

Management Discussion and Analysis (Contd.)

of their choice. We felicitated the 'Learner of the Tournament' and encouraged other employees to keep learning.

Basis employees' training requirements, content is developed in-house also and uploaded on the iLearn platform.

New joinees are introduced to the iLearn portal, as well as the iLearn mobile app at the time of their Induction. Courses like POSH, IT User Awareness and Social Media Policy have to be undertaken by each and every employee of JM Financial.

A Learning Calendar was created across businesses and levels to inculcate the culture of learning.

Workshops on topics such as 'Organic Farming', 'Energy Conservation' and 'Basics of Photography' were also conducted.

A contest called '#bingelearning' was initiated by Home Loans. Winners were felicitated with e-certificates.

We have successfully achieved a total of 374 man days of trainings (Classroom Trainings, Knowledge Community and Webinars), during the FY 2020-21.

Wellbeing and Safety

For us, the health and safety of all our employees and their families is of utmost concern and priority.

The Covid-19 pandemic has been unprecedented and required immediate action to be taken across the Group. We activated the business continuity plan and a large part of our employees were working from home or remotely.

Employees were constantly being communicated and updated about the developments of the pandemic, Government guidelines, dos and don'ts and measures that the Firm had taken. Multiple advisories were sent to all employees, along with the activation of the Crisis Management Team for health related assistance needed during the interim period.

All offices were fumigated, sanitary equipment was made available and HR Business Partners were constantly in touch with the employees to ensure their safety.

In addition, several precautionary measures were taken for the essential staff working out of the offices, including fumigation, temperature check, masks, sanitizers etc.

Work from Home facility was provided. Remote access was provided to employees on their laptops, so that they had the necessary accesses to relevant email inbox and drives.

Internal and external meetings were conducted on digital platforms.

Hiring process was digitalized with online interviews, pre-joining formalities, on-boarding and induction.

'Post Covid-19 – Welcome back to office' webinar were conducted to ensure that employees were aware and followed the necessary protocols.

The total employee strength of JM Financial Group stood at 1,978, as on March 31, 2021.

Safe Harbour

This report describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the effect of domestic as well as global economic and political events, volatility in interest rates and in the securities market, new regulations and government policies that may impact our businesses as well as ability to implement our strategies. We are under no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

Report on Corporate Governance

Corporate Governance

Corporate Governance is a reflection of a company's value system, encompassing its culture, policies and its relationship with various stakeholders. Corporate Governance encompasses laws, procedures, practices and implicit rules that determine the management's ability to take sound and informed decisions. Good governance helps in conducting the affairs of a company in an ethical manner, bringing transparency and fairness in dealing with all its stakeholders' - in particular, its shareholders, creditors and employees. There is a global consensus on the objective of good corporate governance; maximising long-term stakeholders' value.

Philosophy of JM Financial on Corporate Governance

Corporate Governance at JM Financial has been a continuous journey. JM Financial has imbibed a philosophy of following robust corporate governance practices and accountability. JM Financial is committed to good governance practices by conducting its business in a transparent manner and creating long term sustainable stakeholders' value.

JM Financial continues to lay strong emphasis on appropriate and timely disclosure and transparency in its business dealings. Our ethical behaviour and good conduct go a long way in maintaining good governance practices, preserving stakeholders' trust and maximizing long term corporate value.

The actions of JM Financial are governed by its values and principles, viz., integrity, teamwork, client focus, innovation, implementation, performance and partnership, which is reinforced at all levels across the Group. The Company engages itself in a credible and transparent manner with all its stakeholders' which help them to understand its long-term strategies.

JM Financial has further strengthened its governance practices by implementing and executing various processes, procedures and policies that not only governs the compliance but ensures adherence to the best corporate practices. The good governance practices as stipulated in legislations such as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the Companies Act, 2013, as amended, (the "Act") and all other applicable rules and regulations are being followed by the Company.

The report on the corporate governance, as per the applicable provisions of the Listing Regulations is as under:

1. Board of Directors

The Board of Directors (the "board") of the Company comprises highly skilled professionals bringing a wide

range of expertise and experience in functioning of the board. The board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

Composition of the Board

The composition of the Board of Directors of the Company consists of executive and non-executive directors and the same is in conformity with regulation 17 of the Listing Regulations. The board comprises nine (9) directors, including one (1) woman independent director. The strength of independent directors on the board stands at 77.78%. Independent directors on the board meets the requirements of regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act. The board mix provides a combination of professionalism, knowledge and experience required in the financial industry.

Out of total nine (9) directors, seven (7) are independent directors including one (1) woman director. The remaining two (2) are non-independent directors, of which one is the Managing Director and other non-executive director, who is also the Chairman of the board.

Mr. Vishal Kampani, the Managing Director is a relative (son) of Mr. Nimesh Kampani, who is the non-executive Chairman of the Company. Save and except this, none of the directors of the Company is related to other directors.

Mr. P S Jayakumar was appointed as an additional (independent) director with effect from July 30, 2020, by the Board of Directors of the Company, subject to the necessary approvals, if any and to the extent required.

The board has received confirmation from the independent directors that they satisfy the conditions of their independence as laid down under section 149(6) of the Act read with rule 5 and rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the regulation 16(1)(b) and regulation 25(8) of the Listing Regulations. Further, the independent directors have included their names in the data bank of independent directors maintained with the Indian Institute of Corporate Affairs in terms of section 150 of the Act read with rule 6 as stated above.

Based on the confirmations received as above, the board is of the opinion that all the independent directors of the Company, fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management.

Report on Corporate Governance (Contd.)

Skills/Expertise/Competencies of the Board

The board members have rich and varied experience in critical areas like governance, finance, entrepreneurship, legal, economics, general management, etc., which enable them to satisfactorily discharge their duties as directors. This also helps them to effectively contribute in functioning of the Company.

The nomination and remuneration committee of the board assess and recommend to the board, core skill sets required by the directors to enable the board to perform their functions effectively.

Pursuant to schedule V(C) to the Listing Regulations, the skills/expertise/competencies possessed by the directors are stated below:

Name of the directors	Skills/Expertise/Competencies
Mr. Nimesh Kampani Non-executive Chairman	Mr. Nimesh Kampani's expertise is in the area of financial advisory including investment banking, mergers, acquisitions & restructuring, corporate finance and capital markets.
Mr. Vishal Kampani Managing Director	Mr. Vishal Kampani's expertise is in the area of institutional securities business including investment banking, institutional equities, fund based businesses comprising lending activities, asset reconstruction, alternative asset management and management of real estate and private equity funds.
Mr. E A Kshirsagar Independent Director	Mr. E A Kshirsagar is a specialist in areas of corporate strategy and structuring, disinvestments-central/state/private sector, feasibility studies for a variety of industries and the impact of legislations on businesses. He also has wide and varied experience in handling finance related functions.
Mr. Darius E Udwadia Independent Director	Mr. Darius E Udwadia has spent over five decades in active law practice and has vast experience and expertise, inter-alia, in corporate laws & governance, mergers, acquisitions and takeovers,

Name of the directors	Skills/Expertise/Competencies
Dr. Vijay Kelkar Independent Director	corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance international loans and finance related transactions and instruments, real estate and conveyance. Dr. Vijay Kelkar, former Finance Secretary has extensive understanding of India's macroeconomic policies and of the financial sector.
Mr. Paul Zuckerman Independent Director	Mr. Paul Zuckerman has extensive knowledge in the field of economics and finance.
Mr. Keki Dadiseth Independent Director	Mr. Keki Dadiseth possesses wealth of knowledge and expertise in the field of business and finance.
Ms. Jagi Mangat Panda Independent Director	Ms. Jagi Mangat Panda is a Media/Broadcast Entrepreneur. She has more than two decades of experience in the media and broadcasting industry.
Mr. P S Jayakumar Additional (Independent) Director	Mr. P S Jayakumar has more than three decades of experience in the banking and financial services sector.

Memberships of other boards

None of the directors of the Company hold directorships in more than twenty (20) companies including in more than ten (10) public companies. In accordance with the Listing Regulations, none of the directors of the Company has held directorships and/or independent directorship in more than seven (7) listed companies during the financial year 2020-21. The Managing Director of the Company does not hold directorship as an independent director in any other listed company. Also, none of the directors is serving as a member of more than ten (10) committees or as the chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. Necessary disclosures regarding committee positions in other public companies as at the end of financial year have been made by the directors.

The information relating to the number and category of other directorships and committee chairmanships/memberships held by the directors in other public companies including the names of the listed entities as on March 31, 2021 is given below:

Name of the director	Category in the Company	Number of directorships in other public companies* (excluding the Company)			Number of committee positions held in other public companies** (excluding the Company)		Number of equity shares held in JM Financial Limited as on March 31, 2021	
		Listed#	Name of the listed company	Category of directorship	Unlisted	Chairman		Member
Mr. Nimesh Kampani DIN- 00009071	Non-executive Chairman	-	-	-	3	1	1	12,57,50,000*
Mr. E A Kshirsagar DIN- 00121824	Independent Director	2	Batliboi Limited Hawkins Cookers Limited	Non-executive - Independent Director Non-executive - Independent Director	1	3	3	Nil
Mr. Darius E Udwadia DIN - 00009755	Independent Director	1	ABB India Limited	Non-executive - Independent Director	1	1	3	Nil
Mr. Paul Zuckerman DIN- 00112255	Independent Director	-	-	-	-	-	-	Nil
Dr. Vijay Kelkar DIN- 00011991	Independent Director	-	-	-	2	-	1	1,379
Mr. Keki Dadiseth DIN-00052165	Independent Director	2	Britannia Industries Limited Godrej Properties Limited	Non-executive - Independent Director	-	1	2	11,400
Ms. Jagi Mangat Panda DIN- 00304690	Independent Director	1	Ortel Communications Limited	Managing Director	4	1	2	Nil
Mr. P S Jayakumar DIN - 01173236	Additional (Independent) Director	2	CG Power and Industrial Solutions Limited Adani Ports and Special Economic Zone Limited	Additional Independent Director	6	3	9	Nil
Mr. Vishal Kampani DIN-00009079	Managing Director	-	-	-	8	-	3	1,20,00,000

* Other directorships do not include directorships of private limited companies, foreign companies and companies under section 8 of the Act.

** The information pertaining to the chairmanships/memberships of committees of the board held by the directors includes only audit committee and stakeholders' relationship committee.

Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

@ Includes only equity listed entities.

Board meetings and board procedure

In view of the Covid-19 outbreak, the Ministry of Corporate Affairs (the "MCA") and the Securities and Exchange Board of India (the "SEBI") vide their respective circulars had relaxed the requirement of having intervening gap of one hundred and twenty (120) days between any two (2) meetings of the board. Notwithstanding this, during the financial year 2020-21, the board met six (6) times on the following dates and the gap between the two (2) meetings was not more than one hundred and twenty (120) days.

- May 6, 2020 • July 30, 2020 • September 18, 2020
- October 27, 2020 • December 7, 2020 • January 23, 2021

The board meetings are usually held at the registered office of the Company. However, due to exceptional circumstances arising out of Covid-19 pandemic and consequent relaxations granted by MCA and SEBI, all the board and committee meetings were held through video conferencing mode, thereby following the safety norms. The required quorum was present at all the above meetings.

The board meetings are pre-scheduled and tentative dates of the board and committee meetings are informed well in advance to facilitate the directors to plan their schedule. The board meets at least once in a quarter to review financial results and operations of the Company. In addition, the board also meets to consider, discuss and decide the business strategy including policy matters and gaining the understanding of various businesses conducted by the subsidiaries of the Company. The notice of all meetings are given well in advance to all the directors. The agenda, setting out the business to be transacted at the meeting, with well-structured and comprehensive notes on agenda, is circulated in advance to the board members, to enable them to go through the same and take informed decisions. Agenda papers are circulated at least seven (7) days prior to the date of meeting. Additional items are taken up with the permission of the Chairman and requisite consent of the directors present.

Report on Corporate Governance (Contd.)

The details of attendance of the directors at the board meetings held during the financial year 2020-21 and at the last annual general meeting are given below:

Name of the director	Number of board meetings held	Number of board meetings attended	Whether attended the annual general meeting held on July 30, 2020
Mr. Nimesh Kampani	6	6	Yes
Mr. E A Kshirsagar	6	6	Yes
Mr. Darius E Udawadia	6	4	No
Mr. Paul Zuckerman	6	6	Yes
Dr. Vijay Kelkar	6	6	Yes
Mr. Keki Dadiseth	6	4	No
Ms. Jagi Mangat Panda	6	5	Yes
Mr. Vishal Kampani	6	6	Yes
Mr. P S Jayakumar	6	5*	Yes

* Mr. P S Jayakumar was appointed as an additional (independent) director with effect from July 30, 2020.

The board/committee agenda is circulated in electronic mode through software which complies with high standards of security and integrity. Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company, to apprise the board on overall performance on quarterly basis. The agenda also includes information as stipulated in part A of schedule II of the Listing Regulations.

The senior executives/management of the Company and its subsidiaries are also invited to attend the meetings of the board, committees, to make representations on plans, business performance, operations, financial performance, risk management, regulatory environment of the Company and its subsidiaries and for other issues and matters which the board wants to be apprised of on a periodical basis. Additionally, the board members interact with the CEOs/business heads of respective subsidiary companies for clarification/information, as and when required.

The board periodically reviews and takes note of, inter alia, the compliance confirmations in respect of laws and regulations applicable to the Company. The compliance confirmations pertaining to respective subsidiary companies including the summary thereof are also placed before the board for its information and noting. The board has complete access to the information within the Company.

The risk management committee of the board periodically reviews the processes on risk assessment, risk mitigation and risk management. The framework comprises an in-house exercise on risk management review carried out periodically by the Company to identify and mitigate various risks faced by the Company and its subsidiaries from time to time. A detailed note on risk management process is given in the risk management section of management discussion and analysis report. A meeting of the risk management committee was held during the financial year, the details of which form part of the report.

The draft minutes of the board and committee meetings are circulated amongst the directors/members for their perusal and comments within fifteen (15) days from the date of the conclusion of the meeting in accordance with Secretarial Standard-1 (the "SS-1") issued by the Institute of Company Secretaries of India. Suggestions, if any, received from the directors/members are suitably incorporated in the draft minutes, in consultation with the Chairman of the board/committee.

Separate Meeting of Independent Directors

During the financial year 2020-21, a separate meeting of the independent directors of the Company was held on March 24, 2021 without the presence of the non-executive Chairman, the Managing Director and the management team of the Company. The meeting was attended by all the independent directors, except

Mr. Keki Dadiseth. The matters considered and discussed thereat, inter alia, included those prescribed under schedule IV to the Act and regulation 25 of the Listing Regulations, among others.

Familiarisation Programme for Independent Directors

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarisation programme for independent directors to familiarise them with their roles, rights, responsibilities etc. in relation to the nature of the financial services sector and the business model of the Company and its subsidiaries. Details of such familiarisation programme imparted to independent directors during the financial year 2020-21, is placed on the website viz., https://jmfl.com/investor-relations/Familiarisation_Programme_for_Independent_Directors.pdf

The familiarisation programme ensures that the independent directors are updated on the business and regulatory environment, overall operations of the Company and its subsidiaries vis-à-vis peers, etc. This enables the independent directors to make better informed decisions in the interest of the Company and its stakeholders'.

Code of Conduct

The Company has adopted the Code of Conduct (the "Code") which applies to all the board members and the senior management personnel and same is available on the website of the Company at https://jmfl.com/investor-relations/Code_of_Conduct_Directors_Senior_Management_Personnel.pdf. It is the responsibility of all the board members and senior management personnel to familiarise themselves with the Code and comply with its provisions. All the board members and senior management personnel have affirmed compliance with the Code.

A declaration signed by the Managing Director to this effect is given below:

Declaration

I confirm that the Company has obtained the confirmation from all its directors and senior management personnel that they have complied with the provisions of the Code of Conduct for the financial year 2020-21.

Place: Mumbai
Date: May 5, 2021

Vishal Kampani
Managing Director
DIN – 00009079

2. Committees of the Board:

The board has constituted various committees of directors to take informed decisions in the best interests of the Company. These committees monitor the activities as per the scope defined in their respective charters and terms of reference, which are reviewed annually.

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Allotment Committee

A. Audit Committee

The audit committee comprises five (5) members all of whom are non-executive and independent directors thereby meeting the requirements of section 177 of the Act read with rules made thereunder and regulation 18 of the Listing Regulations. All members of the audit committee are financially literate and possess thorough knowledge of the financial services industry.

Mr. E A Kshirsagar, independent director, is the Chairman of the committee. He was present at the last annual general meeting held on July 30, 2020 to address the queries, if any, of the shareholders.

The company secretary acts as the secretary to the committee. The meetings of the audit committee are also attended by the chief financial officer, internal auditors and the statutory auditors as invitees. The company secretary is the compliance officer to ensure compliance and effective implementation of the Code for prevention of Insider Trading of the Company.

During the financial year 2020-21, the audit committee met four (4) times on May 6, 2020, July 30, 2020, October 27, 2020 and January 23, 2021. The required quorum was present at all the audit committee meetings and the gap between two meetings did not exceed a period of one hundred and twenty days (120 days), despite the relaxation granted by MCA and SEBI vide their respective circulars.

The audit committee had reviewed the information stipulated in part C of schedule II of the Listing Regulations during its above meetings.

Report on Corporate Governance (Contd.)

The attendance of the members of the committee at the above meetings was as under:

Name of the member	Position	Number of meetings held	Number of meetings attended
Mr. E A Kshirsagar	Chairman	4	4
Mr. Darius E Udawadia	Member	4	2
Mr. Paul Zuckerman	Member	4	4
Dr. Vijay Kelkar	Member	4	4
Mr. Keki Dadiseth	Member	4	3

The broad terms of reference of the audit committee, inter alia, includes the following:

- 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 for all payments to the statutory auditors for any other services rendered by them;
- e. Review with the management, the annual financial statements and auditor's report thereon before submission to the board for its approval, with particular reference to:
 - i. Matters required to be included in the directors' responsibility statement forming part of 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, if any, 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 all related party transactions;
 - vii. Modified opinion(s), if any, in the draft audit report.
- f. Review with the management, the quarterly financial statements before submission to the board for its approval;
- g. Review with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the board to take steps in this matter;
- h. Approval or any subsequent modification of transactions of the Company with its related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the Company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors of any significant findings and follow up thereon;
- o. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. 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;
- q. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors as is applicable;
- r. Review the functioning of the whistle blower mechanism;
- s. Approve appointment of the chief financial officer;
- t. Review of utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the

- asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- u. Review of compliances with SEBI (Prevention of Insider Trading) (Amendment) Regulations, 2018 and to verify that the systems for internal control are adequate and are operating effectively, at least once in a financial year;
- v. Such other functions as may be entrusted to it by the Board of Directors from time to time.

The chairman of the audit committee apprises the board about significant discussions and decisions taken at the audit committee meetings including those relating to the financial results, internal audit reports, statutory auditor's reports and the limited review reports provided by them.

B. Nomination and Remuneration Committee

The nomination and remuneration committee (the "NRC") comprises four (4) non-executive directors of which three (3) are independent directors. The required quorum was present at the NRC meetings held on April 17, 2020 and July 30, 2020 during the financial year 2020-21.

The committee is chaired by Dr. Vijay Kelkar, an independent director. He was present at the last annual general meeting held on July 30, 2020 to address the queries, if any, of the shareholders.

The matters considered by the committee during the year, inter alia, included determination of performance linked discretionary bonus and annual compensation of the key managerial personnel including the Managing Director as also of the senior managerial personnel, grant of stock options, if any, to the eligible employees, performance evaluation of individual directors, the board as a whole and the board committees and recommendation for the appointment of independent director, among other matters. The attendance of the members of the committee at the said meetings was as under:

Name of the member	Position	Number of meetings held	Number of meetings attended
Dr. Vijay Kelkar	Chairman	2	2
Mr. Nimesh Kampani	Member	2	2
Mr. E A Kshirsagar	Member	2	2
Mr. Darius E Udawadia	Member	2	1

The scope of activities of the NRC is as set out in regulation 19 of the Listing Regulations read with the applicable provisions of section 178 of the Act. The terms of reference of the NRC is broadly as follows:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- b) Identify and recommend to the board, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated;
- c) Evaluate directors' performance;
- d) Recommend to the board a policy relating to the remuneration for the directors, key managerial personnel (the "KMPs") and other senior employees of the Company;
- e) Recommend the appointment of KMPs and approve their remuneration;
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- g) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

Criteria for Performance Evaluation and Remuneration of Directors

Policy on Performance Evaluation and Remuneration of the directors (the "Policy") has been framed for evaluating the performance of the board as a whole, the chairman, managing director, executive director, independent directors and the non-executive director. Based on the same, the performance evaluation as above was carried out by the nomination and remuneration committee of the board during the financial year ended March 31, 2021 and then the same was recommended to the board.

The Policy, inter alia, provides the criteria for performance evaluation such as board effectiveness, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders', corporate governance practices, contribution of the committees to the board in discharging its functions, etc.

C. Corporate Social Responsibility Committee

The corporate social responsibility (the "CSR") committee is constituted in accordance with section 135 of the Act and applicable rules made thereunder. The committee comprises of three (3) members of which, two (2) are independent directors. The committee is chaired by Mr. Nimesh Kampani.

The CSR committee has been constituted to identify, execute and monitor CSR projects and assist the board and the Company in fulfilling its CSR objectives.

Report on Corporate Governance (Contd.)

During the financial year 2020-21, the CSR committee met twice on October 13, 2020 and March 18, 2021. The details of the attendance of the members of the committee at the said meetings was as under:

Name of the member	Position	Number of meetings held	Number of meetings attended
Mr. Nimesh Kampani	Chairman	2	2
Mr. Paul Zuckerman	Member	2	2
Mr. Keki Dadiseth	Member	2	2

The broad terms of reference of the CSR committee is as follows:

- Formulate and recommend to the board, the CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII to the Act;
- Make recommendation on the amount of expenditure to be incurred on CSR activities;
- Institute a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;
- Such other tasks as may be entrusted to it by the Board of Directors, from time to time.

The update on the CSR activities undertaken by the Company through its philanthropic arm and implementing agency viz., JM Financial Foundation is provided in Annexure C to the directors' report forming part of the annual report.

D. Stakeholders' Relationship Committee

The stakeholders' relationship committee (the "SRC") is established in accordance with section 178 of the Act and regulation 20 of the Listing Regulations. The SRC comprises three (3) members, of which two (2) are independent directors and one (1) is a non-executive director. Dr. Vijay Kelkar is the chairman of the committee and he was present at the last annual general meeting held on July 30, 2020 to address the queries, if any, of the shareholders. The required quorum was present at all meetings conducted during the financial year 2020-21.

Mr. Prashant Choksi, Group Head – Compliance, Legal & Company Secretary also acts as the compliance officer and the secretary to the committee.

During the financial year 2020-21, the SRC met four (4) times on May 6, 2020, July 30, 2020, October 27, 2020 and January 23, 2021. The details of attendance of the members of the committee at the said meetings was as under:

Name of the member	Position	Number of meetings held	Number of meetings attended
Dr. Vijay Kelkar	Chairman	4	3
Mr. Nimesh Kampani	Member	4	4
Ms. Jagi Mangat Panda	Member	4	4

The broad terms of reference of the SRC is as follows:

- Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agents;
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Such other functions as may be entrusted to it by the Board of Directors from time to time.

Nature and number of Grievances

During the financial year 2020-21, the number of grievances received by the Company/its Registrar and Transfer Agents (the "RTA") from its shareholders was only two (2); one relating to non receipt of dividend and second relating to non receipt of shares.

The grievances received as above were duly resolved in a timely manner.

Requests for transmission of shares held in physical mode are approved by the Managing Director and/or Company Secretary as per the authority delegated by the board to them for speedy disposal of such cases.

E. Risk Management Committee

The risk management committee (the "RMC") is constituted in accordance with regulation 21 of the Listing Regulations and comprises five (5) members, of which two (2) are independent directors, viz., Mr. Darius E Udawadia and Mr. Paul Zuckerman. The other members include Mr. Vishal Kampani, Managing Director, Mr. Adi Patel and Mr. Darius Pandole, senior executives of the Company. The committee is chaired by Mr. Darius E Udawadia.

During the financial year 2020-21, the RMC met once on October 27, 2020. The details of attendance of the members of the committee at the said meeting was as under:

Name of the member	Position	Number of meeting held	Number of meeting attended
Mr. Darius E Udawadia	Chairman	1	-
Mr. Paul Zuckerman	Member	1	1
Mr. Vishal Kampani	Member	1	1
Mr. Adi Patel	Member	1	1
Mr. Darius Pandole	Member	1	1

The board has defined the roles and responsibilities of the RMC. The responsibilities entrusted to the RMC by the board, inter alia, are as under:

- Assess the risk profile of the Company and key areas of risks in particular;
- Formulate the systems and processes to monitor, control and mitigate the risks;
- Review and evaluate the risk management plan, policy and practices with respect to risk assessment and risk management processes;
- Review and monitor various functions including cyber security;
- Review nature of risk level of insurance coverage and its adequacy;
- Perform such other functions as may be necessary or appropriate for the performance of its oversight function; and
- Such other functions as may be entrusted to it by the Board of Directors, from time to time.

F. Allotment Committee

The allotment committee of the Board comprises three (3) members viz., Mr. Nimesh Kampani, a non-executive director, Mr. Darius E Udawadia and Mr. Keki Dadiseth, independent directors of the Company. The committee is chaired by Mr. Nimesh Kampani.

During the financial year 2020-21, the allotment committee met four (4) times on June 19, 2020, September 18, 2020, December 7, 2020 and March 18, 2021. The details of attendance of the members of the committee at the said meetings was as under:

Name of the member	Position	Number of meetings held	Number of meetings attended
Mr. Nimesh Kampani	Chairman	4	4
Mr. Darius E Udawadia	Member	4	3
Mr. Keki Dadiseth	Member	4	3

Scope and Functions

The allotment committee, inter alia, considers and approves the allotment of shares/securities including those arising on account of exercise of stock options by the eligible employees. It also considers and approves requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation, etc.

Secretarial Standards

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

3. Disclosure in relation to remuneration of directors

a. Remuneration of the Managing Director

The compensation structure of the Managing Director consists of two parts – fixed and variable, determined on the basis of:

- Market benchmarking
- Individual performance
- Performance of the Company

The above compensation structure is also reviewed by the NRC and approved by the board.

Remuneration of the Managing Director, Mr. Vishal Kampani

In accordance with the terms of the employment agreement entered into by the Company with Mr. Vishal Kampani, the Company has paid the following remuneration to him during the financial year 2020-21:

	(Amount in ₹)
Salary	1,20,00,000
Perquisites	34,27,213
Total	1,54,27,213

Additionally, Mr. Kampani is also entitled to receive the Company's contribution to provident fund as per the rules of the Company.

No sitting fees were paid to Mr. Kampani for attending the meetings of the board during the financial year 2020-21.

Mr. Vishal Kampani is also the Managing Director of JM Financial Products Limited (the "JM Financial Products"), a material subsidiary of the Company. As per the terms of his employment contract, Mr. Kampani also draws remuneration from the said material subsidiary. As per the prevailing terms, so long as Mr. Kampani serves as a Managing Director of the

Report on Corporate Governance (Contd.)

Company and of JM Financial Products, the total amount of remuneration that may be paid to Mr. Kampani by the Company and/or JM Financial Products, shall not exceed the higher maximum limit admissible from the Company or JM Financial Products, as the case may be, in accordance with the applicable provisions of the Act and schedule V thereto.

The details of remuneration paid to Mr. Vishal Kampani during the financial year 2020-21 from JM Financial Products Limited is as below:

	(Amount in ₹)
Salary	1,20,00,000
Perquisites	19,81,111
Performance Bonus	8,25,00,000
Total	9,64,81,111

Additionally, Mr. Kampani is entitled to receive contribution to provident fund from JM Financial Products.

The total amount of remuneration paid/payable by the Company and JM Financial Products are within the limits prescribed under the Act.

Considering the above and as decided by the board, an aggregate amount of ₹1,48,00,000/- is payable as commission to the independent directors of the Company for the financial year 2020-21. The details of sitting fees/commission paid/payable to the directors is given below:

Name of director	Sitting fees paid during the financial year 2020-21								Commission		
	Board Meeting	Audit committee Meeting	Nomination and Remuneration committee Meeting	Allotment committee Meeting	Stakeholders' Relationship committee Meeting	Corporate Social Responsibility Meeting	Risk Management committee Meeting	Committee of Directors (QIP)	Paid for FY 2019-20	Payable for FY 2020-21	
	Mr. Nimesh Kampani	6,00,000	-	40,000	20,000	40,000	40,000	-	60,000	-	-
	Mr. E A Kshirsagar	6,00,000	2,00,000	40,000	-	-	-	-	60,000	22,00,000	25,00,000
Mr. Darius E Udawadia	4,00,000	1,00,000	20,000	15,000	-	-	-	40,000	20,00,000	20,00,000	
Mr. Paul Zuckerman	6,00,000	2,00,000	-	-	-	40,000	10,000	-	20,00,000	20,00,000	
Dr. Vijay Kelkar	6,00,000	2,00,000	40,000	-	30,000	-	-	-	22,00,000	23,00,000	
Mr. Keki Dadiseth	4,00,000	1,50,000	-	15,000	-	40,000	-	-	20,00,000	20,00,000	
Ms. Jagi Mangat Panda	5,00,000	-	-	-	40,000	-	-	-	20,00,000	20,00,000	
Mr. P S Jayakumar	5,00,000	-	-	-	-	-	-	-	-	20,00,000	

Notes: The above does not include the following:

- Sitting fees of ₹ 1,00,000/- paid to the independent directors (except for Mr. Keki Dadiseth) for attending the independent directors' meeting held on March 24, 2021.
- As per the practice followed by the Company, the commission for the financial year 2020-21 will be paid to non-executive directors after the financial statements are adopted by the members at the thirty sixth annual general meeting of the Company.
- Mr. Keki Dadiseth, an independent director, was paid the professional fees of ₹ 4,00,000/- during the financial year 2020-21, for rendering professional services to a private equity fund managed by the Company as a senior advisor.

The payment of the said professional fees to the independent director as above does not affect his independence of judgement, as the services rendered by him is in his professional capacity.

Other than the above, no payments have been made to any of the independent directors by the Company except for reimbursement of expenses, if any.

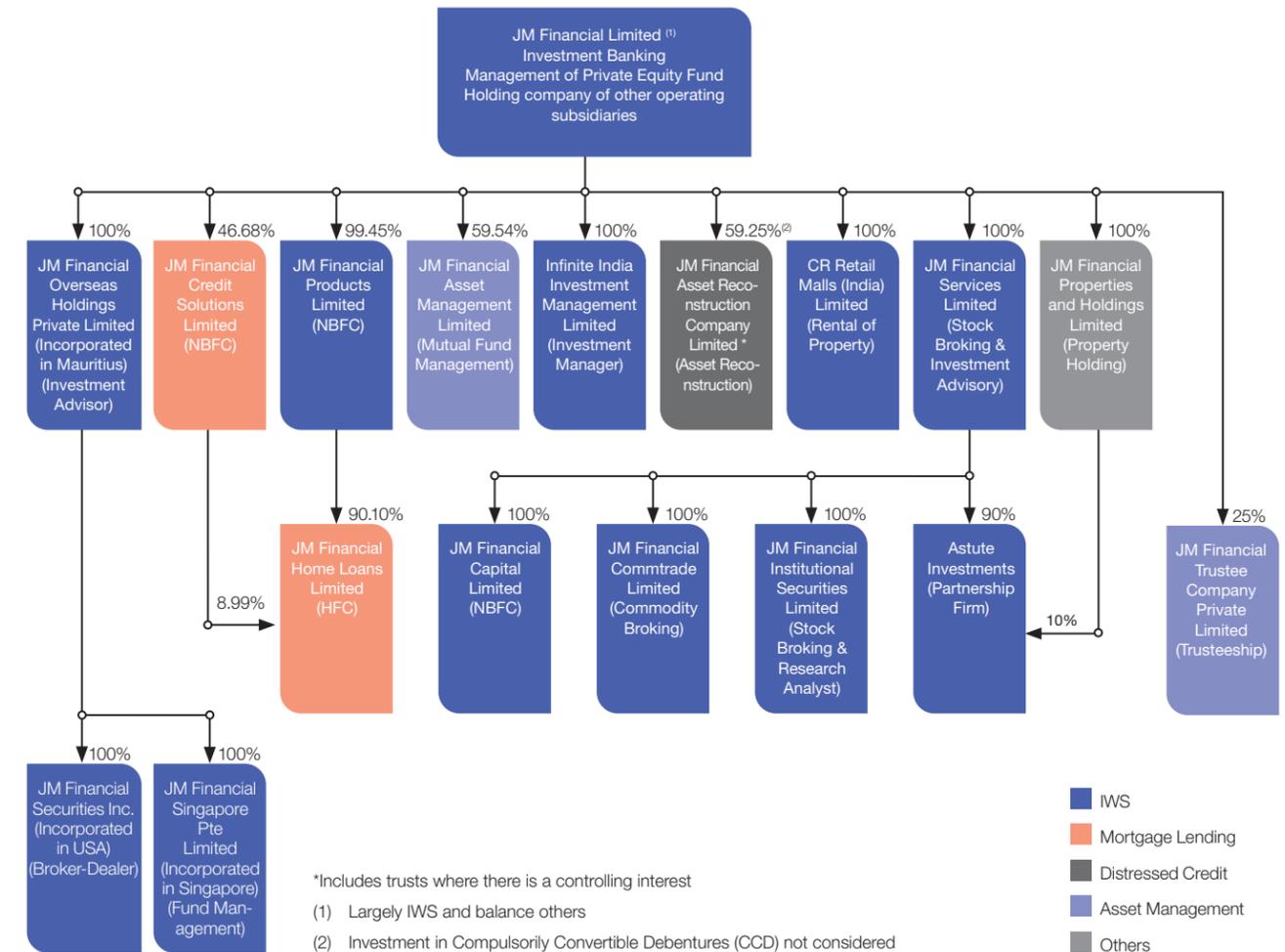
b. Remuneration Policy for Non-executive Directors

The non-executive/independent directors receive remuneration by way of sitting fees for attending the meetings of the board and/or committees thereof, as decided by the board from time to time subject to the limits specified under the Act. They are also entitled to receive the commission as may be determined by the board within the limits specified under the Act.

The Company follows transparent process for determining the remuneration of non-executive directors including the independent directors. The 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 their overall contribution as board/committee members. 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/independent directors.

4. Subsidiaries and Associate Company:

As on March 31, 2021, the Company has the following subsidiaries and associate company:



In terms of regulation 16(1)(c) of the Listing Regulations, the material subsidiaries of the Company as on March 31, 2021 are given below:

- JM Financial Products Limited;
- JM Financial Credit Solutions Limited;
- JM Financial Asset Reconstruction Company Limited; and
- JM Financial Services Limited.

Report on Corporate Governance (Contd.)

In accordance with regulation 24 of the Listing Regulations, the following independent directors of the Company are also independent directors on the Boards of the material unlisted subsidiaries as on March 31, 2021:

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 Udwadia
JM Financial Asset Reconstruction Company Limited	Dr. Vijay Kelkar
JM Financial Services Limited	Not appointed since the income or net worth is not exceeding 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

* The above subsidiaries have issued debt securities which are listed on stock exchanges but their equity shares are not listed.

The minutes of the board meetings of the unlisted subsidiary companies are also placed at the board meetings of the Company. The management also periodically brings to the attention of the Board of Directors, a statement of significant transactions and arrangements entered into by all the unlisted subsidiary companies of the Company. The audit committee of the Company also reviews the financial statements, in particular, the investments made by the unlisted subsidiaries.

5. General Body Meetings:

i. The details of Annual General Meeting (“AGM”) held during the last 3 years and the special resolutions passed thereat are as under:

Date of AGM	Venue	Time	Whether special resolution passed	Summary of special resolutions
July 18, 2018	J. K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025	3.00 pm	Yes	<ul style="list-style-type: none"> Issue of redeemable non-convertible debentures for an amount aggregating up to ₹ 5,000 crore. Reclassification of Mr. Ashith Kampani from promoters' group to non-promoters' group/public category. Approval for giving of loan(s) and/or guarantee(s) and/or providing security(ies) in connection with loan(s) to any person and/or body corporate and/or acquisition of securities of other body(ies) corporate for an amount of up to ₹ 2,000 crore over and above the limits available to the Company pursuant to section 186 of Companies Act, 2013.
July 19, 2019	J. K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025	3.30 pm	Yes	<ul style="list-style-type: none"> Re-appointment of Ms. Jagi Mangat Panda (DIN 00304690), as an independent director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from March 31, 2020 to March 30, 2025. Issue of redeemable non-convertible debentures for an amount aggregating up to ₹ 2,500 crore.
July 30, 2020	Held through video conferencing/ other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic.	3.30 pm	Yes	<ul style="list-style-type: none"> Approval for issue of redeemable Non-convertible debentures for an amount aggregating up to ₹ 1,000 crore.

ii. Special Resolutions passed through Postal Ballot

During the financial year 2020-21, no resolutions were passed by means of postal ballot.

Resolutions, if any, to be passed through postal ballot during the current financial year will be taken up as and when necessary.

6. Management Discussion and Analysis Report

The management discussion and analysis report for financial year 2020-21, prepared in accordance with the Listing Regulations, forms part of the annual report.

7. Disclosures

A. Policies determining Material Subsidiaries and Related Party Transactions

The board has adopted the policy for determining material subsidiaries pursuant to regulation 16 of the Listing Regulations, which is available on the website of the Company https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf

The policy on dealing with related party transactions, pursuant to regulation 23, is also available on the Company's website at https://jmfl.com/investor-relations/Policy_on_Dealing_with_Related_Party_Transactions.pdf

B. Disclosure on Material Related Party Transactions

During the year, the Company has not entered into any materially significant transactions with the related parties including promoters, directors, the management, subsidiaries or relatives of the directors, which could lead to a potential conflict of interest between the Company and these parties. Transactions entered into with related parties during financial year 2020-21 were in the ordinary course of business and at arms' length basis. Majority of the related party transactions are between the Company and its subsidiaries, some of which are wholly owned subsidiaries.

C. Penalty or Strictures

No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three (3) years.

D. Code of Conduct for Prevention of Insider Trading

The Company has adopted the code of conduct (the “Code”) for prevention of insider trading to regulate

the trading in securities by the directors and employees of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code requires pre-clearance for trading in the shares of the Company and prohibits trading in the shares of the Company by the designated persons 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 Code by all the directors and employees likely to have access to unpublished price sensitive information. The Code is uploaded on the Company's website at https://jmfl.com/investor-relations/Code_for_Insider_Trading.pdf

E. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of regulation 22 of the Listing Regulations and section 177 of the Act, the Company has established vigil mechanism/whistle blower policy for the directors and employees to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud. The vigil mechanism provides adequate safeguards against victimisation of employees and directors who avail the vigil mechanism. The Company affirms that no personnel have been denied access to the audit committee. The Chairman of the audit committee, Mr. E A Kshirsagar has confirmed that there were no such cases of whistle blower reported to him, during the financial year 2020-21.

The policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company. The said policy is available on the Company's website at https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf

F. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. As on March 31, 2021, the Company has foreign exchange receivable which is equivalent to ₹ 22.71 crore and the foreign exchange payable as on the said date was Nil.

Report on Corporate Governance (Contd.)

G. Certification about Directors

The Company has obtained a certificate from M/s. Makarand M Joshi & Co., practicing company secretaries that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authorities. A copy of the said certificate is attached to the report.

H. Total fees paid to statutory auditors

The particulars about the total amount of fees paid to the statutory auditors of the Company and its subsidiaries, during the financial year 2020-21, is stated in notes 33.1 to consolidated financial statements, which forms part of the annual report.

I. Managing Director (MD) and Chief Financial Officer (CFO) Certification

As required under the Listing Regulations, the MD and the CFO of the Company have certified the accuracy of financial statements for the financial year 2020-21 and adequacy of internal control systems for financial reporting for the said year, which is appended to the report.

J. Details of Utilization of Funds Raised through Qualified Institutional Placement

During the year, the Company had raised ₹ 770 crore through an equity issuance under Qualified Institutions Placement (the "QIP") route. The net proceeds from the QIP, which are pending utilisation, have been temporarily deployed in income generating assets.

K. Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. The Company has a policy on 'Prevention of Sexual Harassment' in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH").

No cases were reported during the year under review. There were no complaints pending as on March 31, 2021. The Company has constituted the Internal Complaints Committee in compliance with the POSH.

L. Auditors' Certificate on Corporate Governance

Pursuant to the Listing Regulations, the Auditors' Certificate on Corporate Governance Report, forms part of the report.

8. Means of Communication:

The Company recognises the importance of two way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos. The Company regularly interacts with its shareholders through multiple channels of communication.

A. Quarterly Results

The quarterly/annual financial results are regularly submitted to the stock exchanges in accordance with the Listing Regulations and are also published in English newspaper (Business Standard) and a Marathi daily (Sakal). The quarterly/annual results, press releases, earnings calls on the financial results and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company at <https://jmfl.com/investor-relation/financial-results.html>. The Company also sends the quarterly results via emails to those shareholders who have registered their email-ids with their Depository Participant(s) or with it.

B. Dividend Intimations

The Company sends intimation to all its shareholders about the dividend credited to their bank accounts or pay orders issued to them, in cases where bank details are not available in records or the dividend credit has been rejected by bank. Shareholders are requested to check whether the dividend amount has been credited to their bank accounts or not and revert to the Company or its Registrar and Transfer Agents, if the same has not been credited.

C. Website

The website of the Company www.jmfl.com provides information about the businesses carried on by the Company, its subsidiaries and associate. The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to public at large goes through the website of the Company www.jmfl.com.

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 and such other disclosures as required under the Listing Regulations, are made available on the Company's website.

D. 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 the shareholders of the Company prior to the AGM. The annual report of the Company is also available on its website <https://jmfl.com/annual-report> and also on the website of BSE www.bseindia.com and NSE www.nseindia.com.

E. Reminder to Shareholders

Individual reminders are sent each year to those shareholders whose dividend amounts have remained unclaimed from the date they become due for payment, before transferring the monies thereof to the Investor Education and Protection Fund ("IEPF"). The information on unclaimed dividend is also uploaded on the website of the Company.

A separate reminder, in accordance with IEPF Rules, is also sent to those shareholders who have not claimed/encashed their dividends for more than seven (7) consecutive years and whose shares are liable to be transferred to IEPF Authority.

F. NSE Electronic Application Processing System (Neaps) and BSE Portal for Electronic Filing

The financial results, shareholding pattern and quarterly reports on corporate governance and all other filings required to be made to the Stock Exchanges are electronically uploaded on NSE Electronic Application Processing System ("NEAPS") portal i.e., www.connect2nse.com/listing.com and BSE Listing portal i.e., <http://listing.bseindia.com>

G. Designated exclusive email-id

The Company has designated email id exclusively for its shareholders viz., shareholdergrievance@jmfl.com for the purpose of registering complaints by investors and the same is displayed on the Company's website.

H. Price Sensitive Information

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the stock exchanges in terms of the company's policy for determination of materiality of events/information and the Listing Regulations.

I. Investor Calls/Conference

The Company arranges investors' calls/conferences for discussing financial position of the Company from time to time.

J. Institutional Investors/Analysts Presentations and Media Releases

Presentations and media releases on financial position of the Company as well as its material subsidiaries and important events/material developments of the Company are submitted to the stock exchanges and are also hosted on the Company's website for information of investors at www.jmfl.com.

9. Accounting Standards followed by the Company

The financial statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Act.

10. Compliance with mandatory/non-mandatory requirements

The Company is fully compliant with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats, have been submitted to the concerned stock exchanges.

The Company has complied with all the mandatory requirements of corporate governance as 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 are being reviewed from time to time.