

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

We at JM Financial, believe that the operations and actions of the Company must serve the underlying goal of enhancing overall investor value, over a continuous period of time while delivering fair and equitable treatment to all its stakeholders including employees, customers, shareholders, investors and society at large.

We believe that corporate governance is not only a set of rules that define the relationship between stakeholders, management and Board of Directors of a company but it also influences the way a company operates. At its most basic level, corporate governance must deal with issues and conflicts that result from the separation of ownership and control.

Good corporate governance ensures that the business environment is fair and transparent. Conversely, weak corporate governance leads to waste and mismanagement. Regardless of the type of venture, only good governance can deliver sustainable good business performance.

JM Financial Limited (the Company), therefore believes in demonstrating the highest level of accountability, maintaining highest standards of transparency, timely disclosures and dissemination of price sensitive information and matters of interest to its investors, ensuring thorough compliance with all applicable laws and regulations and conducting business in an ethical manner.



2. BOARD OF DIRECTORS ("THE BOARD"):

The Directors of the Company have been appointed keeping in mind the Company's size, complexity and business. The Board has varied expertise and is committed to its duties and responsibilities.

a. Composition of the Board

Presently the Board comprises

Mr. Nimesh N Kampani	-	Chairman & Managing Director, Executive Director
Mr. M R Mondkar	-	Independent and Non-executive Director
Mr. Ashith N Kampani	-	Non-executive Director
Mr. EA Kshirsagar	-	Independent and Non-executive Director
Mr. D E Udawadia	-	Independent and Non-executive Director
Dr. Pravin P Shah	-	Independent and Non-executive Director
Mr. Paul Zuckerman	-	Independent and Non-executive Director

Requirement of Law

The composition of the Board is governed by the Companies Act, 1956 (the Act), the Articles of Association of the Company and the Listing Agreement executed by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Articles of Association of the Company read with Section 252 of the Act prescribe that the minimum number of directors should be three. As per Section 269 of the Act, a public company having a paid up share capital of rupees five crore and above should have a Managing Director or a Whole-time Director or the Manager. The Listing Agreement requires that the Board shall have an optimum combination of Executive and Non-executive Directors with not less than fifty percent of the Board comprising of Non-executive Directors. It further states that, where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors.

Practice followed by the Company

The Board of the Company comprises seven Directors, which is in accordance with the requirements of the Articles of Association of the Company and the Act, together with the requirements of the Listing Agreement. Mr. Nimesh N Kampani is the Chairman & Managing Director of the Company. Out of the total seven Directors of the Board, five are Independent and Non-executive Directors.

b. Brief Profile of Directors

Brief resume of all the Directors, including those who are proposed to be re-appointed at the forthcoming Annual General Meeting (AGM), nature of their expertise in specific functional areas and names of the companies (other than foreign companies, Section 25 companies and private limited companies) in which they hold directorships, memberships/chairmanships of board committees and their shareholding in the Company as on July 21, 2009 are given hereafter.

Name of the Director	Mr. Nimesh N Kampani
Age & Qualification	63 years, B.Com.,FCA
Background	<p>Mr.Nimesh N Kampani is the founder and chairman of JM Financial Group.</p> <p>In his career spanning more than three and a half decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising and mergers & acquisitions.</p> <p>Mr. Kampani is currently :</p> <ul style="list-style-type: none"> Member of the Primary Market Advisory Committee of the Securities and Exchange Board of India (SEBI). Member of the Corporate Bond & Securitization Advisory Committee of SEBI. Member of the Selection Committee for Identification of Chair Professors in National Institute of Securities Markets established by SEBI. Member of the Governing Council of the Indian Institute of Capital Markets. Member on the Governing Board of the Centre for Policy Research. Member on the Bloomberg Asia Pacific Advisory Board. Member on the Advisory Board of Rieter India Private Limited. <p>Mr. Kampani has served as a member on several important committees constituted by the Bombay Stock Exchange Limited, Federation of Indian Chambers of Commerce and Industry (FICCI), Institute of Chartered Accountants of India, National Stock Exchange of India Limited and SEBI. He was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre. He was also a member of the National Council of Confederation of Indian Industry (CII) and Chairman of the CII's National Committee on Capital Markets. He was a member of the Advisory Panel on Financial Regulation and Supervision of the Committee on Financial Sector Assessment constituted by Reserve Bank of India.</p>
Directorships in other Public Companies	<p>Mr. Kampani is on the Board of the following other public companies:</p> <ul style="list-style-type: none"> Apollo Tyres Limited Britannia Industries Limited Deepak Nitrite Limited KSB Pumps Limited Kampani Consultants Limited JM Financial Consultants Private Limited JM Financial Services Private Limited JM Financial Securities Private Limited <p style="text-align: right;">} Subsidiaries of a public company</p>

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Membership of Committees in other Public Companies	Name of the Company	Audit	Shareholders' Grievance
	Britannia Industries Limited	Chairman	Member
	KSB Pumps Limited	Chairman	—
	JM Financial Services Private Limited	Chairman	—

Shareholding in the Company 135,357,500 equity shares

Name of the Director	Mr. M R Mondkar		
Age & Qualification	78 years, B.Sc.,LL.B		
Background	<ul style="list-style-type: none"> Mr. Mondkar has held various prestigious positions in organizations like ICICI Limited and J. M. Financial & Investment Consultancy Services Private Limited (JMFICS). He was involved in setting up the merchant banking division of ICICI Limited in 1972-73. He was also involved in setting up of Housing Development Finance Corporation Limited (HDFC) on behalf of ICICI Limited which was then the promoter of HDFC. He was associated with JMFICS as President from 1992 to 1996. He is also a Member of the Listing Committee of the National Stock Exchange of India Limited. 		
Directorships in other Public Companies	Mr.Mondkar is on the Board of JM Financial Products Private Limited – Subsidiary of a public company		
Membership of Committees in other Public Companies	Name of the Company	Audit	
	JM Financial Products Private Limited	Chairman	
Shareholding in the Company	Nil		

Mr. Mondkar is liable to retire by rotation, and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Name of the Director	Mr. Ashith N Kampani
Age & Qualification	45 years, B.Com.
Background	<ul style="list-style-type: none"> Mr. Ashith N Kampani has 28 years of experience in capital markets servicing all segments - retail, high net-worth individuals, corporate and institutional investors in India and abroad. Mr. Kampani currently heads institutional corporate marketing and business development of JM Financial Group. Mr. Kampani is the younger brother of Mr. Nimesh N Kampani.
Directorships in other Public Companies	Mr. Kampani is on the Board of Satnam Apartments Limited
Shareholding in the Company	52,775 equity shares

Name of the Director	Mr. E A Kshirsagar		
Age & Qualification	67 years, B.Sc., FCA (India) and FCA (England & Wales)		
Background	<ul style="list-style-type: none"> Mr. Kshirsagar is a specialist in corporate strategy and structure, disinvestments – central/state government, private sector. He was associated with the management consultancy division of AF Ferguson for over three decades and retired in 2004 as Director-in-Charge. 		
Directorships in other Public Companies	Mr. Kshirsagar is on the Board of the following other public companies: <ul style="list-style-type: none"> Batliboi Limited HCL Infosystems Limited Merck Limited Rallis India Limited Tata Chemicals Limited 		
Membership of Committees in other Public Companies	Name of the Company	Audit	Shareholders' Grievance
	Batliboi Limited	Member	—
	HCL Infosystems Limited	Member	Member
	Merck Limited	Member	—
	Rallis India Limited	Chairman	Chairman
	Tata Chemicals Limited	Member	—
Shareholding in the Company	Nil		

Name of the Director	Mr. D E Udadia		
Age & Qualification	69 years, M.A.,LL.B		
Background	<ul style="list-style-type: none"> Mr. Udadia is a Solicitor and Advocate of the Bombay High Court and also a Solicitor of the Supreme Court of England. Mr. Udadia is a founder partner of M/s Udadia & Udeshi, Solicitors & Advocates. He was a partner of M/s Crawford Bayley & Co., Solicitors & Advocates, for 20 years, prior to setting up the law firm of M/s Udadia & Udeshi. His firm and he are legal advisors to many Indian companies, multinational companies and foreign banks, having a presence in India. Mr. Udadia has spent over 44 years in active law practice and has vast experience and expertise in areas like corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance, telecommunications, international loan and finance related transactions and instruments, real estate and conveyancing. 		
Directorships in other Public Companies	<p>Mr. Udadia is on the Board of the following other public companies:</p> <ul style="list-style-type: none"> ABB Limited ADF Foods Limited AstraZeneca Pharma India Limited The Bombay Burmah Trading Corporation Limited Coromandel Fertilisers Limited Development Credit Bank Limited Eureka Forbes Limited ITD Cementation India Limited Mechanalysis (India) Limited MPS Limited Wyeth Limited WABCO-TVS (India) Limited JM Financial Consultants Private Limited - Subsidiary of a public company 		
Membership of Committees in other Public Companies	Name of the Company	Audit	Shareholders' Grievance
	ABB Limited	Member	Chairman
	AstraZeneca Pharma India Limited	Member	–
	The Bombay Burmah Trading Corporation Limited	Member	–
	Development Credit Bank Limited	Member	–

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ITD Cementation India Limited	Member	–
MPS Limited	Member	–
Wyeth Limited	Member	–
WABCO-TVS (India) Limited	Member	–
JM Financial Consultants Private Limited	Member	–

Shareholding in the Company Nil

Name of the Director	Dr. Pravin P Shah	
Age & Qualification	65 years, B.Com (Hons.) CWA, FCA, Ph.D.	
Background	<ul style="list-style-type: none"> Dr. Shah is a Partner, M/s. Pravin P Shah & Co., Chartered Accountants, Mumbai. He has over 39 years of experience (including 6 years in the United States of America) in the areas of financial consultancy, corporate structuring/restructuring, taxation, management consultancy, valuation, property matters and accounting. He has contributed several technical papers at conferences and published books and articles in India and the USA on the above mentioned subjects. 	
Directorships in other Public Companies	Dr. Shah is on the Board of following other public companies: <ul style="list-style-type: none"> Adani Enterprises Limited Bombay Rayon Fashions Limited Claris Lifesciences Limited Jai Corp Limited JM Financial Consultants Private Limited JM Financial Services Private Limited <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">} Subsidiaries of a public company</div> </div>	
Membership of Committees in other Public Companies	Name of the Company	Audit
	Adani Enterprises Limited	Member
	Claris Lifesciences Limited	Member
	Bombay Rayon Fashions Limited	Chairman
	JM Financial Consultants Private Limited	Member

Shareholding in the Company Nil

Dr. Shah is liable to retire by rotation, and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

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Name of the Director	Mr. Paul Zuckerman	
Age & Qualification	64 years, B.A.(Hons.),M.A.,Ph.D.	
Background	<ul style="list-style-type: none"> Mr. Zuckerman, Chairman & CEO of Zuckerman & Associates Ltd., has been associated with various international organisations, including World Bank and International Institute of Tropical Agriculture,Ibadan,Nigeria. He was Vice Chairman, SG Warburg International, prior to its acquisition by UBS. In this capacity, he was closely associated with Indian companies in the early days of globalisation. 	
Directorships in other Public Companies	Mr. Zuckerman is on the Board of following other public companies: <ul style="list-style-type: none"> Great Eastern Energy Corporation Limited Tech Mahindra Limited 	
Membership of Committees in other Public Companies	Name of the Company	Audit
	Great Eastern Energy Corporation Limited Tech Mahindra Limited	Member Member
Shareholding in the Company	Nil	

c. Number of Board Meetings

Requirement of Law

As per the requirements of the Act read with the provisions of Listing Agreement, the Board of a company should meet at least once in every three months and at least four such meetings should be held every year with a maximum time gap of four months between any two meetings.

Practice followed by the Company

The Company strives to hold at least six board meetings in each year, of which four meetings, one in each quarter, include the agenda for review of the financial results. The maximum time gap between any two consecutive meetings does not exceed four months.

d. Place of Board Meetings

The meetings of the Board of Directors are generally held at the registered office of the Company in Mumbai.

e. Arranging Board Meetings

Meetings are generally scheduled in advance and the notice of each board meeting is given in writing to each Director. In special and exceptional circumstances, additional or supplementary items on the agenda are allowed to be considered with the permission of the Chair. The Company Secretary, in consultation with the business teams and the Chairman, prepares the detailed agenda for the meetings. The Members of the Board are also free to recommend inclusion of any matters in the agenda for discussion. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meetings. The Board papers, agenda and other explanatory notes are circulated to the Directors in advance. The Board has unfettered and complete access to information and to employees within the Company. All the departments in the Company communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the board meetings.

The Company held six board meetings during the financial year 2008-09, on the dates given below:

April 29, 2008	May 28, 2008
July 25, 2008	October 27, 2008
December 9, 2008	January 30, 2009

f. Information placed at Board Meetings

The following information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board for discussion and consideration at board meetings.

- | Annual operating plans and budgets, capital budgets and updates, if any.
- | Quarterly results of operating divisions or business segments.
- | Minutes of meetings of audit, compensation and shareholders' grievance committees, as well as abstracts of circular resolutions passed.
- | Information on recruitment of senior officers in the Company, if any.

- | Materially important litigations, show cause, demand, prosecution and penalty notices, if any.
- | Fatal or serious accidents or occurrences of events such as fire, if any.
- | Material default in financial obligations to and by the Company, if any.
- | Issue that involves possible public or service liability claims of a substantial nature, if any.
- | Details of any joint venture, acquisition of companies or businesses or collaboration agreement.
- | Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- | Significant employee related problems, if any and their proposed solutions.
- | Sale of investments, subsidiaries and assets, if any, which are not in the normal course of business.
- | Details of foreign exchange exposure, if any.
- | Non-compliance, if any, of regulatory, statutory or listing requirements as well as investor services such as non-payment of dividend and delays in share transfers.

Besides the above information, the following information related to the subsidiary companies engaged in various operating businesses, is also placed before the Board to provide the Directors an update on all businesses and functions across the Group:

- | Business review for the period between two board meetings.
- | Minutes of the meeting of the board of directors of the operating subsidiaries.
- | Details of any major events having an impact on the business operation, compliance matters and employee related matters.
- | Steps taken to ensure business continuity planning and ongoing initiatives.
- | Risk update reports of group companies.
- | Presentation by business teams of the respective business under their management.

The Company Secretary also places before the Board an action report on the implementation of the decisions of the Board in the form of matters arising from the previous meeting(s) for the follow up and information of the Directors. The Company Secretary also 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.

g. Review of information by the Board Members

The Board reviews, periodically, certificates confirming compliance of all laws applicable to the Company as well as of its subsidiaries, and steps taken by the Company to rectify instances of non-compliance, if any. The Company has also laid down a procedure to inform Board Members about the risk assessment and minimization procedure. These procedures are periodically reviewed to ensure that executive management manages risk through a properly defined framework.

h. Other important points related to Board Meetings

The average duration of the board meetings held is approximately four hours. The senior management is invited to attend the board meetings to provide additional inputs in relation to the matters being discussed by the Board. Urgent matters are also considered and approved by passing resolutions through circulation. The minutes of each Board/Committee meetings are recorded in the Minutes Book.

i. Attendance of Directors at Board Meetings, last AGM and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies :

Name of the Director	No. of Board Meetings attended during the financial year 2008-09	Whether attended the AGM held on July 25, 2008	No. of Directorships in other Indian public companies as on March 31, 2009	No. of Committee positions held in other public companies* as on March 31, 2009	
				Chairman	Member
Mr. Nimesh N Kampani	5	Yes	8	3	1
Mr. M R Mondkar	6	Yes	1	1	-
Mr. Ashith N Kampani	5	Yes	1	-	-
Mr. E A Kshirsagar	6	Yes	5	2	5
Mr. D E Udawadia	6	Yes	13	1	9
Dr. Pravin P Shah	5	Yes	6	1	3
Mr. Paul Zuckerman	6	Yes	2	-	2

* Represents Chairmanship / Membership of Audit Committee and Shareholders' Grievance Committee.

The directorships held by Directors as mentioned above, do not include alternate directorships, directorships in foreign companies, Section 25 companies and private limited companies.

No Director of the Company is a director in more than 15 Indian public companies, or a member of more than 10 Committees or acted as Chairman of more than 5 Committees across all companies in which he is a director.

j. Code of Conduct

The Code of Conduct has been formulated for all the Board Members and senior employees of the Company. The Code of Conduct is also posted on the website of the Company, viz. www.jmfinancial.in. All the Board Members and the designated senior management personnel have confirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director to this effect is annexed hereto.

DECLARATION

I confirm that the Company has obtained confirmation from all its directors and designated senior management personnel that they have complied with the provisions of the Code of Conduct for the financial year 2008-09.

Place: Singapore
Date: July 21, 2009

Nimesh N Kampani
Chairman & Managing Director

3. AUDIT COMMITTEE

a. Composition of the Audit Committee

Presently the Audit Committee comprises

Mr. E A Kshirsagar	-	Chairman of the Committee, Independent and Non-executive Director
Mr. M R Mondkar	-	Member, Independent and Non-executive Director
Mr. Ashith N Kampani	-	Member, Non-executive Director
Dr. Pravin P Shah	-	Member, Independent and Non-executive Director

Requirement of Law

The composition of the Audit Committee is governed by the Act and the Listing Agreement. As per the requirements of the Listing Agreement read with the provisions of Section 292A of the Act, the Company should set up an Audit Committee, having minimum of three Directors who are financially literate and shall have accounting and financial management expertise. At least two-third of the members of the Audit Committee should be independent. The Chairman of the Audit Committee should be an Independent Director and should be present at the AGM to provide clarification on matters relating to audit. The Company Secretary should act as the secretary to the Committee.

Practice followed by the Company

The Audit Committee of the Board comprises four members, all of whom are Non-executive Directors. Three members of the Committee are Independent and Non-executive Directors. All the members of the Audit Committee are financially literate and have accounting and financial management expertise. Mr. E A Kshirsagar, an Independent and Non-executive Director, is the Chairman of the Committee. Mr. Kshirsagar was present at the previous AGM held on July 25, 2008. Mr. P K Choksi, Group Head - Compliance, Legal & Company Secretary of the Company, acts as the Secretary to the Committee.

The Statutory Auditors, Internal Auditor and Mr. Manish Sheth, the Chief Financial Officer of the Company, attend and participate in the meetings of the Audit Committee.

b. Number of Audit Committee Meetings

Requirement of Law

As per the requirements of the Listing Agreement, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two such meetings. The quorum should be either two members or one third of the members of the Audit Committee whichever is greater and a minimum of two Independent Directors must be present.

Practice followed by the Company

During the year the Audit Committee met four times. Not more than four months had elapsed between two such meetings. Details of meetings and attendance of each member are given hereafter.

Name of the Member	May 28, 2008	July 25, 2008	October 27, 2008	January 30, 2009
Mr. MR Mondkar	Present	Present	Present	Present
Mr. Ashith N Kampani	Leave of Absence	Present	Present	Present
Mr. EA Kshirsagar	Present	Present	Present	Present
Dr. Pravin P Shah	Leave of Absence	Present	Present	Present

Thus in all meetings, two Independent Directors were always present.

c. Objective of Audit Committee

The Audit Committee observes and controls the Company's financial reporting process with a view to provide accurate, timely and proper disclosures. It provides direction to the audit and risk management functions of the Company and monitors the quality of external audit. The Audit Committee also reviews the internal audit reports periodically and gives directions to the management in areas that need to be strengthened. The recommendations of the Audit Committee on any matter relating to financial management including the audit report, is binding on the Board.

d. Terms of Reference

The Audit Committee has the following powers as enumerated in the Listing Agreement:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if considered necessary.

The Audit Committee, inter alia, reviews the following:

1. Overseeing the financial reporting process and disclosure of the financial information to ensure that the financial statements are accurate, complete and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and fixation of their remuneration.
3. Reviewing with the management, the annual/quarterly financial statements before submission to the Board for approval, with particular reference to:
 - 1. Changes, if any, in accounting policies and practices and reasons for the same.
 - 2. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - 3. Review of Internal audit reports.
 - 4. Significant adjustments made in the financial statements arising out of audit findings.
 - 5. Compliance with listing and other legal requirements relating to financial statements.
 - 6. Disclosure of related party transactions.
 - 7. Qualifications, if any, in draft audit report.
4. Reviewing with the management, the performance of Statutory and Internal auditors and adequacy of internal control systems.

5. Discussion with Statutory and Internal Auditors on any significant findings and follow up thereon with the management.
6. Reviewing the investments made by the unlisted subsidiaries of the Company.
7. Review of the Company's financial and risk management policies.
8. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors of the Company.
9. Management discussion and analysis, if any, of the financial condition and results of operations.
10. Statement of significant related party transactions.
11. Letters/Reports of internal control issued by the Internal and Statutory Auditors.

e. Other important points relating to Audit Committee Meetings

Minutes of the Audit Committee Meetings form part of the agenda of Board Meetings. The Chairman of the Audit Committee briefs the Board Members about the significant discussions at Audit Committee Meetings.

4. SUBSIDIARY COMPANIES

The Company has following 14 subsidiary companies (direct and indirect) as on March 31, 2009:

1 JM Financial Consultants Private Limited	8 JM Financial Institutional Securities Private Limited
2 JM Financial Securities Private Limited	9 JM Financial Asset Management Private Limited
3 JM Financial Services Private Limited	10 JM Financial Insurance Broking Private Limited
4 JM Financial Investment Managers Limited	11 Oracle Enterprises Private Limited
5 JM Financial Commtrade Limited	12 JMF BR Investments Holdings (Mauritius) Limited
6 JM Financial Products Private Limited	13 JM Financial Holdings (Mauritius) Limited
7 JM Financial Ventures Limited	14 JM Financial Overseas Holdings Private Limited

Requirement of Law

As per the provisions of the Listing Agreement, at least one Independent Director on the Board of Directors of the holding company should be a director on the board of its material non-listed Indian subsidiary.

A material non-listed Indian subsidiary means 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 the immediately preceding accounting year.

The Audit Committee of the listed holding company should also review the financial statements, in particular, the investments made by the unlisted subsidiary company. The minutes of the board meetings of the unlisted subsidiary company should be placed at the board meeting of the listed holding company. The management should periodically bring to the attention of the Board of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

Practice followed by the Company

Out of the 14 subsidiaries mentioned above, following companies currently fall under the definition of material non-listed Indian subsidiary of the Company:

1. JM Financial Consultants Private Limited
2. JM Financial Services Private Limited
3. JM Financial Products Private Limited

Following Independent Directors of the Company are on the board of these material unlisted Indian subsidiaries, as stated below

Name of the Company	Name of the Independent Director
JM Financial Consultants Private Limited	Dr. Pravin P Shah and Mr. D E Udwadia
JM Financial Services Private Limited	Dr. Pravin P Shah
JM Financial Products Private Limited	Mr. M R Mondkar

The Audit Committee of the Company also reviews the investments made by these unlisted subsidiary companies. The minutes of the board meetings of all the unlisted subsidiary companies including non-material unlisted Indian subsidiary companies are placed at the board meeting of the Company. The management also periodically brings to the attention of the Board of the Company, a statement of all significant transactions and arrangements entered into, if any, by all the unlisted subsidiary companies.

5. COMPENSATION COMMITTEE

The Board of Directors of the Company had constituted a Compensation Committee in accordance with the provisions of Schedule XIII to the Act in the year 2006 with following terms of reference:

1. determination of the compensation policy on the remuneration package for the Executive and Non-executive Directors of the Company,
2. deciding all such other matters relating to the remuneration/compensation of the senior employees and/or Executive/Non-executive Directors, the manager, etc. from time to time,
3. considering and finalizing the 'Employees Stock Option Scheme' (ESOS),
4. determining the employees to whom the options may be granted at such time and price as the Committee may deem fit,
5. deciding all other allied matters concerning the ESOS.

a. Composition of the Compensation Committee

Presently the Compensation Committee comprises

Mr. Nimesh N Kampani	-	Chairman of the Committee, Executive Director
Mr. E A Kshirsagar	-	Member, Independent and Non-executive Director
Mr. D E Udwadia	-	Member, Independent and Non-executive Director
Dr. Pravin P Shah	-	Member, Independent and Non-executive Director

b. Number of Compensation Committee Meetings

During the year the Compensation Committee met five times. Details of meetings and attendance of each member are given below:

Name of the Member	April 15, 2008	May 28, 2008	October 27, 2008	February 6, 2009	March 30, 2009
Mr. Nimesh N Kampani	Present	Present	Present	Leave of Absence	Leave of Absence
Mr. E A Kshirsagar	Present	Present	Present	Present	Present
Mr. D E Udawadia	Present	Present	Present	Present	Present
Dr. Pravin P Shah	Present	Leave of Absence	Present	Leave of Absence	Leave of Absence

c. Remuneration Policy

The remuneration policy of the Company is broadly based on the following criteria:

1. Job responsibilities
2. Key performance areas and delivery
3. Industry trend
4. Remuneration packages in other comparable companies for comparable positions
5. Overall performance evaluation of each employee

d. Details of Remuneration of Directors

Remuneration of Chairman & Managing Director

Mr. Nimesh N Kampani, the Chairman & Managing Director of the Company was paid remuneration during the financial year as per the terms and conditions of the Agreement entered by the Company with Mr. Kampani, while appointing him as Managing Director of the Company, which was duly recommended by the Compensation Committee at its meeting held on May 28, 2008 and approved by the Members at the Annual General Meeting held on July 25, 2008. The details of the remuneration paid/provided to Mr. Kampani during the financial year 2008-09 is given below:

Salary	Rs. 28,30,250/- p.a.
Allowances	Rs. 28,30,250/- p.a.

Mr. Kampani is also entitled to receive the Company's contribution to the provident fund as per the Company's rules. Mr. Kampani, however, does not receive any sitting fees for attending meetings of the Board or any Committee of the Board.

As per the Agreement, either party, i.e. the Company and Mr. Kampani, can terminate the Agreement at any time by giving to the other party not less than three months notice in writing in that behalf and that the Company can terminate Mr. Kampani's employment at any time by making a payment of three months' salary and allowance to him, in lieu of such notice.

Mr. Kampani was also the Managing Director of JM Financial Consultants Private Limited (JM Financial Consultants), a subsidiary of the Company, until March 31, 2009 when his term of office as Managing Director

of the said company expired. Mr. Kampani had conveyed his unwillingness to be re-appointed as Managing Director of JM Financial Consultants and hence has ceased to be the Managing Director of JM Financial Consultants effective April 1, 2009. In accordance with the authority granted by the Members, the Compensation Committee of the Board at its meeting held on March 30, 2009, has varied the terms of Mr. Kampani's remuneration w.e.f. April 1, 2009, by reducing the salary and allowances and by granting him the perquisites which hitherto were not allowed to him.

Remuneration of Non-executive Directors

The details of the sitting fees and commission paid/payable and number of stock options granted under ESOS to the Non-executive Directors of the Company during the financial year 2008-09 are given below:

Name of the Non-executive Director	Commission Payable (Rs.)	No. of Stock Options granted under ESOS* (Shares of Face Value of Rs. 10/- each)	No. of adjusted Stock Options # (Shares of Face Value of Re. 1/- each)	Sitting fees paid (Rs.)		
				Board	Audit Committee	Compensation Committee
Mr. M R Mondkar	100,000	4,500	112,500	75,000	46,000	--
Mr. Ashith N Kampani	100,000	--	--	70,000	43,000	--
Mr. EA Kshirsagar	250,000	6,000	150,000	75,000	46,000	36,000
Mr. DE Udawadia	250,000	6,000	150,000	75,000	--	36,000
Dr. Pravin P Shah	250,000	6,000	150,000	70,000	43,000	13,000
Mr. Paul Zuckerman	250,000	3,000	75,000	75,000	--	--

* The stock options have been granted at exercise price of Rs. 1,370/- per option, on the basis of the closing market price at the National Stock Exchange of India Limited of Rs. 1,369.70 where the volume of the shares traded was higher than at the Bombay Stock Exchange Limited, where the closing market price was Rs. 1,368.40. These options will be vested equally at the end of third, fourth and fifth year from the date of grant. The said options are to be exercised within seven years from date of grant, which is April 15, 2008.

Consequent upon the sub-division and issue of bonus shares by the Company, the number of options granted under the ESOS were adjusted by the relevant ratio and stood enhanced to increased number of shares of Re.1/- each as mentioned above. The exercise price after adjustment works out to Rs.54.80 per share.

During the year, the Company paid Rs. 36,000/- as professional fees to M/s. Udwadia & Udeshi, a legal firm, in which Mr. D E Udwadia, a Director of the Company, is a partner. The Company also made a payment aggregating Rs. 183,147/-, as professional fees to M/s. Pravin P Shah & Co. and M/s. Pravin P Shah & Associates, partnership and sole proprietorship firm respectively, in which Dr. Pravin P Shah, a Director of the Company, is a partner and the sole proprietor, respectively. There were no other pecuniary relationships or transactions of the Non-executive Director, vis-à-vis, the Company. The Company has a policy of taking a declaration from all the Independent Directors that they qualify to be an Independent Director as per the definition of 'Independent Director' stipulated in Clause 49 (I)(iii) of the Listing Agreement. Pursuant to such policy, the Company has received the declaration from all the Independent Directors confirming that they qualify to be an Independent director as per the definition given in the Listing Agreement.

e. Criteria for making payments to Non-executive Directors

The Company has a credible and transparent procedure in determining and accounting for the remuneration of the Non-executive Directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by each of them; and the position held by them as the Chairman of the Board and of the Audit Committee and their role as Independent Directors on the Board and Audit Committee of the subsidiary companies together with the external competitive environment, track record, potential individual performance and performance of the Company as well as industry standards.

In the backdrop of growing complexities and increasing regulatory requirements, the Non-executive Directors have contributed significantly to the meetings and given constructive and useful feedback pertaining to the business and operations of the Company. An aggregate amount of Rs. 12 Lakh is proposed to be paid as commission to the Non-executive Directors for the financial year 2008-09 as per individual allocation decided by the Board.

6. SHAREHOLDERS' GRIEVANCE COMMITTEE

In order to redress shareholders' complaints including grievances relating to transfer and transmission of shares, non-receipt of balance sheet, dividend, etc., the Board of Directors of the Company had constituted Shareholders' Grievance Committee in the year 2001.

As per the requirement of the Listing Agreement, a Non-executive Director should chair this Committee. At present following are the members of the Committee:

Mr. M R Mondkar	- Chairman of the Committee, Independent and Non-executive Director
Mr. Ashith N Kampani	- Member, Non-executive Director

Mr. P K Choksi, Group Head - Compliance, Legal & Company Secretary of the Company, acts as the Compliance Officer and takes the Committee through each of the grievances/queries and the steps taken and responses given by the Company to the shareholders/investors. During the year, the Shareholders' Grievance Committee met four times as per the details given below:

April 29, 2008	July 25, 2008
October 27, 2008	January 30, 2009

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Particulars of the number of complaints/queries received and resolved by the Company during the financial year 2008-09 are given in the table below. No complaints were pending as on March 31, 2009.

The break-up of the number of complaints/queries received and their nature is given below:

Nature of complaints/queries	Received (Nos.)	Resolved (Nos.)
Request for information relating to tradable warrant	6	6
Non-receipt of 14% debenture redemption proceeds	2	2
Non-receipt of share certificates sent for transfer/transmission	6	6
Change of address	1	1
Non-receipt of annual reports	3	3
Non-receipt of dividend	24	24
Non-receipt of duplicate shares/split & bonus	3	3
Total	45	45

7. ALLOTMENT & SHARE TRANSFER COMMITTEE

In order to expedite the process of share transfers, the Board of Directors of the Company had constituted Allotment & Share Transfer Committee in the year 2006. Presently this Committee comprises:

Mr. Nimesh N Kampani	-	Chairman of the Committee, Executive Director
Mr. Ashith N Kampani	-	Member, Non-executive Director
Mr. M R Mondkar	-	Member, Independent and Non-executive Director

The Committee strives to meet twice in a month, sometimes more often, depending upon the requests received from the investors regarding transfer of shares, in order to attend to and expedite the share transfer formalities.

Mr. P K Choksi, Group Head - Compliance, Legal & Company Secretary of the Company, acts as the Secretary to the Committee.

8. GENERAL BODY MEETINGS

All the resolutions moved at the previous AGM were passed by show of hands with requisite majority of votes. The Special Resolutions passed at the last three AGMs are given hereafter.

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Date of AGM	Venue	Time	Whether Special Resolution passed	Summary
September 7, 2006	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai-400 021	4.00 p.m.	Yes	<ul style="list-style-type: none"> Payment of commission to Non-executive Directors between 1% and up to 3% of the net profits of the Company. Three Resolutions under Section 81(IA) of the Act for seeking necessary approvals offering shares under ESOS.
September 6, 2007	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai-400 021	3.30 p.m.	Yes	<ul style="list-style-type: none"> For holding an office or place of profit by Mr. Ashith N Kampani, a relative of Mr. Nimesh N Kampani pursuant to Section 314(1) of the Act. Three Resolutions under Section 81 (IA) of the Act, for increasing the number of stock options offered under ESOS.
July 25, 2008	Wallchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Churchgate Mumbai-400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> Appointment of Mr. Nimesh N Kampani as the Managing Director of the Company. Payment of commission to Non-executive Directors between 1% and up to 3% of the net profits of the Company. Sub-division of equity shares from the face value of Rs. 10/- each to the face value of Re. 1/- each. Alteration of Memorandum of Association to reflect increase in authorised share capital. Alteration in Articles of Association. Issue of bonus shares in the ratio of 3:2.

No Special Resolution has been passed through postal ballot in the previous financial year and no Special Resolution is proposed to be passed through postal ballot prior to the forthcoming AGM.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year 2008-09, as per the requirements of Listing Agreement, is given in a separate section forming part of the Annual Report.

10. MEANS OF COMMUNICATION

The Company had 15,416 shareholders as on March 31, 2009. Out of the total number of shareholders, the individual shareholders were 14,655 representing 95.06% of the total number of shareholders. The main channel of communication to the shareholders is through the annual report which, inter alia, includes Directors' Report, Management Discussion and Analysis, Report on Corporate Governance, Auditors' Report along with the financial statements, Balance sheet abstracts and Financial Information of the subsidiary companies and Consolidated Financial Statements together with Auditors' Report on Consolidated Financial Statements.

The AGM is the key medium for personal interaction with shareholders, where the Board answers the specific queries raised by the shareholders. The Board of Directors recognizes its responsibility towards its shareholders and encourages open and active discussion with all its shareholders - be it individuals, corporates or foreign investors.

The Company believes that regular communication with shareholders ensures that the Management's strategies and their objectives are being clearly understood. The financial results are also published in Business Standard (an English newspaper circulating in the whole or substantially the whole of India) and Sakal (a Marathi news paper, being the language of the region, where the registered office of the Company is situated). The Company's website also displays all official press releases and financial results announced by the Company.

In terms of Clause 51 of the Listing Agreement, the Company also files its annual report, quarterly results and shareholding pattern through the Electronic Data Information Filing and Retrieval System (EDIFAR) website of SEBI. Presently, the Company is filing its quarterly results, shareholding pattern and other required filings suggested by SEBI through Corporate Filing and Dissemination System (CFDS), viz. www.corpfiling.co.in, pursuant to the provisions of Clause 52 of the Listing Agreement.

11. SHAREHOLDERS' INFORMATION

This section, inter alia, provides information to the shareholders pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as required under the listing agreement.

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Day and Date of AGM	: Thursday, September 10, 2009
Time of AGM	: 3.30 P.M.
Venue of AGM	: Rama Watumull Auditorium Kishinchand Chellaram College Dinshaw Wacha Road, Churchgate, Mumbai - 400 020
Financial year	: April 1, 2008 to March 31, 2009
Date of book closure	: September 3, 2009 to September 10, 2009 (both days inclusive)
Dividend payment date	: On or after September 12, 2009
Listing on Stock Exchanges	: Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Tel : 91 22 2272 1233 / 1234 Fax: 91 22 2272 2041 www.bseindia.com National Stock Exchange of India Limited (NSE) Exchange Plaza Plot No. C-I, G Block Bandra Kurla Complex Bandra East Mumbai - 400 051 Tel : 91 22 26598100 / 8114 Fax: 91 22 26598120 www.nseindia.com
Listing fees	: The Company has paid the Annual Listing fees to the BSE and NSE for the financial year 2009-10 as per the Listing Agreement.
Corporate Identification Number (CIN)	: L67120MH1986PLC038784
ISIN number	: INE780C01023
BSE code	: 523405
NSE symbol	: JMFINANCIL
Registered office/Address for Correspondence	: 141, Maker Chambers III Nariman Point Mumbai - 400 021
Website	: www.jmfinancial.in

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Registrars and share transfer agents : Sharepro Services (India) Private Limited

Investor Relation Office:

912, Raheja Centre
Free Press Journal Road, Nariman Point
Mumbai - 400 021

Contact Person: Mr. Ravi Bhandari

Tel.No.91 22 6613 4700
Fax No.91 22 2282 5484
Email: sharepro@shareproservices.com

Counter Timings:

On weekdays - 10.00 a.m. to 5.00 p.m.
On Saturdays - 10.00 a.m. to 4.00 p.m.

Main Office:

Kindly note that the main office of Sharepro Services (India) Private Limited is shifted

FROM	TO
3rd Floor Satam Industrial Estate Above Bank of Baroda Cardinal Gracious Road Chakala Andheri (East) Mumbai - 400 099	2nd Floor Samhita Warehousing Complex Gala No-52 to 56 Bldg No.13 A-B Near Sakinaka Telephone Exchange Andheri-Kurla Road Sakinaka, Andheri (East) Mumbai - 400 072

Contact Person:

Ms. Indira Karkera/ Mr. Gopal Poojari
Tel.No.91 22 6772 0300/0400

Counter Timings:

On weekdays - 10.00 a.m. to 5.00 p.m.
On Saturdays - 10.00 a.m. to 4.00 p.m.

Plant locations : Not Applicable

Share transfer system : The equity shares lodged for transfer in physical form are duly transferred and returned to the investors well within the statutory time period, provided the documents lodged for transfer are complete in all respects and also there is no objection/prohibition imposed on the transfer of shares. The Allotment & Share Transfer Committee meets periodically to approve the transfer requests. The particulars of the share transfers are reported to the Board for its noting.

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As required under Clause 47(c) of the Listing Agreement, a certificate is obtained every six months from a Practicing Company Secretary, confirming that the request for transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares have been effected within one month of their lodgment subject to all the documents being in order. The said certificate is forwarded to Stock Exchanges within the stipulated time period.

Dematerialisation of shares	: All requests for dematerialisation of shares are generally processed and confirmed to the depositories, viz, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days. The particulars of the dematerialisation are reported to the Board for its noting.
Shares in dematerialised form	: As on March 31, 2009, 740,102,275 equity shares representing 98.71% of the Company's share capital were held in electronic form. Out of the above shares in electronic form, 735,849,302 equity shares representing 98.14% have been dematerialised under NSDL, whereas 4,252,973 shares representing 0.57% have been dematerialised under CDSL.
Outstanding GDRs/ADRs / warrants or any convertible instruments, conversion and likely impact on equity	: The Company has not issued any such instruments.
Compliance certificate of the auditors	: Certificate from the Statutory Auditors of the Company, M/s. Khimji Kunverji & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed and forms part of the Report on Corporate Governance.

STOCK MARKET DATA RELATING TO THE SHARES

Details of monthly open, high, low and closing prices and volume of shares traded on BSE are given below:

Month	Open Rs.	High Rs.	Low Rs.	Close Rs.	No. of shares traded
April 2008	1,328.00	1,659.00	1,191.00	1,570.10	241,998
May 2008	1,600.00	1,700.00	1,443.00	1,634.65	97,899
June 2008	1,716.35	1,974.40	1,401.00	1,427.20	253,472
July 2008	1,450.00	1,494.00	1,229.00	1,297.85	49,687
August 2008	1,293.00	1,350.00	1,225.00	1,347.10	70,620
September 2008	1,342.00	1,484.95	*32.25	*36.75	5,594,138
October 2008	37.10	39.35	16.50	21.80	2,246,520
November 2008	23.00	29.80	20.30	21.50	1,503,114
December 2008	21.85	30.50	19.60	25.30	1,699,177
January 2009	25.25	27.85	18.50	19.20	3,114,686
February 2009	19.00	22.65	18.00	21.50	5,606,895
March 2009	20.85	23.45	18.55	20.60	2,982,555

Source: www.bseindia.com

Details of monthly open, high, low and closing prices and volume of shares traded on NSE are given below:

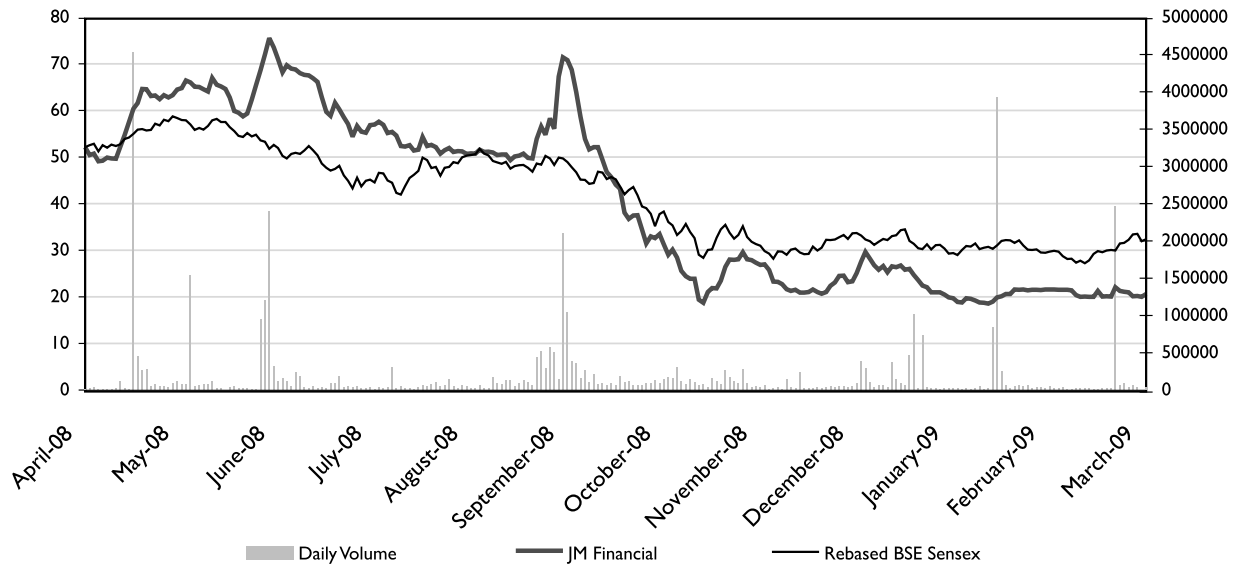
Month	Open Rs.	High Rs.	Low Rs.	Close Rs.	No. of shares traded
April 2008	1,330.00	1,659.95	1,167.00	1,574.95	61,765
May 2008	1,639.95	1,700.00	1,430.00	1,627.80	33,406
June 2008	1,709.20	1,968.00	1,400.05	1,446.25	112,324
July 2008	1,451.00	1,489.80	1,211.55	1,292.65	58,345
August 2008	1,241.10	1,354.80	1,221.00	1,342.35	74,157
September 2008	1,350.00	1,489.90	*33.10	*36.45	10,565,802
October 2008	38.00	38.85	16.65	21.55	3,735,293
November 2008	23.80	29.85	19.65	21.65	2,161,401
December 2008	22.00	30.85	19.75	25.10	3,841,290
January 2009	25.55	27.75	18.70	19.20	3,180,173
February 2009	18.50	22.75	18.00	21.50	5,586,323
March 2009	21.05	23.30	18.75	20.55	1,089,010

Source: www.nseindia.com

*The share price post the sub-division of one equity share of Rs. 10/- each into ten equity shares of Re. 1/- each (Record Date : September 15, 2008) and allotment of bonus shares in the ratio of 3:2 on September 16, 2008, are for equity shares of the face value of Re. 1/- and increased capital.

PRICE VIS-À-VIS THE BSE SENSITIVE INDEX (SENSEX)

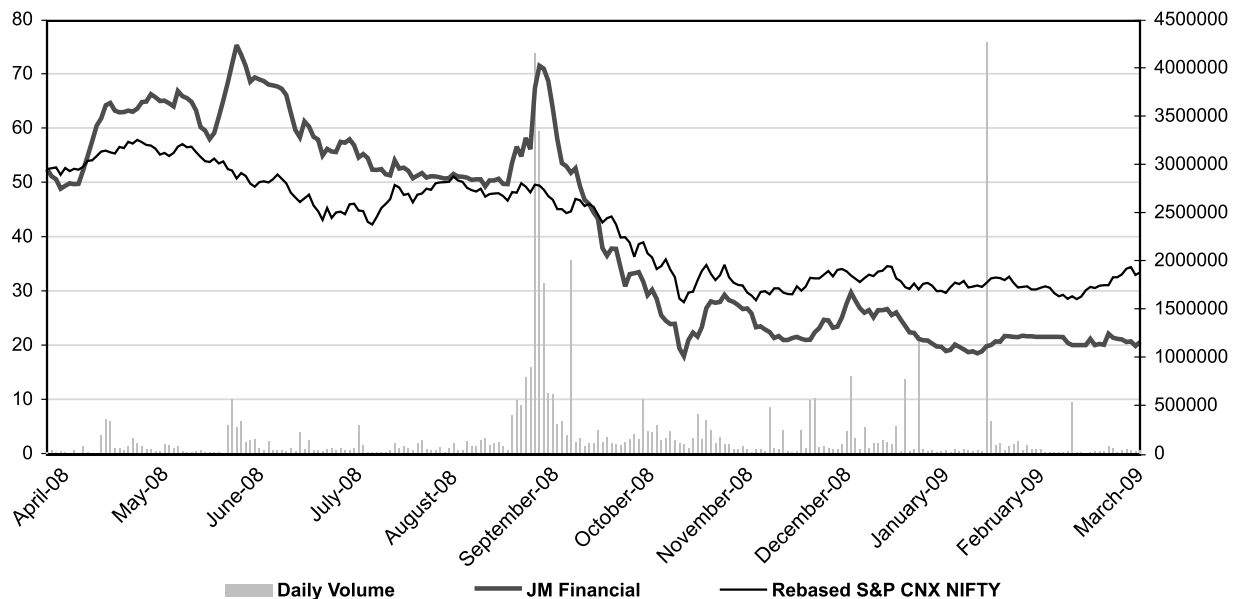
The performance of the price of the Company's equity shares, vis-à-vis, the BSE Sensitive Index is given in the chart below:



Source: www.bseindia.com

PRICE VIS-À-VIS THE S & P CNX (NIFTY)

The performance of the price of the Company's equity shares vis-à-vis the S & P CNX is given in the chart below:



Source: www.nseindia.com

Note: The volume of equity shares and the price at which the shares were traded during the period April 2008 to September 2008 have been adjusted to make it comparable with price and volume of shares post sub-division and issue of bonus shares.

INFORMATION ABOUT SHAREHOLDING AS ON MARCH 31, 2009

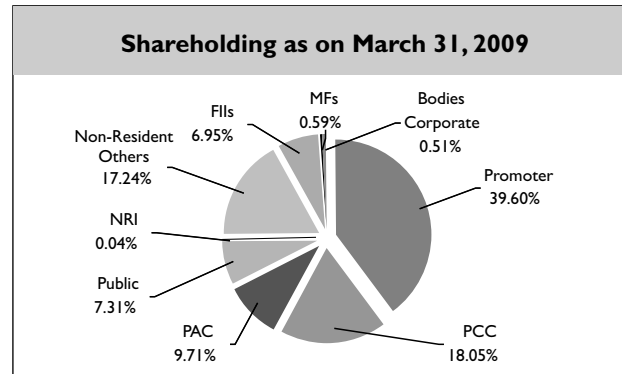
DISTRIBUTION OF SHAREHOLDING

Number of shares held	Shareholders		Shares	
	Number	Percentage	Number	Percentage
1 - 5000	14,489	93.99	13,673,602	1.82
5001 - 10000	418	2.71	3,528,528	0.47
10001 - 20000	259	1.68	3,807,365	0.51
20001 - 30000	94	0.61	2,382,967	0.32
30001 - 40000	25	0.16	901,240	0.12
40001 - 50000	29	0.19	1,358,595	0.18
50001 - 100000	40	0.26	2,767,123	0.37
100001 and above	62	0.40	721,363,080	96.21
Total	15,416	100.00	749,782,500	100.00

CATEGORIES OF SHAREHOLDERS

Category	No. of shares	Amount paid up (Rs.)	Percentage to total
Promoters			
Bodies corporate	296,854,100	296,854,100	39.60
Individuals	-	-	-
Person having control over the Company (PCC)			
Bodies corporate	-	-	-
Individuals	135,357,500	135,357,500	18.05
Persons acting in concert (PAC)			
Bodies corporate	8,695,000	8,695,000	1.16
Individuals	64,120,275	64,120,275	8.55
Total (A)	505,026,875	505,026,875	67.36
Public	54,789,482	54,789,482*	7.31
Banks and Trust	29,700	29,700	0.00
Foreign Holdings			
Non- Resident Indians	308,434	308,434	0.04
Non- Resident Others	129,281,550	129,281,550	17.24
Foreign Institutional Investors (FIIs)	52,135,126	52,135,126	6.95
Mutual Funds (MFs)	4,398,295	4,398,295	0.59
Bodies Corporate	3,813,038	3,813,038	0.51
Total (B)	244,755,625	244,755,625	32.64
Total (A + B)	749,782,500	749,782,500*	100.00

* Inclusive of amount, in respect of shares held in abeyance.



LIST OF THE TOP 10 SHAREHOLDERS OF THE COMPANY (EXCLUDING PROMOTERS) – AS ON MARCH 31, 2009

Sr. No	Name	Holding	%
1	Blue Ridge Limited Partnership	51,563,350	6.88
2	Tiger Global, L. P.	34,909,775	4.66
3	Blue Ridge Offshore Master Limited Partnership	31,603,325	4.21
4	Azim Hasham Premji	21,875,000	2.92
5	Morgan Stanley Mauritius Co. Limited	17,764,950	2.37
6	Citigroup Global Markets Mauritius Private Limited	12,165,225	1.62
7	Tiger Global, Limited	10,290,100	1.37
8	Swiss Finance Corp (Mauritius) Limited	9,236,950	1.23
9	Valiant Mauritius Partners Limited	6,918,647	0.92
10	Valiant Mauritius Partners Offshore Limited	3,723,923	0.50

12. MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the Listing Agreement.

13. NON-MANDATORY REQUIREMENTS

The Company has formed the Compensation Committee. The quarterly results are published on the Company's website and also sent to the shareholders on request. As regards the other non-mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

14. DISCLOSURES

a. Related Party Transactions

The Company has entered into related party transactions as set out in the Notes to Accounts. None of these transactions are likely to have a potential conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee.

b. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

c. Disclosures on Risk Management

The Company has laid down procedures for risk management, assessment and its minimization. The Group risk management team places an update on risk management to the Board at its meetings periodically.

d. Secretarial Audit Report

In line with the requirements of SEBI, Secretarial Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in NSDL, CDSL and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

e. No penalty or strictures

No penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to the capital markets, since the date of listing of equity shares.

f. Pledge of shares by 'promoter' or 'promoter group'

The 'promoters' and every person forming part of 'promoter group' have confirmed to the Company that they have not pledged any shares of the Company, held by them.

REQUEST TO MEMBERS

Members are requested to send their question(s), if any, to the Company Secretary/Chief Financial Officer at the registered office of the Company, on or before September 4, 2009, so that the answers/details can be kept ready.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of JM Financial Limited

We have examined the compliance of conditions of corporate governance by JM Financial Limited, for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee.

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.

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants

Shivji K Vikamsey
Partner
Membership No. 2242

Place: Mumbai
Date: July 21, 2009