

Report on Corporate Governance

1. CORPORATE GOVERNANCE

Corporate Governance is, in simple words business behaviour that is aimed at creation and enhancement of long-term sustainable value for stakeholders through ethically driven business processes. It is about maintaining the right balance between economic, social, individual and community goals. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, employees, customers, suppliers, financiers, government and the community. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure are the foundations to the philosophy of Corporate Governance.

2. PHILOSOPHY OF JM FINANCIAL ON CORPORATE GOVERNANCE

At JM Financial, we believe that good Corporate Governance is not just a principle but it is embedded in our day-to-day business practices and the manner in which every individual working in all the companies across the group conducts himself/herself. For us, Corporate Governance is a reflection of principles entrenched in our values and policies, leading to value driven growth. We have adopted the best in class Corporate Governance practices and disclosure standards leading to enhanced shareholder value while protecting the interests of all the stakeholders. We emphasise the importance of transparency and accountability in all our businesses.

We are committed to enhancing long-term shareholder value and retaining investors' trust and always seek to ensure that our performance goals are met with integrity by doing things the right way which means taking business decisions and acting in a way that is ethical, in the interest of our stakeholders and in compliance with applicable legislation. Our values reflect our continued commitment to ethical business practices across our operations. Our actions are governed by our values and principles, viz., Client Focus, Integrity, Innovation, Partnership, Teamwork, Implementation and Performance which are reinforced at all levels across the group.

At JM Financial, we diligently follow the guidelines on Corporate Governance applicable to all equity listed companies as incorporated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations")

The Company has adopted the requirements of Corporate Governance enshrined under the Listing Regulations, the disclosures under which are given below:

3. BOARD OF DIRECTORS

The Board of Directors of the Company comprises eminent people of proven competency and track record. The Directors possess the knowledge, expertise, skills and experience in various fields required to provide strategic guidance and support to the Company. The Board provides leadership and objective & independent views to the management, thereby assisting the management to adhere to high standards of ethics, transparency and disclosures even as they pursue high targets of business performance.

A. COMPOSITION OF THE BOARD

The Board of Directors comprises 8 (Eight) members out of which 6 (Six) are Independent Directors, 1 (One) Non-executive Director and 1 (One) Executive Director. The Woman Director on our Board is an Independent Director.

The Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 (hereinafter referred to as "the Act") and that they qualify to be Independent Directors pursuant to Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors have also confirmed that they meet the requirements of Independent Directors as outlined under Regulation 16(1)(b) of the Listing Regulations.

Mr. Vishal Kampani, who joined the Board on February 3, 2016 as a Non-Executive Director is a relative of Mr. Nimesh Kampani, the Chairman & Managing Director of the Company. Save and except this, none of the Directors of the Company is related to any other Director. No Director of the Company holds directorship in more than 20 (Twenty) companies and none of them holds directorship in more than 10 (Ten) public companies. In accordance with the Listing Regulations, all the Directors of the Company meet the requirement of holding the stipulated number of Independent Directorships in equity listed companies. The Directors also meet the requirement of holding the board committee memberships (upto 10 public companies) and board committee chairmanships (upto 5 public companies) as stipulated in the Listing Regulations. We have received confirmations in this regard from all the Directors.

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B. MEMBERSHIPS OF OTHER BOARDS

The details of directorship and board committee chairmanship/membership held by the Directors in other public companies along with the number of equity shares, if any, held by each of them, all as on March 31, 2016 are given below:

Name of the Director	Category	Number of directorships in other public companies		Number of committee positions held in other public Companies		No. of shares held in JM Financial Limited
		Listed	Unlisted	Chairman	Member	
Mr. Nimesh Kampani	Chairman & Managing Director	4*	3	-	5	13,53,57,500**
Mr. E A Kshirsagar	Independent Director	5	1	5	2	None
Mr. Darius E Udawadia	Independent Director	5	3	1	7	None
Mr. Paul Zuckerman	Independent Director	2	-	-	2	None
Dr. Vijay Kelkar	Independent Director	4	2	1	3	None
Mr. Keki Dadiseth	Independent Director	5	4	4	5	None
Ms. Jagi Mangat Panda	Independent Director	1	3	1	1	None
Mr. Vishal Kampani	Non-Executive Director	-	6	-	1	1,01,63,647

* Including one Directorship as Non-Executive Director

** Includes 12,50,000 Equity Shares held by Nimesh Kampani HUF.

Notes:

- Directorships mentioned above do not include directorships of companies under Section 8 of the Act and the companies incorporated outside India.
- Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of board committee chairmanships and memberships held by the Directors.
- As confirmed by the Independent Directors, they did not have any material pecuniary relationship with the Company during the financial year ended March 31, 2016. The sitting fees received by them for attending the meetings of the board and its committee(s), the commission payable to them and the professional fees received by the firm in which a director is a partner are not considered as material pecuniary relationship in accordance with the relevant provisions of the Act/Listing Regulations.

C. BOARD MEETINGS

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the un-audited and audited standalone and consolidated financial results of the Company, strategy and policy, risk management, competitive scenario,

etc. The tentative dates of Board/Committee meetings are finalised before the start of the calendar year and the same are circulated to the Directors in advance to enable them to plan their schedule. Those Board members, who wish to attend the meetings through video conference, are provided with the appropriate facility to do so.

The schedule of meetings and the agenda thereof are finalised by the Company Secretary in consultation with the Chairman & Managing Director. The agenda items are pre-circulated with relevant presentations, explanatory notes, supporting documents and executive summaries.

Generally, seven Board meetings are held during every financial year with at least one meeting in every quarter. Additional meetings of the Board are held when deemed necessary.

The Board meetings are generally held at the registered office of the Company. Seven Board meetings were held during FY 2015-16; May 29, 2015, July 30, 2015, September 22, 2015, October 29, 2015, December 11, 2015, February 3, 2016 and March 29, 2016. The time period between any two meetings did not exceed 120 days. The required quorum was present at all the above meetings. The details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given below:

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Name of the Director	Category	No. of Board meetings held	No. of Board meetings attended	Attendance at the previous Annual General Meeting
Mr. Nimesh Kampani	Chairman & Managing Director	7	7	Yes
Mr. E A Kshirsagar	Independent Director	7	7	Yes
Mr. Darius E Udwadia	Independent Director	7	5	Yes
Mr. Paul Zuckerman	Independent Director	7	6	Yes
Dr. Vijay Kelkar	Independent Director	7	5	Yes
Mr. Keki Dadiseth	Independent Director	7	6	Yes
Ms. Jagi Mangat Panda	Independent Director	7	5	Yes
Mr. Vishal Kampani	Non-Executive Director	7	2*	NA

*Since appointed with effect from February 3, 2016

D. BOARD PROCEDURE

The Board is provided with the relevant information as stipulated under the Listing Regulations viz., quarterly/half yearly unaudited financial results and the audited annual statement of accounts, corporate strategies, annual budgets and capital expenditure details. The members of the Board have access to the management as well as all information about the Company.

With regard to matters requiring the approval of the Board, all the concerned persons communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda for the board meetings. Where it is not practicable to circulate any document or if the agenda item is of confidential nature, the same is sent separately or tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and the consent of the Directors. The senior officials of the Group are invited to the board meetings in respect of the items concerning them to provide additional inputs as and when necessary.

At the Board meetings, presentations are also made by the Senior Management and CEOs/Business Heads of the operating subsidiaries/associate, inter alia, covering the plans, performance, operations, the financial performance, risk management, regulatory environment and for other issues which the Board wants to be apprised of and other matters on a periodic basis. The Board members interact with the CEOs of the various operating subsidiary and associate companies frequently both at the meetings and outside the meetings.

The Board periodically reviews and takes note of, *inter alia*, the compliance confirmation in respect of laws applicable to

the Company. The compliance confirmations placed before the boards of respective subsidiaries/associate companies including the summary thereof are also placed before the Board for noting. The annual operating and capital expenditure plans and budgets, unaudited/audited financial results, minutes of the board meetings of the unlisted subsidiaries including the summary of the key decisions taken by their respective boards, significant transactions and arrangements entered into by the unlisted subsidiary companies, risk management update/report, minutes of meetings of the committees of the board, etc. are placed before the Board for its noting.

The draft minutes of the Board meetings are circulated amongst the Directors for their perusal and comments. The suggestions, if any, received from the Directors are suitably incorporated in the draft minutes, in consultation with the Chairman & Managing Director of the Company. The minutes are signed by the Chairman of the Board at the next meeting.

The Company has an effective post meeting follow-up, review and reporting process for implementation of the decisions taken by the Board and the Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the concerned departments and persons promptly. Action Taken Report on the decisions/minutes of the previous meetings is placed at the succeeding meetings of the Board/Committee for noting by the Board/Committee.

The Company has in place mechanism to inform Board members and periodically review at Board meetings risk assessment and risk management processes. The framework comprises an in-house exercise on Risk Management review,

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carried out periodically by the Company, which helps oversee the functioning of a structure to identify and mitigate various risks faced by the Group on a day to day basis. A detailed note on risk management process is given in the Risk Management section of Management Discussion and Analysis report.

E. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on December 11, 2015 without the presence of the Chairman & Managing Director and the Senior Management team. The matters considered and discussed thereat, inter alia, include those prescribed under Schedule IV to the Act and Regulation 25 of the Listing Regulations.

F. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has in place the familiarisation program for Independent Directors appointed from time to time. The Program aims to provide insights into the Company to enable the Independent Directors to understand the Company's functioning in depth, familiarise them with the processes of the Company and to assist them in performing their role as Independent Directors. The CEOs of the respective subsidiaries/associate made presentations at the board meetings on periodical basis on the businesses carried on by the subsidiaries/associate companies to familiarise the Independent Directors about the same. Also, presentations on risk management, update on regulatory changes and internal financial control were made to the board including the Independent Directors to keep them abreast of such areas. During the financial year 2015-16, no new Independent Director was appointed by the Board.

The Company's Policy of conducting the Familiarisation Program and details of such familiarisation program is hosted on the website of the Company at www.jmfl.com.

G. CODE OF CONDUCT

The Company has adopted the Code of Conduct ("Code") which applies to all the Board members and the Senior

Management Personnel. It is the responsibility of all Board members and Senior Management Personnel to familiarise themselves with Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. The declaration signed by the Chairman & Managing Director to this effect is given below.

H. 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 2015-16.

Place: Mumbai

Date: May 13, 2016

Nimesh Kampani

Chairman & Managing Director

4. COMMITTEES OF THE BOARD

To enable better and more focussed attention on the affairs of the Company, the Board has constituted the Board Committees. 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. These Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information. All the minutes of committee meetings are placed before the Board for its noting.

The Company has following Committees of the Board. Specific terms of reference have been laid out for each of these committees.

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A. AUDIT COMMITTEE

Composition

The Audit Committee consists of three Independent Directors. Mr. E A Kshirsagar, a Chartered Accountant, is the Chairman of the Committee. The other two members are very learned, experienced and well known in their respective fields. All members of the Committee are financially literate. The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, the Internal Auditors and the Statutory Auditors are invited to attend the meetings of the Committee. The minutes of each Audit Committee meeting are circulated amongst the members for their approval. The minutes as approved by the members are signed by the Chairman at the next meeting of the Committee.

Mr. Kshirsagar, the Chairman of the Committee, was present at the last Annual General Meeting held on July 30, 2015.

Scope and Function

The broad terms of reference of the Audit Committee, *inter alia*, include:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;
- c) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- d) Approval of payment to the statutory auditors for any other services rendered by them;
- e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report, if any.
- f) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- g) Approval or any subsequent modification of transactions of the Company with related parties;

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| <ul style="list-style-type: none"> h) Scrutiny of inter-corporate loans and investments; i) Valuation of undertakings or assets of the Company, wherever it is necessary; j) Evaluation of internal financial controls and risk management systems; k) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems; l) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; m) Discussion with internal auditors of any significant findings and follow up thereon; n) To review the functioning of the Whistle Blower mechanism; | <ul style="list-style-type: none"> o) Approval of appointment of Chief Financial Officer; p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; r) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends), depositors, debenture holders, and creditors, if any; s) Such other functions as may be entrusted to it by the Board of Directors from time to time. |
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- The Chairman of the Audit Committee apprises the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.

Meetings and Attendance

The Audit Committee met four times during FY 2015-16 on May 29, 2015, July 30, 2015, October 29, 2015 and February 3, 2016. The required quorum was present for all the Audit Committee meetings. The time period between any two meetings did not exceed 120 days. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. E A Kshirsagar	Independent Director	Chairman	4	4
Dr. Vijay Kelkar	Independent Director	Member	4	2
Mr. Paul Zuckerman	Independent Director	Member	4	3

B. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition

The NRC comprises four Directors of which majority are Independent Directors. Dr. Vijay Kelkar, acts as the Chairman of the Committee. The other members of the Committee are Mr. E A Kshirsagar, Mr. Darius E Udawadia and Mr. Nimesh Kampani.

Scope and Function

The broad terms of reference of the NRC are:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- b) Identify and recommend to the Board of Directors, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated;

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- c) Evaluation of Directors' performance;
- d) Recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other senior employees of the Company; and
- e) Recommending the appointment of Key Managerial Personnel (KMPs) and approving their remuneration.

The NRC also grants Stock Options to the eligible employees / directors (the Employees) of the Company and its subsidiaries in accordance with the Employee Stock Option Scheme of the Company and determines the eligibility of the Employees for grant of stock options.

The necessary quorum was present for all the NRC meetings. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Dr. Vijay Kelkar	Independent Director	Chairman	3	3
Mr. E A Kshirsagar	Independent Director	Member	3	3
Mr. Darius E Udawadia	Independent Director	Member	3	2
Mr. Nimesh Kampani	Chairman & Managing Director	Member	3	3

Meetings and Attendance

The NRC met three times during FY 2015-16 on April 16, 2015, February 3, 2016 and March 29, 2016. The matters considered by the Committee during the year, *inter alia*, are; determination of performance linked discretionary bonus, increase in the fixed salary to the Key Managerial Personnel of the Company, grant of stock options to eligible employees, identification and recommendation to the Board the candidature of Mr. Vishal Kampani for appointment as Non-Executive Director and the performance evaluation of individual directors.

Criteria for Performance Evaluation of Directors

The key evaluation criteria for performance evaluation of Directors of the Company are given below:

- Providing effective leadership and strategic guidance to the management;
- Understanding the Business, including the Risks and regulatory landscape;
- Attendance at and active engagement in the discussion of business performance, competitive landscape and strategies;
- Development and monitoring of leadership teams, Compliance focus and insistence on ethical business practices;
- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;
- Management of conflicts in Board discussion;
- Management of Conflict of Interest.

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

The CSR Committee comprises three Directors including two Independent Directors. Mr. Nimesh Kampani is the Chairman of the Committee. The other members of the Committee are Mr. Paul Zuckerman and Mr. Keki Dadiseth.

Scope and Function

The terms of reference of the CSR Committee are as follows:

- a) Formulating and recommending to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;

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- b) Making recommendation on the amount of expenditure to be incurred on CSR activities;
- c) Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

The update on the CSR activities undertaken by the Company through its two philanthropic arms viz., JM Financial Foundation and Kampani Charitable Trust is provided in Annexure IV to the Directors' Report.

Meetings and Attendance

The CSR Committee met twice during FY 2015-16 on February 3, 2016 and March 29, 2016 to *inter alia*, review and monitor the status of contribution made by it during financial year 2014-15 towards CSR activities and decide on the projects where CSR contribution can be made for FY 2015-16. The details of attendance of the members at the said meetings are as follows:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Nimesh Kampani	Chairman & Managing Director	Chairman	2	2
Mr. Paul Zuckerman	Independent Director	Member	2	2
Mr. Keki Dadiseth	Independent Director	Member	2	2

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition

The Stakeholders' Relationship Committee comprises Dr. Vijay Kelkar, an Independent Director and Mr. Nimesh Kampani, the Chairman & Managing Director of the Company. Dr. Vijay Kelkar is the Chairman of the Committee. Mr. Prashant Choksi, Company Secretary of the Company acts as the Compliance Officer.

Scope and Function

The Stakeholders' Relationship Committee is empowered to perform the functions of reviewing and taking appropriate action, if any required, relating to the stakeholders' queries and grievances. It primarily focuses on the grievances of the investors/shareholders and ensures speedy disposal thereof.

Mr. Prashant Choksi takes the Committee through each of the grievances, the steps taken and the responses given by the Company to redress the grievances of the shareholders/investors. The Chairman & Managing Director and the Company Secretary have been authorised by the Board to approve transfer/transmission of shares in physical mode for expediting the share transfer process.

Meetings and Attendance

The Stakeholders' Relationship Committee met 4 times during FY 2015-16 on May 29, 2015, July 30, 2015, October 29, 2015 and February 3, 2016. The details of attendance of the Members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Dr. Vijay Kelkar	Independent Director	Chairman	4	4
Mr. Nimesh Kampani	Chairman & Managing Director	Member	4	4

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Nature and number of Grievances

During FY 2015-16, the grievances received by the Company were general in nature and majorly relating to non-receipt of dividends.

The following is the data of the number of grievances received from shareholders during the year by the Company/its Registrars & Share Transfer Agents which were duly resolved:

Nature of Grievances	No. of Grievances received	No. of Grievances resolved	Pending Grievances
Non-receipt of Dividend	8	7	1*
Issue of duplicate share certificate	1	1	Nil
TOTAL	9	8	1*

* Complaint was received on March 31, 2016 and resolved on April 4, 2016

All grievances received during the year have been resolved except as indicated above.

E. ALLOTMENT COMMITTEE

Composition

The Allotment Committee of the Board comprises two members of which one member is an Independent Director viz., Mr. Darius E Udwardia and other member is Mr. Nimesh Kampani, the Chairman & Managing Director.

Scope and Function

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 employees, considers and approves requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation, etc.

Meetings and Attendance

The Allotment Committee met 10 times during FY 2015-16 on April 16, 2015, May 13, 2015, May 29, 2015, July 30, 2015, September 22, 2015, October 29, 2015, December 11, 2015, February 5, 2016, February 24, 2016 and March 29, 2016. The details of attendance of the Members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Nimesh Kampani	Chairman & Managing Director	Chairman	10	10
Mr. Darius E Udwardia	Independent Director	Member	10	10

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5. DISCLOSURE IN RELATION TO REMUNERATION OF DIRECTORS

a. Remuneration of the Chairman & Managing Director

Mr. Nimesh Kampani, the Chairman & Managing Director of the Company was paid remuneration during FY 2015-16 in accordance with the terms and conditions of the Agreement entered into by the Company with him. The details of the remuneration paid/payable to Mr. Kampani during the FY 2015-16 are given below:

(Amount in ₹)	
Salary	1,08,00,000
Perquisites	70,75,676
Bonus	4,00,00,000
TOTAL	5,78,75,676

Additionally, Mr. Kampani was also entitled to receive the Company's contribution to provident fund as per the rules of the Company. No sitting fees was paid to Mr. Kampani for attending meetings of the Board or any Committees thereof.

Mr. Kampani was appointed as the Managing Director of the Company for a period of five years with effect from April 1, 2012. As per the Employment Agreement executed by the Company with Mr. Kampani, both the Company and Mr. Kampani are entitled to terminate the Employment Agreement by giving not less than six months' notice in writing to the other party.

b. Remuneration Policy for Non-Executive Directors

The Company follows transparent process for determining the remuneration of Non-Executive Directors including the 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 this, 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 the Non-Executive Directors including the Independent Directors.

The Non-Executive Directors including Independent Directors have contributed significantly and given constructive and useful feedback from time to time in the deliberations on the Board matters.

Taking into consideration the contribution made by Independent Directors and their increasing responsibilities year after year, an aggregate amount of ₹ 112 Lakh is proposed to be paid as commission to them for FY 2015-16. The details of sitting fees/ commission paid/ payable to the Non-Executive Directors including Independent Directors are given below:

Name of Director	Sitting fees paid during the financial year 2015-16						Commission for FY 2015-16
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Allotment Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	
Mr. E A Kshirsagar	7,00,000	2,00,000	60,000	-	-	-	20,00,000
Mr. Darius E Udawadia	5,00,000	-	40,000	50,000	-	-	18,00,000
Mr. Paul Zuckerman	6,00,000	1,50,000	-	-	-	40,000	18,00,000
Dr. Vijay Kelkar	5,00,000	1,00,000	60,000	-	40,000	-	20,00,000
Mr. Keki Dadiseth	6,00,000	-	-	-	-	40,000	18,00,000
Ms. Jagi Mangat Panda	5,00,000	-	-	-	-	-	18,00,000
Mr. Vishal Kampani	2,00,000	-	-	-	-	-	-

Note: The above does not include the fees paid to the Independent Directors for attending the Independent Directors' Meeting held on December 11, 2015.

During FY 2015-16, the Company paid ₹ 1,63,450/- as professional fees to M/s. Udawadia & Udeshi, a legal firm, of which Mr. Darius E Udawadia is a founder partner.

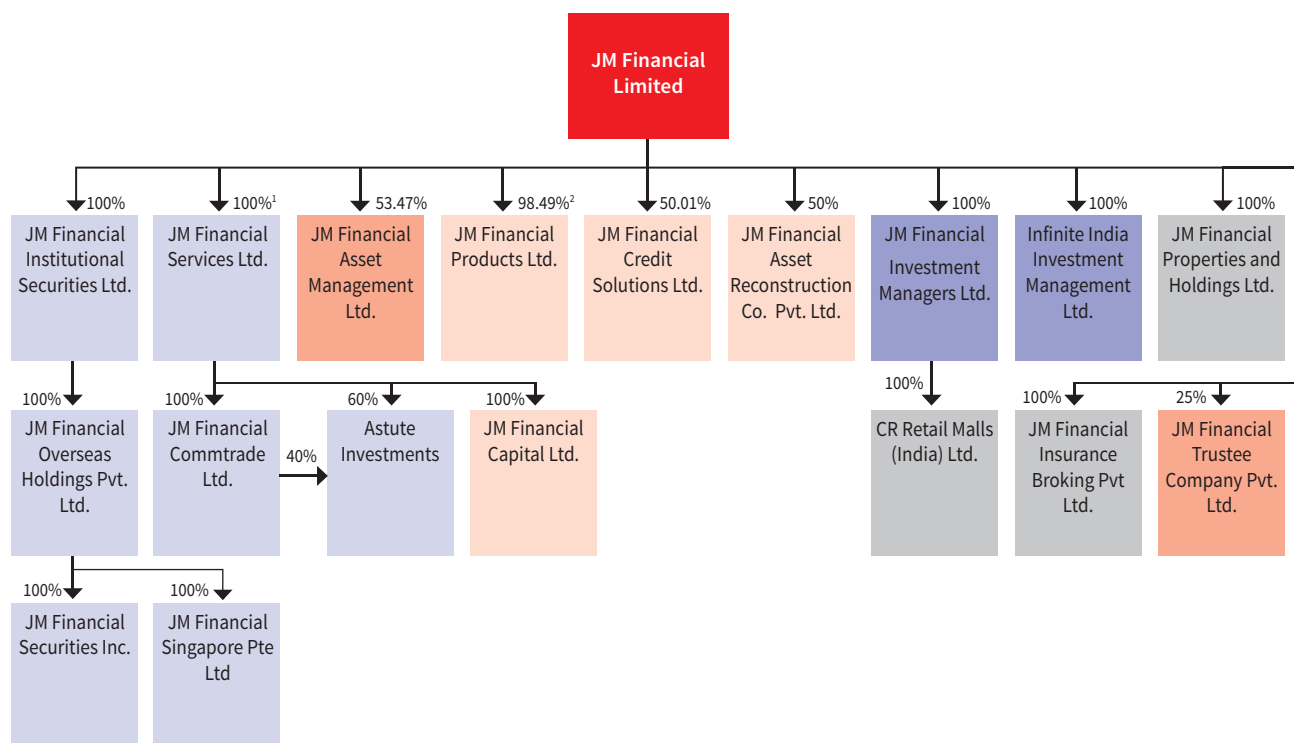
Other than the above, no payments have been made to any of the Independent Directors by the Company.

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6. SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company had the following subsidiary and associate companies as on March 31, 2016.



¹ JM Financial Institutional Securities Limited, wholly owned subsidiary of the Company holds 9% in JM Financial Services Limited.

² JM Financial Institutional Securities Limited and JM Financial Services Limited, wholly owned subsidiaries of the Company holds 4.245% each in JM Financial Products Limited.

Regulation 16(1)(c) of the Listing Regulations defines “material subsidiary” as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in immediately preceding accounting year.

Based on the above definition, the details of the material subsidiaries of the Company as on March 31, 2016 are given below. The following Independent Directors of the Company are also Independent Directors on the Boards of the unlisted material/non-material subsidiaries as on March 31, 2016:

Name of the material unlisted subsidiaries	Name of the Independent Directors
JM Financial Products Limited	Mr. E A Kshirsagar
JM Financial Credit Solutions Limited	Mr. Darius E Udawadia
Name of the non-material unlisted subsidiaries	Name of the Independent Directors
JM Financial Institutional Securities Limited	Mr. Paul Zuckerman
JM Financial Services Limited	Mr. Keki Dadiseth

The minutes of the Board meetings of the unlisted subsidiary companies 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 of the Company.

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7. GENERAL BODY MEETINGS:

a. The location, time and venue of Annual General Meetings and the Extra-Ordinary General Meeting held during the last three years are as under:

Date of AGM/ EGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
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 2,32,93,878 Warrants on preferential basis to Mr. Vikram Shankar Pandit (1,16,46,939 Warrants), Mr. Hariharan Ramamurthi Aiyar (58,23,470 Warrants) and Mrs. Aparna Murthy Aiyar (58,23,469 Warrants)
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 of 1% or 3% of the net profits of the Company during a financial year, as the case may be.
July 3, 2014 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"> Alteration of Articles of Association of the Company.
July 30, 2015 AGM	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> Issue of Non-Convertible Debentures for an amount not exceeding ₹ 1,000 Crore. Alteration of Articles of Association of the Company To approve transactions/ contracts/ arrangements with a related party viz., JM Financial Products Limited, a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year) To approve transactions/ contracts/ arrangements with a related party viz., JM Financial Services Limited, a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year) To approve transactions/ contracts/ arrangements with a related party viz., JM Financial Asset Management Limited, a subsidiary of the Company (not exceeding ₹ 200 Crore during any one financial year) To approve transactions/ contracts/ arrangements with a related party viz., JM Financial Credit Solutions Limited, a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year). To approve transactions/ contracts/ arrangements with a related party viz., JM Financial Asset Reconstruction Company Private Limited, an associate of the Company (not exceeding ₹ 500 Crore during any one financial year) To approve transactions/ contracts/ arrangements with a related party viz., Messers Astute Investments, a partnership firm of which JM Financial Services Limited and JM Financial Commtrade Limited, subsidiaries of the Company are partners (not exceeding ₹ 500 Crore during any one financial year)

b. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No Special Resolution was passed through postal ballot during the financial year 2015-16.

None of the businesses proposed to be transacted at the forthcoming AGM require passing of a Special Resolution through Postal Ballot.

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8. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year 2015-16, as per the requirements of the Listing Regulations, is given in a separate section forming part of the Annual Report.

9. DISCLOSURES

A. POLICY DETERMINING MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

Pursuant to requirements of Regulation 23 of the Listing Regulations, the Company has adopted the policy for determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.jmfl.com.

B. DISCLOSURE ON MATERIAL RELATED PARTY TRANSACTIONS

No materially significant related party transactions have been entered into during financial year 2015-16 having potential conflict of interest.

C. NO PENALTY OR STRICTURES

There have been no instances of non-compliances by the Company and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the previous three financial years.

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 or its securities.

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 unpublished price sensitive information.

E. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Vigil Mechanism/Whistle Blower Policy has been adopted 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. We confirm that no director or employee has been denied access to the Audit Committee during FY 2015-16. The Policy provides that no adverse action shall be taken or recommended against any employee in retaliation to his/her disclosure, if any, 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 in the Company.

F. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is a Core Investment Company (Holding Company) and does not deal with any commodity. Accordingly, the Company is not exposed to any commodity price risk. The Company does not have any foreign exchange exposure and as such is not exposed to any foreign exchange risk.

10. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results, announcement, annual reports, media releases, and 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 Regulation 33 of the Listing Regulations. The unaudited/ audited financial results are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's equity shares are listed. These results are thereafter published within forty eight hours in one English newspaper (generally business standard) and one vernacular newspaper (generally Sakal/ Navshakti) as well as placed on the Company's website viz., www.jmfl.com.

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b) WEBSITE

The Company's website www.jmfl.com provides information about the businesses carried on by its subsidiaries and associates. It is the primary source of information to all the stakeholders of the Company and to general public at large. It also contains a separate dedicated section on investor relations. Financial results, Annual Reports, Shareholding Pattern, official news releases, Quarterly Corporate Governance Report, details of unclaimed dividend, various policies adopted by the Board and other general information about the Company is also available on its website.

c) ANNUAL REPORT

Annual Report containing, *inter alia*, the Standalone and Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members of the Company prior to the Annual General Meeting. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format and also on the websites of the BSE and NSE.

d) REMINDER TO SHAREHOLDERS

Individual reminders are sent each year to those shareholders whose dividends have remained unclaimed from the date they become due for payment, 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.

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

The financial results, shareholding pattern and quarterly report on Corporate Governance and other filing required to be made to the Stock Exchanges 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>.

f) DESIGNATED EXCLUSIVE E-MAIL-ID

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

g) PRICE SENSITIVE INFORMATION

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges. Material developments relating to the Company that are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company is disclosed to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/Information.

11. NON-MANDATORY REQUIREMENTS

The Company has complied with all requirements of corporate governance specified in the Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and shall consider adopting the same at an appropriate time.