

Report on Corporate Governance

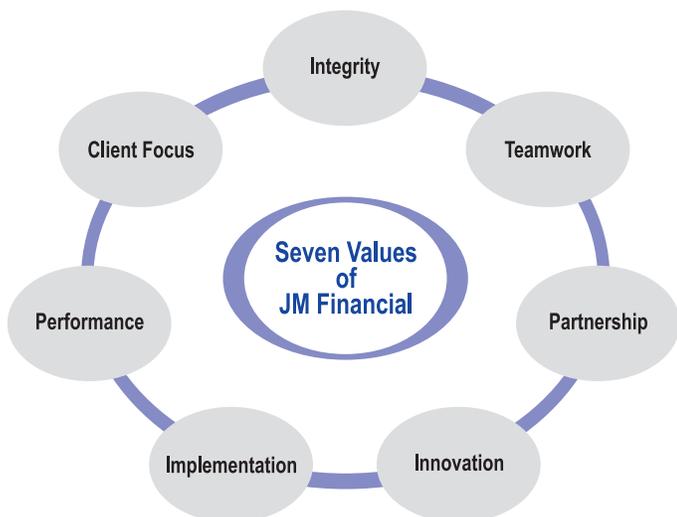
1. CORPORATE GOVERNANCE

Corporate Governance is about commitment to values, ethical business conduct and about considering all stakeholders' interest in conduct of business. Transparency and accountability are the two basic tenets of Corporate Governance. Your Company continues to lay great emphasis on the broad principles of Corporate Governance. JM Financial Group's philosophy on Corporate Governance is stated below:

PHILOSOPHY OF JM FINANCIAL ON CORPORATE GOVERNANCE

At JM Financial, we believe in adopting the 'best practices' followed in the area of Corporate Governance across various geographies. We emphasize the need for transparency and accountability in all our businesses, in order to protect the interests of our stakeholders.

Corporate Governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by following values:



Our vision is to be the most trusted partner for every stakeholder and we are committed to provide fair, transparent and equitable treatment to our stakeholders.

Our core value system is guided by the principles of accountability, transparency, timely disclosure and dissemination of price sensitive information and matters of interest to the investors ensuring compliance with the applicable acts, laws, rules and regulations and conducting business in a best ethical manner. Accordingly,

Corporate Governance stands on the aforesaid broad pillars of transparency, fairness in action, accountability and responsibility towards all the stakeholders.

Securities and Exchange Board of India has issued guidelines on the Corporate Governance for all listed companies through Clause 49 of the Listing Agreement. At JM Financial, we are not only committed to follow the prescribed corporate practises embodied in various regulatory provisions but also the best international practises. We also believe that good governance practises flow from the culture and mindset of the top management and percolate down in the organisation.

2. BOARD OF DIRECTORS

The Directors of your Company are eminent people from various fields and are also conscious of following the good governance practises. The Board oversees as to how the management serves and protects the long-term interests of all the stakeholders.

A. COMPOSITION OF THE BOARD

- As on March 31, 2014, the Company's Board consisted of six Directors, five of whom (i.e., 83.33%) are Non-Executive and Independent Directors. The composition of the Board is in consonance with Clause 49 of the Listing Agreement, entered into with the Stock Exchanges and in accordance with the provisions of the Companies Act, 2013 (the Act). The remaining one Director is the Managing Director of the Company. As per the Articles of Association of the Company, the maximum number of Directors the Company can have is 12.
- All the Non-Executive and Independent Directors have confirmed to the Board that they qualify to be independent as per the definition of 'Independent Director' stipulated in Clause 49 (I)(A)(iii) of the Listing Agreement and Section 149(6) of the Act. These confirmations have been placed before the Board.
- None of the Directors hold directorships in more than 20 companies. None of the Directors is serving as a Member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2014 have been made by the Directors.

B. MEMBERSHIPS OF OTHER BOARDS

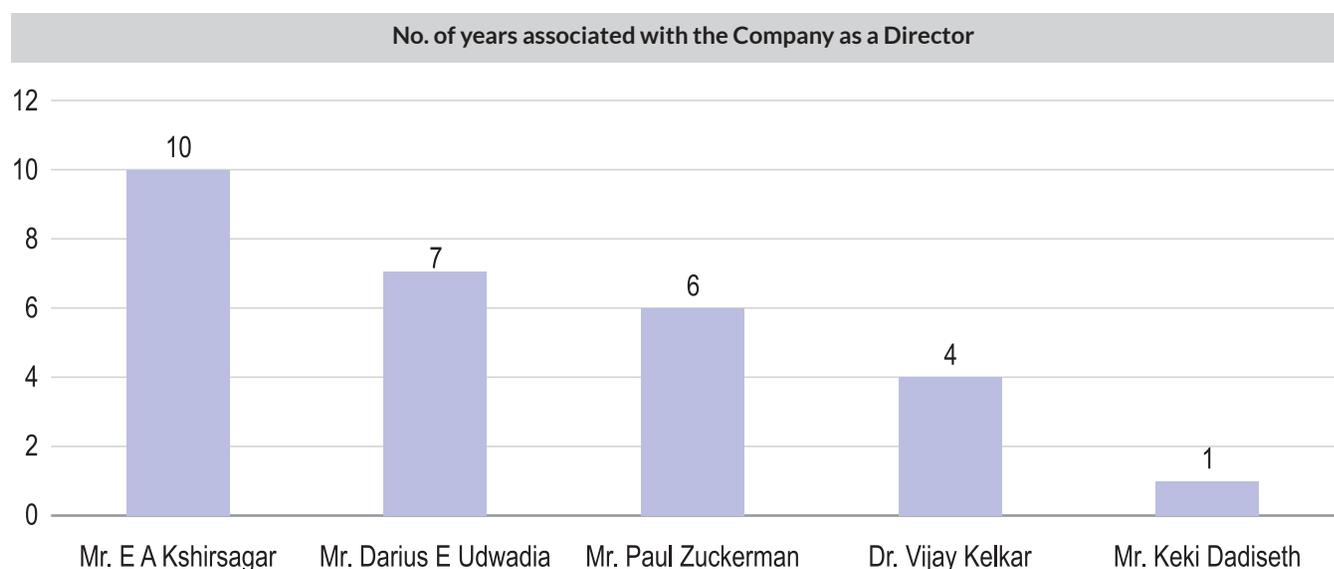
The number of directorships and committee Chairmanships/Memberships held by the Directors in other public companies as on March 31, 2014 are given below:

Name of the Director	Category	Number of directorships in other public companies	Number of committee positions held in other public companies	
			Chairman	Member
Mr. Nimesh Kampani	Chairman & Managing Director	7	2	3
Mr. E A Kshirsagar	Non-Executive & Independent Director	6	3	4
Mr. Darius E Udawadia	Non-Executive & Independent Director	9	1	7
Dr. Vijay Kelkar	Non-Executive & Independent Director	7	1	1
Mr. Paul Zuckerman	Non-Executive & Independent Director	2	-	1
Mr. Keki Dadiseth	Non-Executive & Independent Director	8	3	3

Notes

- Other directorships as above do not include directorships of private limited companies, companies under Section 25 of Companies Act, 1956 and of companies incorporated outside India.
- Only the Audit and Shareholders' Grievance Committees are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.
- None of the Non-Executive and Independent Directors have any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees paid to them for attending the meetings of the Board and its Committee(s).

C. LENGTH OF TENURE OF NON-EXECUTIVE & INDEPENDENT DIRECTORS



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D. BOARD MEETINGS AND BOARD PROCEDURE

- The Board meets at regular intervals. At least one meeting is held in every quarter inter alia to review the quarterly results. Additional meetings of the

Board are held when deemed necessary. In case of business exigencies or urgencies, the resolutions are passed by way of circulation to the extent permissible under the applicable laws.

- During the financial year 2013-14, the Board met eight times on May 16, 2013, May 30, 2013, July 31, 2013, October 7, 2013, October 29, 2013, December 12, 2013, January 29, 2014 and March 25, 2014. The gap between two meetings did not exceed 120 days. The details of the attendance of the Directors at the Board meetings and the last Annual General Meeting is given below:

Name of the Director	No. of Board meetings held	No. of Board meetings attended	Attendance at the previous Annual General Meeting
Mr. Nimesh Kampani	8	8	Yes
Mr. E A Kshirsagar	8	8	Yes
Mr. Darius E Udwardia	8	7	Yes
Dr. Vijay Kelkar	8	7	Yes
Mr. Paul Zuckerman	8	4	Yes
Mr. Keki Dadiseth	8	6	Yes

- The necessary quorum was present at all the above meetings.
- During the financial year 2013-14, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement was placed before the Board.
- The tentative annual calendar of Board meetings is agreed upon at the beginning of the calendar year. The Board meetings are generally held at the registered office of the Company.
- With regard to matters requiring the approval of the Board, all the concerned persons in the Company communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda for the Board meetings.
- The detailed agenda as approved by the Chairman together with the relevant attachments is circulated amongst the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take the informed decisions. Where it is not practicable to circulate any document or if the agenda is of the confidential nature, the same is tabled at the meeting.
- In special and exceptional circumstances, consideration of additional or supplementary items are taken up with the permission of the Chairman.
- The concerned officials of the Group are invited to the Board meetings to provide additional inputs for the items being discussed by the Board of Directors as and when necessary.
- The Board Members interact with the CEOs of the various operating subsidiary companies frequently both at the Board meetings and outside the Board meetings.
- As part of its function, the Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets and capital expenditure.
- The Company Secretary places the gist of amendments as they take place in various laws applicable to the Company together with the implications of such amendments on the Company, its Directors and employees.

- Presentations are made on business operations to the Board by the respective heads of various businesses of the Group. Additionally, presentations are made on various matters including the financial statements, operations related issues, risk management, the regulatory environment or any other issue which the Board wants to be apprised of.
- The Board periodically reviews compliance reports of all laws applicable to the Company and its subsidiaries.
- The minutes of the Board meetings of the unlisted subsidiaries and a summary of the key decisions taken by their Board are tabled at the Board meetings of the Company on a quarterly basis.
- The draft minutes are circulated amongst the Members of the Board for their perusal.
- Comments, if any, received from the Directors are also incorporated in the minutes, in consultation with the Chairman.
- The minutes are generally confirmed by the Members of the Board at the next meeting.
- The Company has in place mechanism to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework. The framework comprise of an in-house exercise on Risk Management, carried out periodically by the Company, including the functioning of a structure to identify and mitigate various risks faced by the Group from time to time. A detailed note on risk management is given in the Risk Management section of Management Discussion and Analysis.
- The Company has an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the concerned persons promptly. Action taken report on the decisions/minutes of the previous meetings is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

E. CODE OF CONDUCT

- The Company has laid down a Code of Conduct (“Code”) for the Board Members and Senior Management Personnel. The Code is available on the website of the Company i.e. www.jmfl.com. The Code impresses upon Directors and Senior Management Personnel to uphold the interest of the Company and fulfill the fiduciary obligations. The Code further enjoins the Directors and Senior Management Personnel to act in accordance with the highest standard of honesty, integrity, fairness and good faith and due diligence in performing their duties. The Code has been circulated to all the Members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. A declaration signed by the Chairman and Managing Director to this effect is given below:

DECLARATION

I confirm that the Company has obtained the confirmation from all its Directors and Senior Management Personnel that they have complied with the provisions of the Code of Conduct for the financial year 2013-14.

Place: Mumbai
Date: May 6, 2014

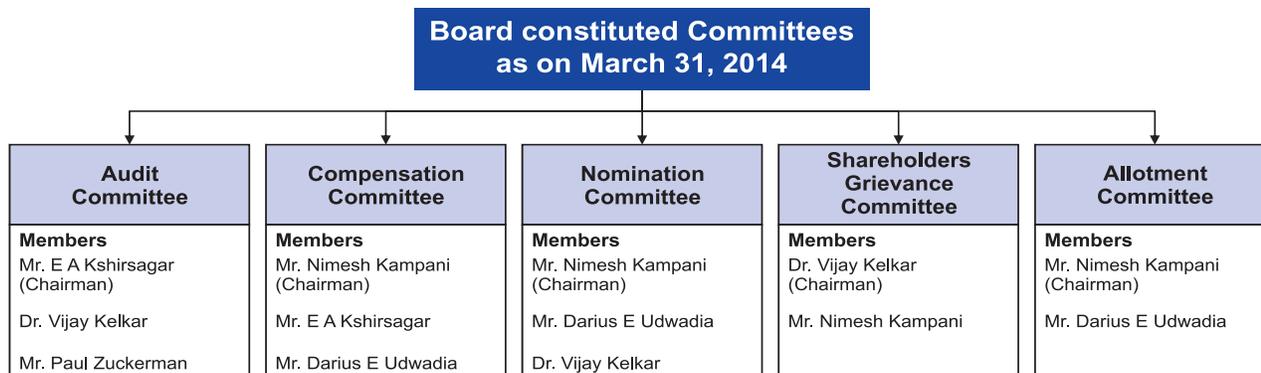
Nimesh Kampani
Chairman & Managing Director

3. COMMITTEES OF THE BOARD:

- The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review.
- The Board Committees are established by the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities through the Committees and is responsible for its action. Each Committee of the Board is guided by its terms of reference and also makes specific references to the Board on various matters when required. All the minutes of committee meetings are placed before the Board for its noting.

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- The Company had following Committees of the Board with specific terms of reference assigned to each of them.



The Board at its meeting held on May 6, 2014 has constituted 'Nomination and Remuneration Committee' and 'Corporate Social Responsibility Committee' and renamed the 'Shareholders' Grievance Committee' to 'Stakeholders' Relationship Committee' as required under the Companies Act, 2013. With this, two separate committees viz., the 'Compensation Committee' and 'Nomination Committee' have been dissolved.

The Members of 'Nomination and Remuneration Committee' are; Mr. Nimesh Kampani, Mr. E A Kshirsagar, Mr. Darius E Udawadia and Dr. Vijay Kelkar and that of 'Corporate Social Responsibility Committee' are; Mr. Nimesh Kampani, Mr. Paul Zuckerman and Mr. Keki Dadiseth.

A. AUDIT COMMITTEE:

i. COMPOSITION

- The Audit Committee consists of three Non-Executive and Independent Directors. Mr. E A Kshirsagar, a Chartered Accountant, is the Chairman of the Committee. The other members are Dr. Vijay Kelkar and Mr. Paul Zuckerman. All the Committee members are learned and very experienced and well known in their respective fields. All members of the Committee are financially literate.
- The quorum for the Committee meetings is two members.
- The Company Secretary acts as the Secretary to the Committee.
- The Chief Financial Officer along with Internal Auditors and Statutory Auditors are invited to attend the meetings of the Committee.
- The minutes of each Audit Committee meeting are included in the agenda of the subsequent Board meeting for noting by the Directors.
- The Committee reviews with the management, the consolidated and standalone quarterly/half yearly

yearly results of the Company prior to recommending the same to the Board for its approval.

ii. SCOPE /FUNCTION/TERMS OF REFERENCE

- The Audit Committee observes and controls the Company's financial reporting process with a view to provide accurate, timely and proper disclosures.
- The Committee's role includes overseeing the accounting and financial reporting process of the Company, audit of the Company's financial statements, appointment, independence, performance and remuneration of the statutory auditors and performance of internal auditors.
- The recommendation of the Audit Committee on any matter relating to financial management including the audit report, is communicated to the Board.
- The Audit Committee also reviews:
 - the financial statements of unlisted subsidiary companies.
 - material investments made by the unlisted subsidiary companies.
 - the statements of significant related party transactions.

- The Chairman of the Audit Committee briefs the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.
- The Board at its meeting held on May 6, 2014, approved the terms of reference of the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, which are as follows:
 - the recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
 - review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - examination of the financial statement and the auditors' report thereon;
 - approval or any subsequent modification of transactions of the Company with related parties;
 - scrutiny of inter-corporate loans and investments;
 - valuation of undertakings or assets of the Company, wherever it is necessary;
 - evaluation of internal financial controls and risk management systems;
 - monitoring the end use of funds raised through public offers and related matters.

iii. MEETINGS AND ATTENDANCE

- The Audit Committee met four times during the financial year 2013-14 on May 30, 2013, July 31, 2013, October 29, 2013 and January 29, 2014. The details of the attendance of the members at the said meetings is as below:

Name of the Members	No. of meetings held	No. of meetings attended
Mr. E A Kshirsagar	4	4
Dr. Vijay Kelkar	4	4
Mr. Paul Zuckerman	4	2

- The necessary quorum was present at all the Audit Committee meetings.

- Mr. E A Kshirsagar, the Chairman of the Committee, was present at the last Annual General Meeting held on July 31, 2013.

B. COMPENSATION COMMITTEE:

i. COMPOSITION

- The Compensation Committee of the Board comprises three members namely, Mr. Nimesh Kampani, Mr. E A Kshirsagar and Mr. Darius E Udawadia. Mr. Kshirsagar and Mr. Udawadia are Non-Executive and Independent Directors.
- Mr. Nimesh Kampani acts as the Chairman of the Compensation Committee.
- The Group Head - Human Resources is invited to the meetings of the Compensation Committee.

ii. SCOPE/FUNCTION/TERMS OF REFERENCE

- The Compensation Committee of the Board, inter alia, recommends and/or approves the compensation terms of the Executive and Non-Executive Directors and senior employees of the Company and its subsidiaries/associates and performs such other functions as may be delegated to it by the Board of Directors from time to time.
- The Committee also has the responsibility of formulation of the Employees' Stock Option Scheme of the Company and grant of stock options to the eligible employees in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

iii. MEETINGS AND ATTENDANCE

- The Compensation Committee met four times during the financial year 2013-14 on April 23, 2013, May 6, 2013, March 10, 2014 and March 25, 2014. The details of the attendance of the members at the said meetings is as below:

Name of the Members	No. of meetings held	No. of meetings attended
Mr. Nimesh Kampani	4	4
Mr. E A Kshirsagar	4	4
Mr. D E Udawadia	4	4

Report on Corporate Governance (contd.)

iv. REMUNERATION:

a. REMUNERATION OF THE CHAIRMAN & MANAGING DIRECTOR

- Mr. Nimesh Kampani, the Chairman & Managing Director of the Company was paid remuneration during the financial year 2013-14 in accordance with the terms and conditions of the Agreement entered into by the Company with him. The details of the remuneration of Mr. Kampani during the financial year 2013-14 is given below:

	(Amount in ₹)
Salary	72,00,000
Performance Bonus	2,45,00,000
Perquisites	68,69,609
Total	3,85,69,609

- Additionally, the Company has contributed to the provident fund based on Mr. Kampani's entitlement as per the rules of the Company. Mr. Kampani was not paid any sitting fees for attending meetings of the Board or any committees thereof.

b. REMUNERATION POLICY FOR NON-EXECUTIVE & INDEPENDENT DIRECTORS

- The Company follows transparent process for

determining the remuneration of Non-Executive and Independent Directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the committees thereof attended by them, the position held by them as the Chairman and member of the committees of the Board and overall contribution to the business. Besides these, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of Non-Executive and Independent Directors.

- In the backdrop of growing complexities and increasing regulatory requirements, the Non-Executive Directors have contributed significantly and given constructive and useful feedback from time to time. Taking into consideration their contribution and the increased responsibilities under various Acts, an aggregate amount of ₹74 Lakh is proposed to be paid as commission to the Non-Executive Directors of the Company for the financial year 2013-14.

- The details of sitting fees/commission paid/payable to the Non-Executive and Independent Directors of the Company are given below:

(Amount in ₹)

Name of the Director	Sitting fees paid during the financial year 2013-14				Commission for Financial year 2013-14
	Board Meeting	Audit Committee Meeting	Compensation Committee Meeting	Shareholders' Grievance Committee Meeting	
Mr. E A Kshirsagar	160,000	80,000	40,000	-	16,00,000
Mr. Darius E Udawadia	140,000	-	40,000	-	14,00,000
Mr. Paul Zuckerman	80,000	40,000	-	-	14,00,000
Dr. Vijay Kelkar	140,000	80,000	-	15,000	16,00,000
Mr. Keki Dadiseth	120,000	-	-	-	14,00,000

- None of the Non-Executive and Independent Directors holds any shares in the Company.
- During the financial year 2013-14, the Company paid ₹15,000/- as professional fees to M/s. Udawadia Udeshi & Argus Partners, a legal firm, of which Mr. Darius E Udawadia is a founder partner. Other than the above, no payments have been made to the Non-Executive Directors by the Company.

C. NOMINATION COMMITTEE

i. COMPOSITION

- The Nomination Committee comprises Mr. Nimesh Kampani, the Chairman and Managing Director and two Non-Executive and Independent Directors namely, Mr. Darius E Udawadia and Dr. Vijay Kelkar. Mr. Nimesh Kampani is the Chairman of the Committee.

ii. SCOPE/FUNCTION/TERMS OF REFERENCE

- The primary role of the Nomination Committee of the Board is to review and recommend the appointment of Non-Executive and Independent Directors and determining the process for evaluating the skills, knowledge, experience and effectiveness of individual Directors as well as the Board as a whole.

iii. MEETINGS AND ATTENDANCE

- No meeting of the Committee was held during the year in absence of any specific agenda.

D. SHAREHOLDERS' GRIEVANCE COMMITTEE

i. COMPOSITION

- The Shareholders' Grievance Committee currently comprises Dr. Vijay Kelkar, a Non-Executive and Independent Director and Mr. Nimesh Kampani, Chairman and Managing Director of the Company.
- Dr. Vijay Kelkar is the Chairman of the Committee. The Company Secretary of the Company acts as the Compliance Officer and takes the Committee through each of the grievances, the steps taken and the responses given by the Company to the shareholders/investors.

ii. SCOPE/FUNCTION/TERMS OF REFERENCE

- The objective of establishing this Committee is to look into the grievances of the shareholders/ investors and speedy disposal thereof. Further, this Committee is also required to be constituted in terms of Clause 49 of the Listing Agreement.

iii. MEETINGS AND ATTENDANCE

- The Shareholders' Grievance Committee met four times during the financial year 2013-14 on May 30, 2013, July 31, 2013, October 29, 2013 and January 29, 2014. The details of the attendance of the members at the said meetings is as below:

Name of the Members	No. of meetings held	No. of meetings attended
Mr. Vijay Kelkar	4	4
Mr. Nimesh Kampani	4	4

- The details of the Compliance Officer is given below for ready reference of the shareholders:

Name, designation, address & contact details of Compliance Officer

Name	Mr. P K Choksi (Group Head – Compliance, Legal & Company Secretary)
Address	5 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
Phone No	022 66303030
Fax No	022 66303223
Email ID	shareholdergrievance@jmfl.com

iv. NATURE AND NUMBER OF GRIEVANCES

- To provide an appropriate disclosure of the investor grievance, the Company has classified the investor communication by differentiating between general correspondences and reporting of grievances. During the financial year 2013-14, the complaints and queries received by the Company were general in nature, which includes matters relating to non-

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receipt of a) dividend and b) Share certificates. The following complaints/grievances received from shareholders during the year by the Company/its Registrars were resolved promptly.

Nature of Grievances	No of Grievances received	No of Grievances resolved	Pending Grievances
Non-receipt of Dividend	33	33	Nil
Non-receipt of share certificates sent for transfer	1	1	Nil
Total	34	34	Nil

- All complaints have been resolved and no complaints remained unattended/pending as on March 31, 2014.

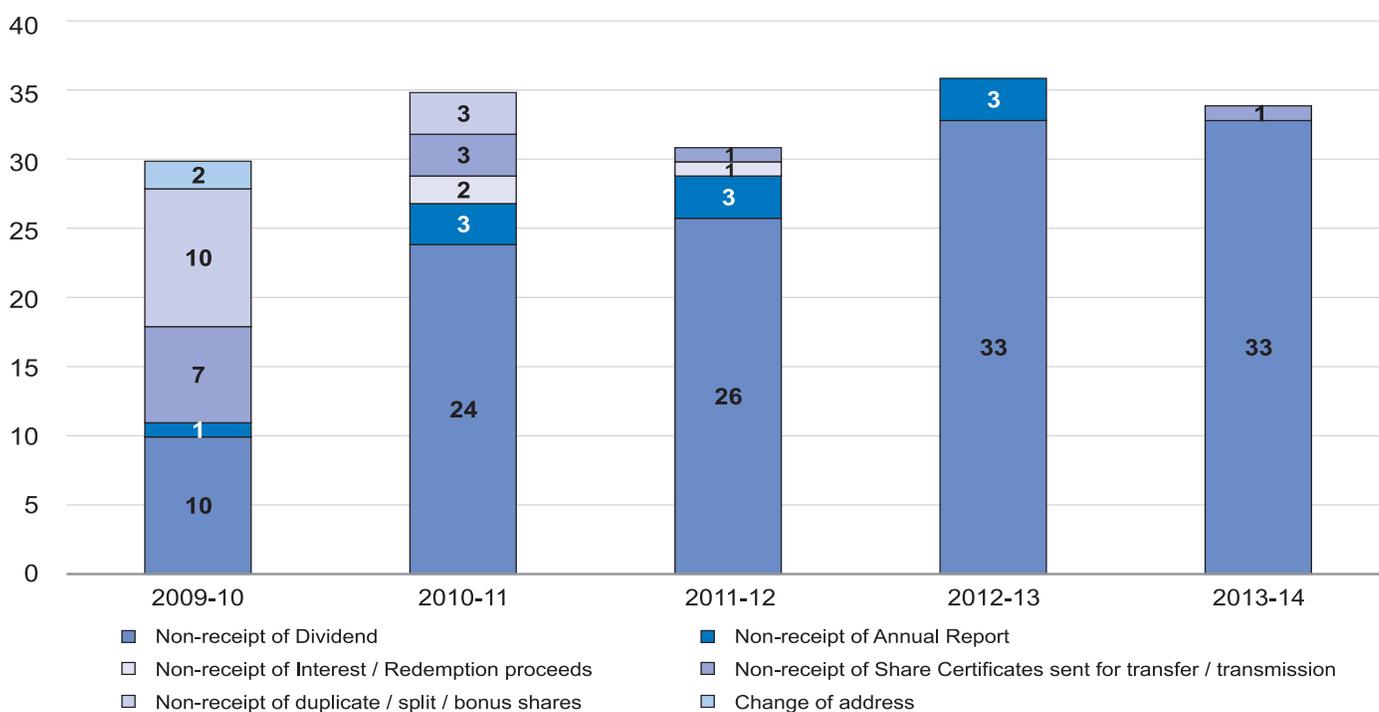
v. TREND OF GRIEVANCES RECEIVED DURING THE LAST FIVE YEARS

Following is the trend of grievances received during the last five years:

(Details as on March 31st)

Year	Number of Shareholders	Number of Grievances Received
2009-10	20,108	30
2010-11	49,781	35
2011-12	49,993	31
2012-13	55,091	36
2013-14	53,876	34

Trend of Shareholders' Grievances received during the last Five years



E. ALLOTMENT COMMITTEE

i. COMPOSITION

- The Allotment Committee of the Board comprises two members, out of which one member is Non-Executive and Independent Director namely Mr. Darius E Udawadia and other member is Mr. Nimesh Kampani, the Chairman & Managing Director.

ii. SCOPE/FUNCTION/TERMS OF REFERENCE

- The Allotment Committee, inter alia, considers and approves the allotment of shares/securities including those arising on account of exercise of stock options by the eligible employees. Additionally, the said Committee has been authorized to approve the requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation and such other related requests.

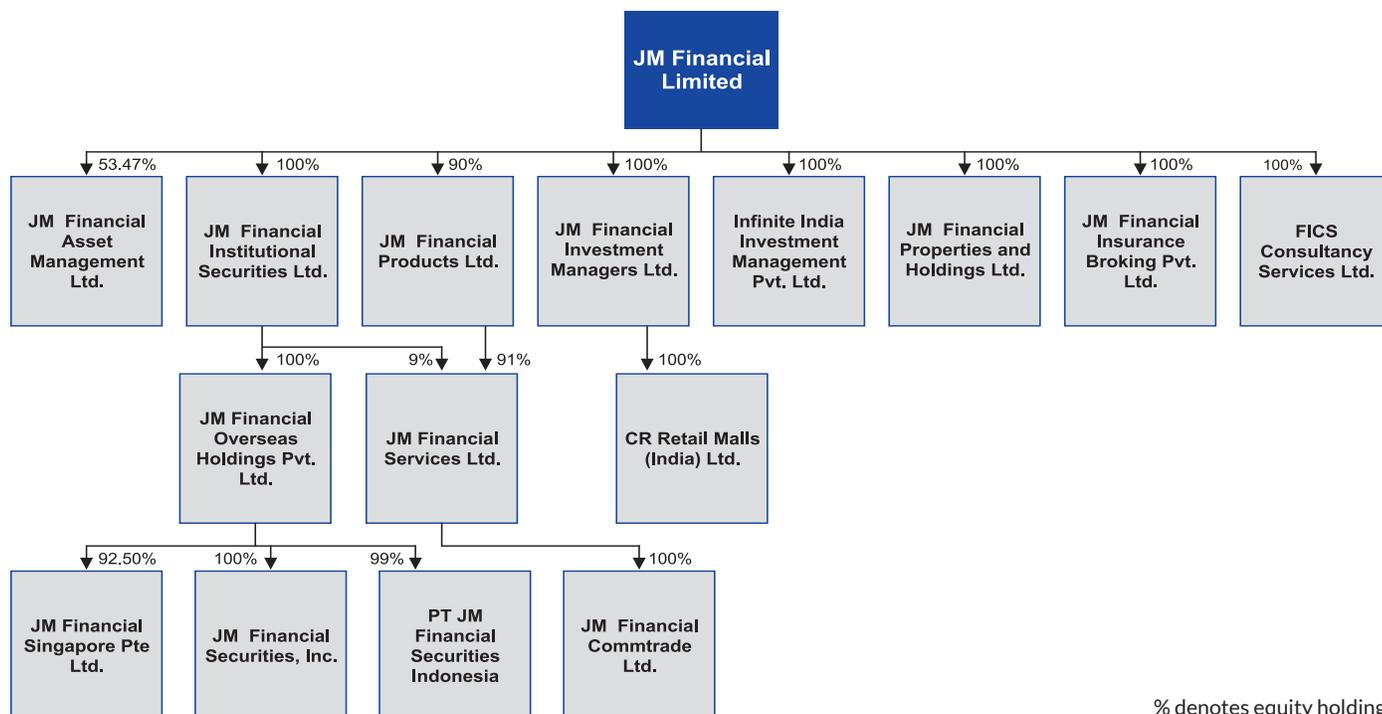
iii. MEETINGS AND ATTENDANCE

- The Allotment Committee met ten times during the financial year 2013-14 on May 6, 2013, May 16, 2013, May 30, 2013, June 27, 2013, July 22, 2013, October 7, 2013, November 14, 2013, December 16, 2013, January 29, 2014 and February 25, 2014. The details of attendance of the members at the said meetings is as below:

Name of the Members	No. of meetings held	No. of meetings attended
Mr. Darius E Udawadia	10	10
Mr. Nimesh Kampani	10	10

4. SUBSIDIARY COMPANIES

- The Company had following subsidiary companies, as on March 31, 2014.



% denotes equity holding

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- Clause 49 of the Listing Agreement defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e., paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in immediately preceding accounting year.
- As per the above definition, the names of material non listed Indian subsidiaries of the Company as on March 31, 2014 together with the Non-Executive and Independent Directors of the Company who are also Non-Executive and Independent Directors on the Boards of these subsidiaries is given in the table alongside.

Name of the material non-listed Indian subsidiaries	Name of the Independent Director
JM Financial Institutional Securities Limited	Mr. Paul Zuckerman
JM Financial Products Limited	Mr. E A Kshirsagar Mr. Darius E Udwardia
JM Financial Services Limited	Mr. Keki Dadiseth

- The minutes of the Board meetings of the unlisted Indian subsidiaries are placed at the Board meetings of the Company. The management also periodically brings to the attention of the Members of the Audit Committee, a statement of significant transactions and arrangements entered into by all the unlisted subsidiary companies.

5. GENERAL BODY MEETINGS

A. SPECIAL RESOLUTIONS MOVED AT THE GENERAL MEETINGS

All the resolutions moved at the last Annual General Meeting were passed by show of hands with requisite majority of the Members attending the meeting. The following Special Resolutions were passed at the last three years' General Meetings of the Company:

Date of AGM/EGM	Venue	Time	Whether Special Resolution passed	Summary
July 28, 2011 (AGM)	Rama Watumull Auditorium Kishinchand Chellaram College Dinshaw Wachha Road, Churchgate, Mumbai - 400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> • Re-appointment of Mr. Nimesh Kampani as the Managing Director of the Company for a period of 1 (one) year.
August 13, 2012 (AGM)	Rama Watumull Auditorium Kishinchand Chellaram College Dinshaw Wachha Road, Churchgate Mumbai - 400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> • Approval pursuant to Section 314(1) of the Companies Act, 1956 for Ms. Amishi Kampani, daughter of Mr. Nimesh Kampani, the Chairman and Managing Director, to hold the office or place of profit in JM Financial Institutional Securities Limited, a wholly owned subsidiary of the Company. • Re-appointment of Mr. Nimesh Kampani as the Managing Director of the Company for the period of 5 (five) years.
June 14, 2013 (EGM)	Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	4.00 p.m.	Yes	<ul style="list-style-type: none"> • Issue of up to 23,293,878 Warrants on preferential basis to Mr. Vikram Shankar Pandit (1,16,45,939 Warrants), Mr. Hariharan Ramamurthi Aiyar (58,23,470 Warrants), Mrs. Aparna Murthy Aiyar (58,23,469 Warrants).

Date of AGM/EGM	Venue	Time	Whether Special Resolution passed	Summary
July 31, 2013 (AGM)	Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	4.00 p.m.	Yes	<ul style="list-style-type: none"> Payment of commission to the Non-Executive Directors of the Company.

B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

No Special Resolution was passed through postal ballot during the financial year 2013-14. None of the businesses proposed to be transacted at the ensuing AGM require passing a special resolution through Postal Ballot.

C. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year 2013-14, as per the requirements of Listing Agreement, is given in a separate section forming part of the Annual report.

6. DISCLOSURES

A. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

- The required statements/disclosures, with respect to the related party transactions, are placed before the Audit Committee on a quarterly basis in terms of clause 49(IV)(A) of the Listing Agreement.
- The Company has not entered into any transactions of material nature with its promoters, Directors, management and their relatives, which has any conflict with the interest of the Company. The disclosure of transactions with the related parties set out in the notes to accounts are forming part of the Annual Report.

B. NO PENALTY OR STRICTURES

There have been no instances of non-compliances by us and no penalties and/or strictures have been imposed on us by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital market during the Financial Year 2013-14.

C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

Your Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

D. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the Directors, Senior Management Personnel and Employees likely to have access to price sensitive information.

E. DISCLOSURE OF RISK MANAGEMENT

The Company has a well-defined risk management framework in place. Further, it has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed and the steps taken by it to mitigate these risks.

F. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

A qualified practicing Company Secretary conducts the Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India)

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Limited (CDSL) and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. It also confirms that the Register of Members is updated, the dematerialization requests have been confirmed within 21 days and highlights the shares pending confirmation for more than 21 days from the date of requests. The said report is submitted to the BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors on a quarterly basis.

7. MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

8. NON-MANDATORY REQUIREMENTS

The Board has taken cognizance of the non-mandatory requirements and shall consider adopting the same at an appropriate time. The Whistle Blower Policy has been put in place to provide appropriate avenues to the employees to bring to the attention of the Management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone within the Group.

9. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media releases, Company's website and through green initiatives.

A. QUARTERLY RESULTS

The unaudited quarterly/half yearly financial results are announced within forty five days of the end of the quarter. The audited annual financial results are announced within sixty days of the close of the financial year as per the requirements of the Clause 41 of the Listing Agreement. The aforesaid financial results are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's shares are listed, immediately after these are approved by the Board. These results are thereafter published within in forty eight hours in 'Business Standard' and 'Sakal'.

B. WEBSITE

The Company's website www.jmfl.com provides information about its business. It is the primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to general public at large. It also contains a separate dedicated section 'Investor Relations' where shareholders' information is available. Further financial results, Annual Reports, Shareholding Pattern, official news releases, quarterly report on Corporate Governance and other general information about the Company is also available on the website.

C. ANNUAL REPORT

Annual Report containing, inter alia, Directors' Report, Auditors' Report, Audited Annual Accounts, Standalone and Consolidated Financial Statements and other important information is circulated to Members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

D. REMINDER TO SHAREHOLDERS

Individual reminders are sent each year to those shareholders whose dividends have remained unclaimed, before transferring the monies to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

E. CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS)

In compliance with Clause 52 of the Listing Agreement entered with Stock Exchanges, the financial results, shareholding pattern and quarterly report on Corporate Governance are filed electronically through CFDS portal, website – www.corpfiling.co.in, which is jointly owned, managed and maintained by BSE and NSE.

F. NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS) AND BSE PORTAL FOR ELECTRONIC FILING

The financial results, shareholding pattern and quarterly report on Corporate Governance are filed electronically through NSE Electronic Application Processing System

(NEAPS) portal i.e., www.connect2nse.com/listing and BSE portal i.e., <http://listing.bseindia.com>.

G. DESIGNATED EXCLUSIVE EMAIL-ID

The Company has designated shareholdergrievance@jmfl.com as an email id for the purpose of registering complaints by investors and the same is displayed on the Company's website.

H. PRICE SENSITIVE INFORMATION

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders are promptly intimated to the Stock Exchanges.