

May 30, 2023

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Sub: **Annual Secretarial Compliance Report for the financial year ended March 31, 2023**

Pursuant to the Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and in compliance with the circulars issued by stock exchanges dated March 16, 2023 and April 10, 2023, we are submitting a copy of the Annual Secretarial Compliance Report for the financial year ended March 31, 2023 as received from MMJB & Associates LLP, Company Secretaries.

We request you to kindly take the above on your record.

Thank you.

Yours truly,
For **JM Financial Limited**

Dimple Mehta
Company Secretary & Compliance Officer

Encl.: as above

MMJB & Associates LLP

Company Secretaries

803-804, 8th Floor, Ecstasy, City of Joy, JSD Road, Mulund West, Mumbai 400080 (T) 022-21678100

Secretarial Compliance Report of JM Financial Limited for the financial year ended March 31, 2023

To,
JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **JM Financial Limited** (hereinafter referred as 'the listed entity'), having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorised representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, M/s. MMJB & Associates LLP, Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended on March 31, 2023 ('Review Period') in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI');

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ('Listing Regulations')
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the listed entity during the Review Period)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the listed entity during the Review Period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the listed entity during the Review Period);**
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;
- (j) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (k) Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

and circulars/guidelines issued thereunder.

and based on the above examination, we hereby report that, during the review period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters as specified in **Annexure A.**

(b) The listed entity has taken following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulation s/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	Yes	During the review period Auditor got appointed/ re-appointed in listed entity and its material subsidiaries.
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the listed entity, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and</p>	NA	No such event during the review period

	<p>communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such event during the review period

**Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'*

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under Section 118 (10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	-
2	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors/ Committees of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	-
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27 (2) of Listing Regulations are accurate and specific which redirects to the relevant document(s)/section of the website. 	Yes	-

4.	<u>Disqualification of Director:</u> None of the Directors of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	-
5.	<u>Details related to Subsidiaries of listed entity have been examined w.r.t.:</u> (a) Identification of material subsidiary companies. (b) Disclosure requirements of material as well as other subsidiaries.	(a) Yes (b) Yes	
6.	<u>Preservation of Documents:</u> As per the confirmations given by the listed entity, and on our test check basis, listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records is as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	-
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	(a) Yes (b) NA	(a) - (b) Please refer point no. 8(a)
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	-

10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3 (5) & 3 (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	-
11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No Actions have been taken against the listed entity/ its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder.</p>	No	<p>1. As regards action taken against the listed entity, refer Annexure A of this report</p> <p>2. Actions taken against following subsidiaries are as under:</p> <ul style="list-style-type: none"> • JM Financial Commtrade Limited ('JMFCL') - SEBI has issued the order and cancelled certificate of registration as stock broker. JMFCL has appealed to Securities Appellate Tribunal challenging the said order. • JM Financial Asset Management Limited ('JMFAML') - SEBI had issued a show cause notice dated November 15, 2022 under SEBI Regulations/circular, in respect of transactions executed by certain employees of the AMC in the schemes of JM Financial Mutual Fund. Further reply is awaited from Adjudicating officer after submission of required documents. • JM Financial Services Limited ('JMFSL') - NSE, BSE & MCX has levied an aggregate penalty of ₹ 1,46,000/- for delayed in compliance of various requirements under the applicable SEBI regulations/circulars and the same is paid.

12.	<u>Additional Non-compliances, if any:</u> No additional non-compliance observed for any SEBI regulation/circular/guidance note, etc.	Yes	-
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Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For MMJB & Associates LLP

Company Secretaries

BHAVISHA Digitally signed
by BHAVISHA
A RAVI RAVI JEWANI
JEWANI Date: 2023.05.30
20:33:38 +05'30'

Bhavisha Jewani

Designated Partner

FCS No. 8503

CP No. 9346

PR No: 2826/2022

UDIN: F008503E000421828

Date: May 30, 2023

Place: Mumbai

‘Annexure A’

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
JM Financial Limited (“listed entity”)										
1.	As per Regulation 19(1) of Listing Regulations, the board of directors shall constitute the Nomination and Remuneration Committee (NRC) as follows: (a) the committee shall comprise of at least three directors; (b) all directors of the committee shall be non-executive directors; and (c) at least two-thirds of the directors shall be independent directors (IDs). Also read with Guidance Note on	Regulation 19(1) of Listing Regulations	Composition of NRC for the period 02-07-2022 to 13-11-2022 was not in accordance with the Regulation 19(1) of the Listing Regulations read with FAQs issued by stock exchanges.	National Stock Exchange of India Limited (NSE), BSE Limited (BSE)	Notice	NRC was consisting of 5 members out of which at least 2/3rd was required to be independent. The NRC had 3 IDs from 02-07-2022 to 13-11-2022, out of 5 members, which was less than the required numbers.	₹ 88,000 (Excluding GST) by each BSE and NSE	The Composition of NRC was not in accordance with the said Regulation read with FAQs issued by stock exchanges during the period from 02-07-2022 to 13-11-2022, due to cessation of two independent directors from the NRC. NRC was duly reconstituted on 14-11-2022.	The listed entity has filed waiver application with NSE, being its designated exchange and outcome thereof is still awaited.	-

	SEBI circular dated January 22, 2020 which state about Fraction shall be rounded off to the higher number while determining compliance.									
2.	SEBI (Merchant Bankers) Regulations,1992 along with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	-	Non-disclosure of certain facts in the Draft Red Herring Prospectus (DRHP) filed by the relevant issuer company	SEBI	Administrative warning	Non-disclosure of some factual information relating to few promoters of the issuer company in the DRHP filed with SEBI. In this regard, SEBI issued an administrative warning letter dated July 21, 2022 to the concerned promoters of the issuer company and the Book Running Lead Managers (BRLMs) (JM Financial Ltd. is one of them) to the said IPO asking them to ensure compliance with the applicable SEBI Regulations.	NIL	-	BRLMs took necessary corrective action, including making an addendum in the DRHP by disclosing the required information.	-