

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF JM FINANCIAL LIMITED (THE COMPANY) WILL BE HELD ON TUESDAY, AUGUST 2, 2016 AT 4.00 P.M. AT RAMA AND SUNDRI WATUMULL AUDITORIUM, KISHINCHAND CHELLARAM COLLEGE, 124, DINSHAW WACHHA ROAD, CHURCHGATE, MUMBAI 400 020 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the Auditors' Report thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Nimesh Kampani (DIN: 00009071), the Managing Director who though not liable to retire by rotation is retiring by rotation to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013 (hereinafter called "the Act") and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (Registration No. 105146W) as the Statutory Auditors of the Company to hold office from the conclusion of the Thirty First Annual General Meeting until the conclusion of the Thirty Second Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Vishal Kampani (DIN 00009079), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 3, 2016, pursuant to Section 161(1) of the Companies Act, 2013 (hereinafter called "the Act") read with the Article 132 of the Articles of Association of the Company and who holds office up to the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member along with requisite deposit under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 197 and all other applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Act, so long as the Company has a Managing Director or Whole-time Director or Manager, the Company do pay to its Directors (other than the Managing Director or Whole-time Director), commission not exceeding 1% of the net profits of the Company in any financial year, commencing from April 1, 2017, computed in the manner laid down in Section 198 of the Act, such commission being divisible among the Directors in such proportion as the Board of Directors may from time to time determine."

"RESOLVED FURTHER THAT if, at any time, the Company does not have a Managing Director or Whole-time Director or Manager, then the Company do pay to its Directors, commission not exceeding 3% of the net profits of the Company in any financial year computed in the manner laid down in Section 198 of the Act, such commission being divisible among the Directors in such proportion as the Board of Directors may from time to time determine."

"RESOLVED FURTHER THAT the Company do pay to its Directors (other than the Managing Director or Whole-time Director) commission in excess of 1 % of the net profits computed as aforesaid where the Company has a Managing Director or Whole-time Director or Manager and commission in excess of 3% of the net profits computed in the manner aforesaid where the Company does not have a Managing Director or Whole-time Director or Manager, subject in either

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case with the prior approval, if any and to the extent required, of the Central Government under Section 197 and other applicable provisions of the Act.”

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (hereinafter called “the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the applicable provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and the circulars and clarifications issued by the Reserve Bank of India from time to time to the extent applicable to the Company and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee thereof) to offer, issue and allot secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating up to ₹ 1,000 Crore (Rupees One Thousand Crore), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

8. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “the Listing Regulations”) and Section 188, if and to extent applicable, and other applicable provisions of the Companies Act, 2013 (hereinafter called “the Act”) read

with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into any and all transactions/contracts/arrangements with JM Financial Credit Solutions Limited (JM Financial Credit Solutions), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial Credit Solutions and/or making of investments in the securities of JM Financial Credit Solutions and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Credit Solutions and remaining outstanding at any one point in time shall not exceed Rs. 500 Crore during any one financial year.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

9. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “the Listing Regulations”) and Section 188, if and to extent applicable, and other applicable provisions of the Companies Act, 2013 (hereinafter called “the Act”) read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (“the Board” which term shall be deemed to include a Committee of the Board) to enter into any and all transactions/contracts/arrangements with JM Financial Asset Reconstruction Company Private Limited (JM Financial ARC), an associate of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of

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the Listing Regulations, relating to making of loans to, and/or giving of guarantee or providing security on behalf of JM Financial ARC and/or making of investments in the securities of JM Financial ARC and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial ARC and remaining outstanding at any one point in time shall not exceed Rs. 500 Crore during any one financial year.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as

may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 13, 2016

Registered Office:

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
(CIN: L67120MH1986PLC038784)

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of the Companies Act, 2013 (hereinafter called “the Act”) and the Rules made thereunder a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent (10%) of the total issued and paid up share capital of the Company. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A member holding more than ten percent (10%) of the total issued and paid up share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

1. The relevant statements to be annexed to the Notice pursuant to Section 102 of the Act, which sets out details relating to the special business at Item Nos. 5 to 9 of the Notice are annexed hereto.
2. Members are requested to:
 - i bring their copies of the Annual Report and the attendance slip duly completed and signed at the meeting.

- ii quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
3. Bodies Corporate, who are the members of the Company, are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote at the meeting.
4. The Register of Members of the Company will remain closed from Wednesday, May 25, 2016 to Friday, May 27, 2016 (both the days inclusive).
5. The final dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid on and from August 4, 2016 to those members:
 - i whose names appear in the Register of Members at the close of business hours on May 24, 2016, in respect of shares held by them in physical form; and
 - ii whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on May 24, 2016, in respect of shares held by them in dematerialised form.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 (since the applicable Section of the Act has not yet been notified), the amount of dividend which

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remain unclaimed for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said Section is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend in respect of the financial year 2008-09 is due for transfer to the IEPF in October 2016. Members, who have not yet claimed their dividend for the financial year 2008-09 or for any subsequent financial years, are requested to claim the same from the Company. No claims shall lie against IEPF or the Company in respect of the amount of dividend remaining unclaimed after the said transfer to IEPF.

The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), to help the members ascertain status of the unclaimed dividend amounts. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2008-09 to 2013-14 and Interim Dividend for the financial year 2014-15 as on the date of the Thirtieth Annual General Meeting (AGM) held on July 30, 2015, on the website of the IEPF viz., www.iepf.gov.in and under "Investor Relations" section on the Website of the Company viz. www.jmfl.com.

7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the Company has transferred an amount of ₹ 15,86,825/- being the unclaimed dividend for the financial year 2007-08 to IEPF on September 23, 2015. The details in respect of the transfer of amount of unclaimed dividend for last seven years is given in the General Shareholders' Information section of this Annual Report.
8. Pursuant to the provisions of Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014 electronic copy of the Annual Report for the financial year 2015-16 is being sent to all those members whose e-mail IDs are registered with their respective Depository Participants (DPs), the Company or its Registrars & Share Transfer Agents for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses so far, are requested to promptly intimate the same to their respective DPs or with the Company/Registrars & Share Transfer Agents, as the case may be. Physical copies of the Annual Report for the year 2015-16 will be sent through the permitted mode in cases where the email addresses are not available with the Company.
9. Electronic copy of the Notice convening the Thirty First Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialised mode and whose e-mail IDs are registered with their respective DPs. For those members who have not registered their e-mail address, physical copies of the said Notice *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
10. Members may also note that the Annual Report for the financial year 2015-16 including the Notice convening the Thirty First Annual General Meeting will also be available on the Company's website www.jmfl.com, which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on all the working days except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the members may also send their requests to the designated e-mail ID: shareholdergrievance@jmfl.com.
11. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the Thirty First Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).
 - II. The facility for voting through ballot paper shall also be made available at the AGM and the members attending

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the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

- III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM **but shall not be entitled to cast their votes again.**
- IV. The remote e-voting period commences on Saturday, July 30, 2016 (9.00 a.m.) and ends on Monday, August 1, 2016 (5.00 p.m.). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 26, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.
- V. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.
- VI. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
- VII. The process and manner for remote e-voting is as under:
 - A. Members whose e-mail IDs are registered with the Company/DPs will receive an e-mail from Karvy informing them of their User-ID and Password. Once the Members receives the e-mail, he or she will need to go through the following steps to complete the e-voting process:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - (iii) After entering these details appropriately, click on "LOGIN".
 - (iv) You will now reach password change Menu

wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event Number for JM Financial Limited.
- (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option by clicking on "Submit".
- (xi) A confirmation box will be displayed. Click "OK"

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to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: jayshreedagli@gmail.com or shareholdergrievance@jmfl.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVENT NO.”

- B. In case a member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered or have requested the physical copy]:

- a) Initial password is provided in below format at the bottom of the Attendance Slip for the AGM:

USER ID	PASSWORD
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- b) Please follow all steps from Sl. No. (i) to Sl. No. (xii) above to cast vote.

- VIII. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

- IX. If the member is already registered with Karvy e-voting platform then he/she/it can use his/her/its existing User ID and password for casting the vote through remote e-voting.

- X. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication.

- XI. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of July 26, 2016.

- XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 26, 2016, may obtain the User ID and password in the manner as mentioned below:

- a) If the mobile number of the member is registered against Folio No./DP ID/Client ID, the member may send SMS : **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID Client ID to **9212993399**

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical :

MYEPWD <SPACE> XXXX1234567890

- b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a new password.

- c) Member may call Karvy's toll free number 1-800-3454-001 for any queries relating to e-voting.

- d) Member may send an e-mail request to evoting@karvy.com. If the member is already registered with Karvy e-voting platform then he/she/it can use his/her/its existing User ID and password for casting the vote through remote e-voting.

- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., July 26, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XIV. Ms. Jayshree S Joshi, Company Secretary (Membership No. FCS1451), Proprietor of Jayshree Dagli & Associates, Company Secretaries, Mumbai has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinise the e-voting process in a fair and transparent manner.

- XV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutiniser, by use of ballot paper for all

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those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

XVI. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.jmfl.com and on the website of Karvy after the declaration of result by the Chairman or by a person duly authorised. The results shall also be forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

XVIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e., August 2, 2016.

12. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations may send their request in Form SH.13 in duplicate to the Registrars and Share Transfer Agents (RTA) of the Company. Members may obtain a blank Form SH.13 upon request to the Company or its RTA.
13. The Company has made necessary arrangements for the members to hold their shares in dematerialised form. Members are also entitled to make nomination in respect of the shares held by them in dematerialised form with their respective DPs. Those members who are holding shares in physical form are requested to dematerialise their shares by approaching any of the registered DPs. In case any member wishes to dematerialise his/her/its shares and needs any assistance, he/ she/ it may write to the Company Secretary at the Registered Office of the Company.

14. The Company has paid the annual listing fees for the financial year 2016-17 to National Stock Exchange of India Limited and BSE Limited.

15. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.

16. Members are advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

17. **Payment of dividend through Electronic Clearing Services (ECS)/National Electronics Clearing Services (NECS):**

All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to the members' respective bank accounts.

Members holding shares in electronic form are informed that bank particulars registered in their respective demat accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective DPs of the members. Members holding shares in physical form and desirous of either registering their bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company or to its RTA.

18. Members are requested to immediately notify any change in their address to:

- their DPs in case they hold shares in electronic form; and
- RTA or the Company along with their bank account details in case they hold shares in physical form

so as to enable the Company to dispatch the dividend pay orders or the communication relating to the ECS/NECS, as the case may be, at their new address.

REQUEST TO MEMBERS

Members are requested to send their question(s), if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before Wednesday, July 27, 2016, so that the answers/details can be kept ready at the AGM.

Annexure to Notice

STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (HEREINAFTER CALLED 'THE ACT')

Item No. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 3, 2016, had appointed Mr. Vishal Kampani, son of Mr. Nimesh Kampani, Chairman and Managing Director, as an Additional (Non-executive) Director under Section 161 (1) of the Act, read with Article 132 of the Articles of Association of the Company. Accordingly, Mr. Vishal Kampani holds office as a Director up to the date of the forthcoming Annual General Meeting. It is proposed to appoint him as a Director of the Company liable to retire by rotation.

The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act from a member proposing Mr. Vishal Kampani as a candidate for the office of a Director of the Company. The Directors are of the view that Mr. Vishal Kampani would bring valuable experience to the Board and the Company would immensely benefit from his appointment as a Director.

Accordingly, the Board commends passing of the Ordinary Resolution proposed at Item No. 5 of the Notice.

Brief profile of Mr. Vishal Kampani and the disclosures required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given as additional information about the Directors, which forms part of the Notice.

None of the Directors/ Key Managerial Personnel of the Company or their relatives, except Mr. Vishal Kampani, being an appointee, and Mr. Nimesh Kampani, father of Mr. Vishal Kampani, is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

Item No. 6

At the Twenty Eighth Annual General Meeting held on July 31, 2013, the Members had approved, through a Special Resolution, the payment of commission to the Non-Executive Directors of the Company up to 1% (where the Company has a Managing Director or Whole-time Director or Manager) or 3% (where the Company does not have a Managing Director or Whole-time Director or Manager) of the net profits for each of the five financial years with effect from April 1, 2012, such commission to be computed under and in accordance with Section 198 of the Act; the amount of commission and manner of its payment to be determined by the Board of Directors ('the Board') from time to time. The Members had also authorised the Board to pay,

with the approval of the Central Government, commission in excess of 1% or 3% as the case may be, of the net profits of the Company for each of the aforesaid five financial years of the Company.

The above special resolution was for payment of commission to the Non-Executive Directors up to the financial year 2016-17. Pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act, if any, it is proposed to obtain the approval of Members by way of special resolution for payment of commission to the Non-Executive Directors commencing from April 1, 2017.

Accordingly, the Special Resolution proposed at Item No. 6 of the Notice seeks the authority of the Members to continue to pay commission to the Non-Executive Directors in accordance with the provisions of the Act. The approval of the Members is also sought to pay to the Non-Executive Directors, the commission in excess of 1% or 3% of the net profits, as the case may be, pursuant to Section 197 of the Act with the prior approval of the Central Government, if any and to the extent required.

The Board commends passing of the Special Resolution proposed at Item No. 6 of the Notice.

The Key Managerial Personnel (except Mr. Nimesh Kampani) of the Company and their relatives are not concerned or interested financially or otherwise, in the resolution set out at Item No. 6 of the Notice. All Non-Executive Directors and Mr. Nimesh Kampani, being father of Mr. Vishal Kampani may be deemed to be concerned or interested in the resolution set out at Item No. 6 to the extent of the commission that may be received by them from time to time.

Item No. 7

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of a company by a special resolution. In case of any offer or invitation to subscribe for Non-Convertible Debentures (NCDs), it shall be sufficient if such company passes the special resolution only once in a year for all such offers or invitations during the year.

The Company had obtained the approval of members by way of Special Resolution passed at the Thirtieth Annual General Meeting (AGM) held on July 30, 2015 for raising of funds of up to ₹ 1,000 Crore (Rupees One Thousand Crore only) by way of issue of

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NCDs, in one or more tranches. Pursuant to the said approval, the Company has not raised any amount by way of issue of NCDs. The current approval of members is valid up to July 29, 2016. In order to facilitate the raising of funds by way of issue of NCDs, it would be necessary to have the approval of members without any break. Therefore, to avoid approaching members by way of Postal Ballot other than at the AGM and to achieve cost efficiency, it is considered desirable to obtain members' approval at the forthcoming AGM.

The proceeds of the issue of NCDs are proposed to be utilised by the Company, *inter alia*, for grant of loans to its subsidiaries and/or group companies or for the acquisition of securities of its subsidiaries and/or group companies and for the general corporate purposes of the Company. Accordingly, consent of the members is sought for issuing the NCDs aggregating up to ₹ 1,000 Crore by passing the Special Resolution set out at Item No. 7 of the Notice. This resolution will enable the Board of Directors to raise monies through the issue of NCDs, when required from time to time.

The Board commends passing of the Special Resolution set out at Item No. 7 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and/or taken up by them), in the resolution set out at Item No. 7 of the Notice.

Item Nos. 8 and 9

Pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as the Listing Regulations), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the members of a public listed company through a resolution and the related parties shall abstain from voting on such resolution. Additionally, as per the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, all related party transactions beyond the thresholds

mentioned in sub-rule (3)(a) thereof, shall require prior approval of the members at a general meeting.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2015-16 is ₹ 1,684.66 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 168.47 Crore (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same.

The Company is a Core Investment Company (CIC) registered with the Reserve Bank of India (the RBI). In accordance with The CICs (Reserve Bank) Regulations, 2011 (the Regulations), the Company is required to hold not less than 90% of its net assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans in its group companies. Additionally, the Company's investments in the equity shares of group companies shall not be less than 60% of its net assets at any point of time. The Company has accordingly made investments in its group companies and it also makes further investments and/or lends funds in/to its group companies from time to time as and when they require funds for their business activities/working capital needs.

The Company has a networth of ₹ 1,655.02 Crore and it enjoys credit Rating of AA/Stable for its borrowings. Apart from lending to the operating group companies, at times the lenders prefer lending to the group holding company. To take advantage of competitive interest rate on the group borrowing, the Company may borrow moneys from the market at attractive rates and onward lend to its subsidiaries and group companies by keeping a spread of upto 1% over the cost of its borrowing. This will effectively reduce the overall cost of borrowings for the group.

It is therefore proposed to obtain the members' approval for the following transactions which may be entered into by the Company with its related parties from time to time:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount (₹ in Crore)*
1.	JM Financial Credit Solutions Limited (JM Financial Credit Solutions)	Subsidiary Company (Holding 50.01%)	Loan/Inter-corporate Deposits/ Investment, purchase and/or sale of securities and/or providing/availing of services, etc.	Up to ₹ 500 Crore
2.	JM Financial Asset Reconstruction Company Private Limited (JM Financial ARC)	Associate Company (Holding 50.00%)	Loan/Inter-corporate Deposits/ Investment, purchase and/or sale of securities and/or providing/availing of services, etc.	Up to ₹ 500 Crore

* The ceiling on the amounts of transactions specified as above would mean the transactions entered into and remaining outstanding at any point in time.

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The Members at the Thirtieth Annual General Meeting had accorded similar approval to inter alia, give loans/inter corporate deposit to JM Financial Credit Solutions and JM Financial ARC for an amount upto ₹ 500 Crore each. Pursuant to the said approval, the Company has done transactions with JM Financial Credit Solutions of an amount aggregating ₹ 146.80 Crore and JM Financial ARC of an amount aggregating ₹ 242 Crore during the financial year 2015-16. Apart from the above, no other transactions have been entered into by the Company with these Companies.

JM Financial Credit Solutions is engaged in lending activities focused on real estate financing which include loan against commercial real estate/properties. Currently, the Company holds 50.01% stake in JM Financial Credit Solutions, which also received an investment of ₹ 540 Crore (representing 49.99%) from the funds managed by Mr. Vikram Pandit and Mr. Hariharan Ramamurthi Aiyar.

JM Financial ARC is engaged in acquisition of non-performing and distressed assets from Banks and Financial Institutions. As per the provisions of Securities and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, governing asset reconstruction companies (ARCs), no company can hold more than 50% stake in ARCs. Hence, the Company at present holds 50% in JM Financial ARC and the balance is held by Banks and other Sponsor Shareholder.

The Board commends passing of the Special Resolutions set out at Item Nos. 8 and 9 of the Notice.

It is particular to note that the above transactions are enabling in nature and have been duly approved by the Audit Committee of

the Board of the Company at its meeting held on May 12, 2016, in terms of the requirements of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Darius E Udwadia and Mr. Vishal Kampani are Directors of JM Financial Credit Solutions and as such they may be deemed to be interested in the above transactions between the Company and JM Financial Credit Solutions. Mr. Udwadia and Mr. Kampani do not hold any shares in JM Financial Credit Solutions.

Except the above Directors, none of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos. 8 and 9 of the Notice.

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 13, 2016

Registered Office:

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai - 400 025
(CIN: L67120MH1986PLC038784)

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ADDITIONAL INFORMATION (AS ON MARCH 31, 2016) OF DIRECTORS SEEKING APPOINTMENT AT THE THIRTY FIRST ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS NOTIFIED ON APRIL 23, 2015

Name of the Director	Mr. Nimesh Kampani			
Date of Birth	September 30, 1946			
Date of Appointment	June 12, 1987			
Qualifications	B.Com, FCA			
Expertise in specific functional areas	Investment Banking including Merger, Acquisitions & Restructuring, Corporate Finance and Capital Markets			
Brief Profile	Mr. Nimesh N Kampani is the founder and chairman of JM Financial Group, one of India's leading players in the financial services space. The Group is engaged in businesses covering investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income broking, non-banking financial services, private equity and asset reconstruction. Beginning 1999, JM Financial had a long joint venture with Morgan Stanley in the areas of investment banking and securities business. In his career spanning over four decades, Mr. Kampani has made pioneering contribution to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising and mergers & acquisitions, investors on the focus areas for investing, Regulators and Law Makers on progressive regulations for development of financial markets and corporate activities. Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India. He was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision constituted by RBI Committee on Financial Sector Assessment. He was a member of the Bloomberg Asia Pacific Advisory Board. Mr. Kampani is currently the Chairman of the CII's National Committee on Financial Markets and a member of the Governing Board of Centre for Policy Research. Mr. Kampani is also a member of the India Advisory Board of Bain & Company and Advisory Board of Venture Studio promoted by Ahmedabad University. Mr. Kampani serves as an Independent Director on the Board of leading Indian companies such as Apollo Tyres Limited, Britannia Industries Limited and Deepak Nitrite Limited. He also serves as Non-Executive Director on the Board of KSB Pumps Limited. Mr. Kampani is actively engaged in social outreach through two foundations, namely, Kampani Charitable Trust (formed in February 1983) and JM Financial Foundation (formed in March 2001). These two foundations support several social causes including healthcare, education, research in ayurvedic medicine, animal welfare, employment generation and entrepreneurship development.			
	Directorships held in other listed companies excluding foreign companies	• Apollo Tyres Limited • Britannia Industries Limited • Deepak Nitrite Limited • KSB Pumps Limited		
	Membership of Committees in other listed companies*	Name of the Company	Audit Committee	Stakeholders' Relationship Committee
		Britannia Industries Limited	Member	Member
	Shareholding in the Company**	Mr. Kampani holds 13,53,57,500 as on March 31, 2016, including by or for other persons on a beneficial basis.		
	Relationship with other Directors and Key Managerial Personnel	Mr. Nimesh Kampani is father of Mr. Vishal Kampani.		
No. of Board Meetings attended during the financial year 2015-16	Attended all 7 (Seven) meetings which were held during the year.			
Terms and conditions of appointment	To enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013, Mr. Kampani is being made liable to retire by rotation.			

*only Audit Committee and Stakeholders' Relationship Committee memberships have been considered.

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

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Name of the Director	Mr. Vishal Kampani		
Date of Birth	January 30, 1977		
Date of Appointment	February 3, 2016		
Qualifications	M.Com, M.S. (Finance) from London Business School		
Expertise in specific functional areas	Institutional Securities Business including investment banking, financing activities, managing Real Estate fund and Private Equity fund		
Brief Profile	Mr. Vishal Kampani, 39, is a Master of Commerce from University of Mumbai and has completed his M.S. (Finance) from London Business School, University of London. Mr. Kampani is currently the Managing Director of a subsidiary of the Company viz., JM Financial Products Ltd., a non-banking finance company registered with the Reserve Bank of India, which <i>inter alia</i> focuses on the business of financing and advancing short-term and long-term loans and credits to individuals, companies, bodies corporate, etc. He also heads the Institutional Securities Business of JM Financial group, which consists of Investment Banking, Institutional Equities, Fixed Income securities and also oversees the international operations of Institutional Securities Business. Mr. Kampani also serves as a Non-Executive Vice-Chairman of JM Financial Credit Solutions Limited, a non-banking financial company in which the funds managed by Mr. Vikram Pandit has made investment along with JM Financial Limited. In his professional career spanning over 19 years, Mr. Kampani has worked as a Senior Banker in the Investment Banking division of JM Morgan Stanley, which was then a joint venture between JM Financial Group and Morgan Stanley, where he was responsible for building and maintaining key client relationships, procuring and overseeing the execution of business transactions, advising corporate clients in raising capital, etc. Prior to working in India, Mr. Kampani also worked with Morgan Stanley Dean Witter & Co. in New York, in the Equity Capital Markets Group, where he was involved in structuring creative products for the firm's clients most of whom were fortune 500 companies.		
Directorships held in other listed companies excluding foreign companies	None		
Membership of Committees in other listed companies	Name of the Company	Audit Committee	Stakeholders' Relationship Committee
	Not Applicable		
Shareholding in the Company	Mr. Vishal Kampani holds 1,01,63,647 shares as on March 31, 2016, including by or for other person on a beneficial basis.		
Relationship with other Directors and Key Managerial Personnel	Mr. Vishal Kampani is son of Mr. Nimesh Kampani, the Chairman & Managing Director of the Company.		
No. of Board Meetings attended during the financial year	Two (Only two meetings were held since his appointment on February 3, 2016)		
Terms and conditions of appointment	Appointment as Non-Executive Director liable to retire by rotation.		