
	Reliance Infocom Infrastructure Limited		0.00 -				0.00 -
<b>J</b>	<b>Management fee expense</b>						
	Reliance Capital Limited			6.00 (6.00)			6.00 (6.00)

₹ in Crores

Sr. No.	Nature of Transaction	Associate	Fellow Subsidiary	Major Investing Party (Full year's transactions)	Significant Influence	Key Managerial Personnel	Total
<b>K</b>	<b>Networking / communication expenses</b>						
	Reliance Communications Infrastructure Limited				- (0.68)		- (0.68)
	Reliance Communication Limited				0.77 (2.27)		0.77 (2.27)
	Reliance IDC Limited				0.41 (1.04)		0.41 (1.04)
	Reliance Webstore Limited				0.68 (0.91)		0.68 (0.91)
<b>L</b>	<b>Marketing expenses</b>						
	Zapak Digital Entertainment Limited				- (0.38)		- (0.38)
<b>M</b>	<b>Remuneration to key management personnel</b>						
	Sundeep Sikka					5.94 (8.42)	5.94 (8.42)
<b>N</b>	<b>Investment Activities</b>						
	Reliance Exchangenext Limited		4.90 -				4.90 -
	Reliance Corporate Advisory Services Limited		4.90 -				4.90 -
	Reliance Capital Limited			4.90 -			4.90 -
<b>II</b>	<b>Balances outstanding at the end of the year</b>						
<b>A</b>	<b>Loans and advances to related parties</b>						
	Reliance Nippon Life Insurance Company Limited		- (1.14)				- (1.14)
	Reliance General insurance Company Limited		- (0.14)				- (0.14)
<b>B</b>	<b>Trade Payables</b>						
	Reliance Capital Limited			0.13 -			0.13 -

Note : Related Party Relationship is as identified by the Company. (Previous year figures are in brackets)

### 3.23 SEGMENT INFORMATION

In the opinion of Management, the Group operates within a single business segment of asset management services to the fund and portfolio Management service to clients. Segment information is being presented on the basis of geographical location of entities. Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segmental balance sheet as at March 31, 2018 and segmental statement of profit and loss for the year ended March 31, 2018 have been prepared.

**Information about Geographical Segment - Primary**

₹ in Crores

S.No.	Particulars	India Year Ended March 31, 2018	Outside India Year Ended March 31, 2018	Total Year Ended March 31, 2018
<b>1.</b>	<b>Segment Revenue</b>			
	External	1,778.75 (1,427.12)	35.92 (9.49)	1,814.67 (1,436.61)
	Inter Segment Revenue	1.01 (1.37)	6.63 (3.18)	7.64 (4.55)
	Total Revenue	1,779.76 (1,428.49)	42.55 (12.67)	1,822.31 (1,441.15)
	Eliminations	- -	- -	7.64 (4.55)
	Consolidated Total	- -	- -	1,814.67 (1,436.61)
<b>2.</b>	<b>Result</b>			
	Segment Result	716.64 (588.99)	9.11 (-7.84)	725.75 (581.16)
<b>3.</b>	<b>Other Information</b>			
	Segment Assets	2,517.40 (2,012.08)	53.79 (39.23)	2,571.19 (2,051.31)
	Segment Liabilities	277.60 (175.80)	6.75 (2.93)	284.35 (178.73)
<b>4.</b>	<b>Capital Expenditure during the year</b>	14.91 (257.11)	0.16 (0.05)	15.07 (257.16)
<b>5.</b>	<b>Depreciation and amortisation</b>	33.46 (17.85)	0.08 (0.06)	33.55 (17.91)
<b>6.</b>	<b>Non Cash Expenditure other than depreciation</b>	- -	1.17 (4.16)	1.17 (4.16)

Note : Figures in bracket indicate previous year figures

**3.24 Details of Loans given, investment made and guarantee given covered under section 186(4) of the Companies Act 2013:**

- Details of Investments made have been given as part of Notes 3.9A and 3.9B
- Loans given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Reliance Infrastructure Limited (Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 13.50% p.a.)	175.00	175.00
Reliance Power Limited (Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.50% p.a.)	150.00	150.00
Reliance Asset Reconstruction Company Limited (Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.00% p.a.)	85.00	100.00
Reliance Securities Limited (Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.50% p.a.)	15.00	-
Reliance India Realty Opportunities LLP (Inter Corporate Deposit utilised for General Corporate Purpose at the rate of interest of 12.00% p.a.)	-	1.50

- iii. The Company and its subsidiary incorporated in India have not given any guarantee or provided any security in connection with loans to any body corporate or person.

### 3.25 Deferred Tax

In compliance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22) notified under Section 133 of the Act, the Company has made net deferred tax adjustment of Rs. 7.16 Crore (Previous Year - (Rs. 4.85 Crore)) as per details given below. The amount has been debited to the Statement of Profit and Loss.

Description	As at March 31, 2017	For the Year	As at March 31, 2018
<b>Assets</b>			
Employees' compensation	7.30	2.93	10.23
Straight lining of lease rental	0.51	0.10	0.61
	<b>7.81</b>	<b>3.03</b>	<b>10.84</b>
<b>Liabilities</b>			
Brokerage	3.95	(0.83)	3.12
Depreciation on fixed assets	0.15	11.02	11.17
	<b>4.10</b>	<b>10.19</b>	<b>14.29</b>
<b>Net Deferred Tax Asset / (Liabilities)</b>	<b>3.71</b>	<b>(7.16)</b>	<b>(3.45)</b>

### 3.26 Contingent liability and Capital commitments:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>a) Contingent liability</b>		
Guarantees to Banks and Financial Institutions	23.51	11.21
Claims against the Company not acknowledged as debts	5.69	5.87
	<b>29.20</b>	<b>17.08</b>
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided.	7.77	2.41

Note: The Group did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses.

### 3.27 Future minimum lease payments in respect of non-cancellable operating lease for premises:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Not later than one year	3.13	0.53
b) Later than one year and not later than five years	2.24	0.79
	<b>5.37</b>	<b>1.32</b>

- 3.28** The Company has issued bonus shares of 50 Equity shares for every one Equity share held on the record date i.e. 10 August 2017 through capitalisation of amount standing to the credit of Capital Redemption Reserve and Securities Premium account. Accordingly, the Company has issued 57,60,00,000 equity shares as bonus shares during the year ended March 31, 2018. The Earning Per Share figures for the year ended March 31, 2017 have been restated to give effect to the allotment of the bonus shares, as required by Accounting Standard (AS 20) - Earnings per share.

**3.29 Earning Per Share (EPS)**

	Year ended March 31, 2018	Year ended March 31, 2017
Net profit attributable to equity shareholders	522.12	401.96
Weighted average number of equity shares outstanding	597,580,274	587,520,000
Basic EPS restated	8.74	6.85
Basic EPS reported	8.74	348.93
Effect of potential equity shares on exercise of employee stock options	803,909	-
Weighted average number of equity shares outstanding	598,384,183	587,520,000
Diluted EPS restated	8.73	6.85
Diluted EPS reported	8.73	348.93

**3.30 Corporate social responsibility (CSR)**

- a) Gross amount required to be spent by the company during the year was Rs. 10.34 Crs (PY Rs 9.00 Crs ) as per calculation.
- b) Amount spent for the year ended March 31, 2018:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any assets	-	-	-
On purposes other than above	10.42	-	10.42

- c) Amount spent for the year ended March 31, 2017:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any assets	-	-	-
On purposes other than above	9.11	-	9.11

**3.31 Asset Management Right:**

During the FY 2015-16, the Company and Reliance Capital Trustee Company Limited had jointly entered into a Scheme Transfer Agreement with Goldman Sachs Asset Management (India) Private Limited, Board of Trustees of Goldman Sachs Mutual Fund and Goldman Sachs Asset Management, L.P to acquire the right to manage and administer the schemes of Goldman Sachs Mutual Fund, the right to assume the trusteeship of the schemes of Goldman Sachs Trustee Company (India) Private Limited and takeover of the schemes of Goldman Sachs Mutual Fund respectively. The said transaction has been approved by the relevant regulatory authorities and the Unit holders of the Schemes of Goldman Sachs Mutual Fund in the FY 2016-17. The amount paid along with the incidental expenditure incurred thereon aggregating to Rs. 250.14 Crs has been treated as Asset management Right as intangible asset. The Asset management Right will be amortized over a period of 120 months. For the year ended March 31, 2018, an amount of Rs. 25.01 Crs has been amortized. Balance life of Asset Management Right is 103 months.

- 3.32** Pursuant to Initial Public offering ('IPO'), sale of 6,12,00,000 equity shares of face value of Rs. 10 each at Rs. 252 per equity share consisting of fresh issue of 2,44,80,000 equity shares and offer for sale by Reliance Capital Limited and Nippon Life Insurance Company ('selling shareholders') of 1,12,30,200 equity shares and 2,54,89,800 equity shares, respectively was completed.

### 3.33 The details of utilisation of IPO proceeds Rs. 588.85 Crores (net of IPO related expenses) are as follows:

(Rs in Crore)

Particulars	Net Proceeds as per IPO	Utilised upto March 31, 2018	Unutilised amount as of March 31, 2018*
Setting up new branches and relocating certain existing branches	38.31	-	38.31
Upgrading the IT system	40.65	-	40.65
Advertising, marketing and brand building activities	72.09	-	72.09
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	8.00	117.00
Investing towards our continuing interest in new mutual fund schemes managed by us	100.00	79.00	21.00
Funding inorganic growth and strategic initiatives	165.00	-	165.00
General corporate purposes	47.80	47.80	-
<b>Total</b>	<b>588.85</b>	<b>134.80</b>	<b>454.05</b>

\* Temporarily deployed in the current account and fixed deposit with the scheduled commercial banks

**3.34** The Company had estimated Rs. 51.26 Crore (inclusive of taxes) as IPO expenses. Of such IPO related expenses, certain expenses (such as Counsel Fees, Auditor Fees, Marketing, Printing & Stationery) aggregating to Rs. 18.20 Crore (inclusive of taxes) are directly attributable to the Company. Remaining IPO related expenses aggregating to Rs. 33.06 Crore (inclusive of taxes), have been allocated between the Company and selling shareholders in proportion to equity shares offered by them for sale. Expenses to be borne by the selling shareholder has been shared equally by both the shareholders. Selling shareholders have reimbursed Rs. 16.98 Crore to the Company. Till March 31, 2018, an amount of Rs. 51 Crore is paid against IPO related expenses and the balance will be paid in due course. As at March 31, 2018, the total expenses attributable to the Company of Rs 28.04 Crore has been adjusted against Securities Premium Account.

**3.35** During the year the Company had declared and paid interim dividend of Rs. 5/- per equity share amounting to Rs. 368.29 Crore (PY: Nil) including dividend distribution tax. In addition, the Board has recommended final dividend of Rs. 1/- per equity share be paid on fully paid equity shares. The same is subject to approval of Shareholders at Annual General Meeting and has not been recorded as a liability in these financial statement in line with the Accounting Standards requirement. The total estimated equity dividend to be paid is Rs. 73.78 Crore (PY Rs. 298.10 crore) including dividend distribution tax.

**3.36** Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates.

Name	As % of Consolidated Net Assets	Net Asset Amount	As % of Consolidated profit or loss	Profit/Loss after Taxation Amount
<b>Parent</b>				
Reliance Nippon Life Asset Management Limited	98%	2,244.55	96%	504.73
<b>Subsidiaries</b>				
<b>Indian</b>				
Reliance AIF Management Company Limited	1%	26.01	2%	9.42
<b>Foreign</b>				
Reliance Asset Management (Singapore) Pte Limited	0%	4.74	1%	5.11
Reliance Asset Management (Mauritius) Limited	1%	10.30	1%	2.72
<b>Associate</b>				
<b>Indian</b>				
Reliance Capital Pension Fund Limited	0%	1.24	0%	0.15

**3.37 Regrouping / Reclassification of Previous Year:**

Expenses other than employee benefits expense, depreciation and amortization have been grouped under "Other expenses". Previous year's figures have been regrouped/ reclassified wherever necessary to conform current year's classification/ disclosure. Courier charges have been clubbed with Communication. Advertisement expenses have been clubbed with Marketing expenses and has been renamed as Marketing, advertisement and publicity expenses. Further, Marketing, advertisement and publicity expenses of Rs.6.03 Crore has been reclassified to Outsourced business services. Legal and professional fees of Rs. 10.06 Crore and Rs. 9.05 Crore has been reclassified to Information Technology and Outsourced business services respectively.

**3.38 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as provided in the table below (for previous year)**

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 8 November 2016	0.00	0.00	0.01
(+) permitted receipts	-	0.03	0.03
(+) permitted payments	-	0.03	0.03
(-) Amount deposited in Banks	0.00	-	0.00
Closing Cash in hand as on 31 December 2016	-	0.00	0.00

**3.39** The amounts reflected as "0" in the Financial statements are values with less than rupees one crore.

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Milind Ranade**  
Partner  
Membership No. 100564

Mumbai, 25 April 2018

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

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

**Prateek Jain**  
Chief Financial Officer

**Deepak Mukhija**  
Company Secretary

**Kanu Doshi**  
Director  
DIN No.00577409

**Ajay Patel**  
Manager

## FORM AOC - I

Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.  
Statement containing salient features of the financial statement of subsidiaries.

(Rs. in Crore)

Sr. No.	Name of Subsidiary Company	Reliance Asset Management (Mauritius) Ltd	Reliance Asset Management (Singapore) Pte Ltd	Reliance Capital Pension Fund Limited *	Reliance AIF Management Company Limited
1	Reporting currency	USD	SGD	NA	NA
2	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR 65.1365	INR 49.6816		
3	Share capital	12.77	28.53	25.00	0.51
4	Reserves & surplus	6.30	(1.77)	1.24	26.01
5	Total assets	21.97	31.82	27.09	57.59
6	Total Liabilities	2.91	5.06	0.86	40.07
7	Investments	0.01	-	26.32	9.00
8	Turnover	6.53	20.95	0.00	32.96
9	Profit before taxation	2.79	5.11	0.15	11.36
10	Provision for taxation	0.07	-	-	1.94
11	Profit after taxation	2.72	5.11	0.15	9.42
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

\*Ceased to be subsidiary w.e.f. 3 July 2017

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Reliance Nippon Life Asset Management Limited**  
CIN : L65910MH1995PLC220793

**Milind Ranade**  
Partner  
Membership No. 100564

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

**Kanu Doshi**  
Director  
DIN No.00577409

**Prateek Jain**  
Chief Financial Officer

**Ajay Patel**  
Manager

**Deepak Mukhija**  
Company Secretary

Mumbai, 25 April 2018



**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.: +91 22 3303 1000, Fax: +91 22 3303 7662  
Website: www.reliancecmutual.com, E-mail: rnam.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 23<sup>rd</sup> Annual General Meeting of the Members of Reliance Nippon Life Asset Management Limited held on Tuesday, September 18, 2018 at 3.30 p.m. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

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**

Registered Office: Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055  
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Website: www.reliancecmutual.com, E-mail: rnam.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 .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Tuesday, September 18, 2018 at 3.30 p.m. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, 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, 2018 and the reports of the Board of Directors and Auditors thereon, and		
	b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.		

Resolution no. and Matter of Resolution		For	Against
2.	To declare dividend on equity shares.		
3.	To appoint Auditors and to fix their remuneration.		
4.	To appoint Mr. Minoru Kimura as the Non - executive Non - Independent Director.		
5.	To appoint Mr. Akira Shibata as the Non - executive Non - Independent Director.		
6.	To re - appoint Mr. Kanu H. Doshi as a Non - executive Independent Director.		
7.	To re - appoint Mr. S. C. Tripathi as a Non - executive Independent Director.		
8.	To appoint Mr. Jai Anmol Ambani as the Non - executive Non - Independent Director.		
9.	To continue Gen. Ved Prakash Malik (Retd.) as a Non - executive Independent Director.		
10.	To revise the terms of Remuneration of Mr. Sundeep Sikka, the Executive Director & CEO.		
11.	To appoint Mr. Ajay Patel as the Manager.		
12.	To enhance the FPI Investment Limit in the Company.		

Signed this ..... day of ....., 2018.

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.

\_\_\_\_\_

[illegible]

## Notes

## Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



**Landmark : Next to Bombay Hospital**

**Distance from Churchgate Station : 1 km**

**Distance from Chhatrapati Shivaji Terminus : 1.2 km**

**Distance from Marine Lines Station : 0.8 km**





Dispatch Ref. No.: Reference No.

**Reliance Nippon Life Asset Management Limited**

(CIN - L65910MH1995PLC220793)

Registered Office: Reliance Centre, 7th Floor,  
South Wing, Off Western Express Highway,  
Santacruz (East), Mumbai - 400 055.

Tel.: +91 022 3303 1000 Fax : +91 022 3303 7662

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

Website: [www.reliancemutual.com](http://www.reliancemutual.com)

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 ("RNLAM" 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 23<sup>rd</sup> Annual General Meeting scheduled to be held on Tuesday, September 18, 2018 at 3:30 p.m. or soon after conclusion of the Annual General Meeting of Reliance Home Finance Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

The Company has engaged the services of Karvy Computershare 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
4039		

The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 10:00 A.M. on Friday, September 14, 2018.

End of remote e-voting : Up to 5:00 P.M. on Monday, September 17, 2018.

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 23<sup>rd</sup> Annual General Meeting is September 11, 2018.**

**Please read the instructions printed overleaf before exercising your vote.** This communication forms an integral part of the Notice of the Company dated June 28, 2018 for the 23<sup>rd</sup> Annual General Meeting scheduled to be held on September 18, 2018 which is being mailed to you with this communication.

The notice for the 23<sup>rd</sup> Annual General Meeting and this communication are also available on the website of the Company at [www.reliancemutual.com](http://www.reliancemutual.com)

Mumbai  
June 28, 2018

Yours faithfully,

**For Reliance Nippon Life Asset Management Limited**

Deepak Mukhija

**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 Friday, September 14, 2018 at 10:00 A.M. to Monday, September 17, 2018 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, 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 Tuesday, September 11, 2018.
  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.