

JM FINANCIAL LIMITED

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NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, JUNE 14, 2013 AT 4.00 P.M. AT KAMALNAYAN BAJAJ HALL, GROUND FLOOR, BAJAJ BHAVAN, JAMNALAL BAJAJ MARG, NARIMAN POINT, MUMBAI – 400 021, TO TRANSACT THE FOLLOWING BUSINESS:

1. To consider, and, if thought fit, to pass, the following resolution, with or without any modification, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the “**Act**”), (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreement entered into between the Company and the BSE Ltd. (BSE) / National Stock Exchange of India Ltd. (NSE), the Guidelines for Preferential Issue contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the “**SEBI Regulations**”), and subject to all other applicable guidelines and/or regulations in force, statutory approvals, consents, permissions or sanctions as may be required, of appropriate authorities, institutions or bodies, including but not limited to the approval of the Foreign Investment Promotion Board and the Reserve Bank of India and subject to such conditions as the above authorities may impose at the time of granting their approvals / consents / permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the “**Board**”, which expression shall include any Committee(s) duly constituted by the Board), consent of the Company be and is hereby accorded to the Board to offer, issue and allot, on a preferential basis, up to 23,293,878 warrants (“**Warrants**”) to the following investors with a right to them to apply for and get allotted one equity share (“**Equity Share**”) of the face value of ₹ 1/- (Rupee One only) each for every Warrant held by them within a period of 18 (Eighteen) months from the date of allotment of Warrants at ₹ 19.05 (Rupees Nineteen and Paise Five only) per Equity Share as determined in accordance with the SEBI Regulations and upon such other terms and conditions as may be deemed appropriate by the Board at its absolute discretion:

Sr. No.	Name of the Investors	No. of Warrants proposed to be issued
1.	Mr. Vikram Shankar Pandit	11,646,939
2.	Mr. Hariharan Ramamurthi Aiyar	5,823,470
3.	Mrs. Aparna Murthy Aiyar	5,823,469”

“RESOLVED FURTHER THAT:

- (a) the relevant date for the purpose of pricing of the Equity Shares in accordance with the SEBI Regulations is May 15, 2013, being the 30th day prior to June 14, 2013 (i.e., the date on which the meeting of the general body of shareholders will be held, in terms of Section 81(1A) of the Act, to consider the proposed issue of Warrants on preferential basis).
- (b) the Board be and is hereby authorized to offer, issue and allot on a preferential basis the Warrants and to issue and allot the Equity Shares consequent on the exercise of right by the Warrant holders as above, at such time as it may deem fit subject to applicable provisions of SEBI Regulations.
- (c) the Board be and is hereby authorized to (i) decide and approve other terms and conditions of the issue of the Warrants and the Equity Shares consequent on the exercise of right by the Warrant holders as above, and (ii) to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient or to comply with the applicable provisions of SEBI Regulations.
- (d) the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution to any committee(s) of directors established by it or to any director or directors or to any other officer or officers of the Company or to any other person or persons as it may deem fit for the purpose of giving effect to the aforesaid resolution.

- (e) the Equity Shares, if any, to be issued and allotted in pursuance of this resolution, shall rank pari passu with the then existing Equity Shares of the Company in all respects.
- (f) that the Equity Shares, if any, to be issued and allotted in pursuance of this resolution, shall be locked-in on their allotment as per the applicable provisions of SEBI Regulations.
- (g) that the Equity Shares, if any, on their allotment shall be listed on BSE and NSE."

"AND RESOLVED FURTHER THAT in accordance with the applicable provisions of SEBI Regulations, the Warrant holders shall pay 25% of the issue price per share on or before the allotment of the Warrants to them."

"AND RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any questions, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants to the above investors and the resulting Equity Shares, utilisation of the proceeds of the issue for general corporate purpose, etc., and to prescribe the form of application, enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit."

By order of the Board

P K Choksi

Group Head – Compliance, Legal
& Company Secretary

Date: May 16, 2013

Registered Office:

141, Maker Chambers III
Nariman Point
Mumbai 400 021

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- b. The relative explanatory statement pursuant to Section 173(2) of the Act is annexed hereto.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

In respect of Item No. 1

The Board of Directors (the Board) of the Company, at its meeting held on May 16, 2013, approved the offer, issue and allotment of up to 23,293,878 Warrants in aggregate, on a preferential basis, to the following investors subject to the approval of Members in general meeting by a Special Resolution and such other approvals, consents, permissions and sanctions including, without limitation, of the Foreign Investment Promotion Board and the Reserve Bank of India as may be and to the extent required for the purpose. The Warrant holders will have a right to apply for and get allotted Equity Shares of the face value of ₹ 1/- (Rupee One only) each within a period of 18 (eighteen) months from the date of allotment of the Warrants at ₹ 19.05 (Rupees Nineteen and Paise Five only) per Equity Share as determined in accordance with the applicable Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 amended as of date.

Sr. No.	Name of the Investors	No. of Warrants	Face Value of Equity Shares to be allotted upon exercise of right (₹)	Price at which the Equity Shares are to be issued upon exercise of right (₹)
1.	Mr. Vikram Shankar Pandit	11,646,939	1/- per equity share	19.05 per equity share
2.	Mr. Hariharan Ramamurthi Aiyar	5,823,470	1/- per equity share	19.05 per equity share
3.	Mrs. Aparna Murthy Aiyar	5,823,469	1/- per equity share	19.05 per equity share

The proposed allottees have confirmed that they have not sold any equity shares of the Company during the six months preceding the relevant date as described in the text of the Special Resolution.

Disclosures which are required to be given in terms of Regulation 73(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on Preferential Issue:

1. The object of the issue on preferential basis:

The funds raised by issue of Warrants and the resulting Equity Shares in terms of the foregoing are proposed to be used by the Company for general corporate purposes.

2. Intention of the Promoters/Directors/Key Management personnel of the Company to subscribe to the issue:

The Promoters/Directors/Key Management personnel of the Company do not propose to subscribe to the issue of Warrants on a preferential basis.

3. Equity Shareholding pattern before and after the issue:

Sr. No.	Category	Before the Issue As on May 16, 2013		After the conversion of Warrants*	
		No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
A	Holding of Promoters & Persons having control over the Company				
	Indian Promoters	519,210,702	68.94%	519,210,702	66.87%
B	Non-Promoters' Holding				
	FII's	71,473,507	9.49%	71,473,507	9.20%
C	Others				
	a) Private Corporate Bodies	31,200,230	4.14%	31,200,230	4.02%
	b) Indian Public	121,205,479	16.09%	121,205,479	15.61%
	c) NRIs	1,866,287	0.25%	1,866,287	0.24%
	d) Mutual Funds	7,832,069	1.04%	7,832,069	1.01%
	e) Any Others	380,450	0.05%	380,450	0.05%
	Proposed Subscribers				
	1. Mr. Vikram Shankar Pandit	–	0.00%	11,646,939	1.50%
	2. Mr. Hariharan Ramamurthi Aiyar	–	0.00%	5,823,470	0.75%
	3. Mrs. Aparna Murthy Aiyar	–	0.00%	5,823,469	0.75%
	Total	753,168,724	100.00%	776,462,602	100.00%

* The post preferential issue shareholding is on the assumption that all the Warrants will get exercised for allotment of equivalent number of Equity Shares. The allotment of equity shares, if any, pursuant to exercise of stock options by the employees, has not been considered in capital after conversion of Warrants.

4. Proposed time within which the allotment shall be completed:

The issue and allotment of Warrants as aforesaid is proposed to be completed within 15 days from the date of passing the Special Resolution or from the date of approval, if any, required from any regulatory authorities or the Central Government, as the case may be, whichever is later.

5. The identity of the proposed allottees and the percentages of the pre and post-preferential issue capital that may be held by them:

The proposed allottees and their percentage holdings, pre and post preferential issue capital, are as given in the following table.

Sr. No.	Name of the Investors	Percentage holding Pre-preferential issue	Percentage holding Post-preferential Issue*
1.	Mr. Vikram Shankar Pandit	NIL	1.50%
2.	Mr. Hariharan Ramamurthi Aiyar	NIL	0.75%
3.	Mrs. Aparna Murthy Aiyar	NIL	0.75%
	Total	NIL	3.00%

*On the assumption that all the Warrants will get exercised for allotment of equivalent number of Equity Shares.

The preferential issue will not result in any change in the control or management of the Company.

6. Since the equity shares of the Company have been listed on the BSE and NSE for a period of more than six months prior to the relevant date, the Company is not required to re-compute the price of the Equity Shares and hence not required to submit the undertakings specified under Regulation 73(1)(f) and (g) of SEBI Regulations.

The Company is in the process of obtaining a certificate from its statutory auditor certifying that the preferential issue and allotment of Warrants and the issue and allotment of the resulting Equity Shares is in accordance with the applicable provisions of SEBI Regulations. Such certificate and the Memorandum and Articles of Association of the Company will be available for inspection by the Members at the registered office of the Company between 3.00 p.m. and 5.00 p.m. on any working day (Monday to Friday), up to the date of the Extraordinary General Meeting.

Your Directors recommend the passing of the Special Resolution pursuant to and in accordance with Section 81(1A) of the Act as specified at item no. 1 of the Notice.

By order of the Board

P K Choksi

Group Head – Compliance, Legal
& Company Secretary

Date: May 16, 2013

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