

September 9, 2020

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 540767

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: NAM-INDIA

Dear Sir(s),

Sub.: Our letter dated July 27, 2020 intimating you regarding the factual change in status of holdings and nature of holdings of erstwhile promoter and implications for public shareholding

We refer to our letter to you dated July 27, 2020, informing you about the resolution passed and adopted by our board of directors on July 27, 2020 as further explained in our said letter. We also refer to the subsequent email of the National Stock Exchange of India Limited dated July 31, 2020 regarding the subject matter and our reply to such email dated August 4, 2020.

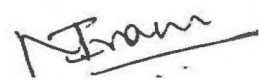
Kindly find attached the letter issued by the Securities Exchange Board of India (SEBI) dated September 8, 2020 (SEBI Approval) in respect of the subject matter. Please treat this letter as a disclosure to the stock exchanges as required by SEBI and other applicable laws.

We request you to kindly take the SEBI Approval on record and take the necessary actions mentioned therein at the earliest.

Thanking you,

Yours faithfully,

For Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)



(Nilufer Shekhawat)
Company Secretary & Compliance Officer
Membership No.: A – 23264



General Manager
Compliance and Monitoring Division – 1
Corporation Finance Department

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

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

September 8, 2020

To

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

Sir,

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

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

सेबी भवन, प्लॉट नं. ८९-ए, "C" ब्लॉक, बान्द्रा कुरुळा कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - ४०० ८५१.

दूरभाष - २६४४ ९९५० / ४०४५ ९९५० (आई.वी.आर.एस.), २६४४ ९००० / ४०४५ ९००० फैक्स - २६४४ ९०१९ से २६४४ ९०२२ वेब - www.sebi.gov.in

SEBI Bhavan, Plot No. 89-A, "C" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Tel: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax: 2644 9019 to 2644 9022 Web: www.sebi.gov.in



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



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



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

Yours faithfully,


Pradeep Ramakrishnan

Copy to

BSE and NSE (via email)