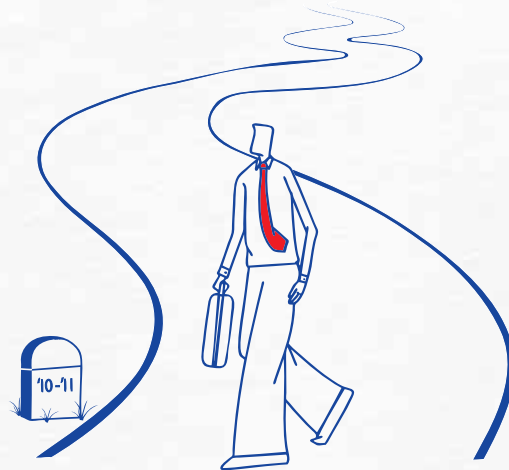




ANNUAL REPORT 2010 - 2011



INTELLIGENCE SAYS,
AT EVERY MILESTONE
IS ANOTHER STARTING LINE.

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TWENTY SIXTH ANNUAL GENERAL MEETING

Day and Date : Thursday, July 28, 2011

Time : 4.00 P. M.

Venue : Rama Watumull Auditorium
Kishinchand Chellaram College
Dinshaw Wachha Road
Churchgate
Mumbai - 400 020

BOARD OF DIRECTORS

Mr. Nimesh N Kampani - Chairman & Managing Director

Mr. Ashith N Kampani

Mr. E A Kshirsagar

Mr. D E Udawadia

Dr. Pravin P Shah

Mr. Paul Zuckerman

Dr. Vijay Kelkar

GROUP CHIEF OPERATING OFFICER

Ms. Dipti Neelakantan

GROUP HEAD - COMPLIANCE, LEGAL & COMPANY SECRETARY

Mr. P K Choksi

CHIEF FINANCIAL OFFICER

Mr. Manish Sheth

STATUTORY AUDITORS

M/s. Khimji Kunverji & Co.

PRINCIPAL BANKERS

HDFC Bank Limited

REGISTERED OFFICE

141, Maker Chambers III

Nariman Point

Mumbai - 400 021

Tel.: 91-22-6630 3030

Fax: 91-22-2202 8224

Email: shareholdergrievance@jmfinancial.in

Website: www.jmfinancial.in

REGISTRARS & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited

13 AB, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange Lane,

Off Andheri-Kurla Road, Sakinaka,

Andheri (E), Mumbai - 400 072

Tel: 91-22-6772 0300/400

Fax: 91-22-2859 1568 / 2850 8927

Email: sharepro@shareproservices.com

Website: www.shareproservices.com

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL LIMITED (THE COMPANY) WILL BE HELD ON THURSDAY, JULY 28, 2011 AT 4.00 P.M. AT RAMA WATUMULL AUDITORIUM, KISHINCHAND CHELLARAM COLLEGE, DINSHAW WACHHA ROAD, CHURCHGATE, MUMBAI 400 020 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. D E Udawadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Paul Zuckerman, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), and any statutory modification or re-enactment thereof, and subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Nimesh N Kampani as Managing Director of the Company for a period of 1 (one) year from April 1, 2011, on the terms and conditions including the remuneration as set out in the draft Agreement to be entered into between the Company and Mr. Kampani, placed before the meeting and initialled for the purpose of identification, with authority to the Board of Directors (“the Board”, which term shall be deemed to include a Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or Agreement PROVIDED THAT the total remuneration by way of salary, allowance and bonus / performance incentive shall not exceed the applicable ceiling in terms of Schedule XIII to the Act, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force or such other higher limits as may be approved by the Central Government.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during his tenure as Managing Director, the remuneration as set out in the draft Agreement between Mr. Kampani and the Company, be paid or granted to him as minimum remuneration PROVIDED THAT the total remuneration by way of salary, allowance and bonus/performance incentive shall not exceed the applicable ceiling in terms of Schedule XIII to the Act, as may be amended from time to time or any equivalent

statutory re-enactment thereof for the time being in force or such other higher limits as may be approved by the Central Government.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution.”

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 25, 2011

Registered Office:

141, Maker Chambers III
Nariman Point
Mumbai - 400 021

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE 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.

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business item no. 6 of the Notice set out above is annexed hereto.
2. Members who hold shares in dematerialised form are requested to get their DP ID and Client ID numbers for easy identification of their attendance at the meeting.
3. Brief profiles of the Directors who are proposed to be re-appointed, are given as Additional Information on Directors, which forms part of the Notice.
4. The Register of Members of the Company will remain closed from Friday, July 22, 2011 to Thursday, July 28, 2011 (both the days inclusive).
5. Members while corresponding with the Company or its Registrars & Share Transfer Agents (RTA) viz., M/s. Sharepro Services (India) Private Limited, are requested to quote their respective Register Folio Numbers or DP ID and Client ID numbers of their beneficiary account(s), as the case may be.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remain unclaimed or unpaid 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 2003-04 is due for transfer to the IEPF in October 2011. The Members who have not yet claimed their dividend for the financial year 2003-04 or any subsequent financial years are requested to claim the same from the Company. No claims shall lie against the said Fund or the Company in respect of the amounts remaining unclaimed or unpaid after the said transfer to IEPF.

7. Pursuant to the provisions of Section 205A(5), the Company has transferred ₹ 119,680/- being the unclaimed dividend for the financial year 2002-03 to IEPF on October 27, 2010.
8. 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 2B in duplicate (which will be made available on request) to the RTA of the Company.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialised form. Those Members who are holding shares in physical form are requested to dematerialise their shares by approaching any of the Depository Participants (DPs). In case any Member wishes to dematerialise his/her shares and needs any assistance, he/she may write to the Company Secretary at the Registered Office of the Company.
10. Members are requested to notify any change in their address immediately to their respective DPs or the RTA or to the Company, as the case may be, so as to enable the Company to dispatch the dividend pay orders or the communication relating to the Electronic Clearing Services (ECS)/National Electronics Clearing Services (NECS) at the correct address.
11. Members are also requested to immediately notify their email ids to their respective DPs or the RTA or to the Company, as the case may be, to enable the Company to send all notices and documents through electronic mode in view of the Government's recent green initiative regarding the service of various documents by electronic mode instead of in physical mode.

12. Payment of dividend through ECS/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.

The Members, holding shares in dematerialised/physical form are advised to intimate the bank details/change in bank details to their respective DPs or the RTA or to the Company, as the case may be. In case of absence of the above details, the Company will send the dividend pay orders/demand drafts to the registered address of the Members.

To enable the Company to print the bank account details on the dividend pay orders as a security measure for the credit to the correct recipient, Members are required to update their bank account details with their respective DPs or RTA or the Company.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 6

The Board of Directors at its meeting held on March 28, 2011, subject to the approval of the Members in general meeting, re-appointed Mr. Nimesh N Kampani as Managing Director of the Company for a period of 1 (one) year with effect from April 1, 2011 at a remuneration and on terms and conditions as approved by the Compensation Committee of the Board and as set out in the draft Agreement to be entered into by the Company with Mr. Kampani.

The material terms and conditions of the draft Agreement to be entered into with Mr. Kampani referred to in the resolution at item no. 6 of the Notice are as under:

1. The Company to employ and Mr. Kampani to serve the Company as its Managing Director for a period of 1 (one) year from April 1, 2011.
2. Mr. Kampani to discharge such functions, exercise such powers and perform such duties as the Board shall from time to time determine and entrust to him. Subject to such restrictions or limitations as the Board may in its discretion determine, Mr. Kampani to have general control of business and management of day to day affairs of the Company.
3. Mr. Kampani to undertake such travel as may be needed in the interest of the Company's business or as directed by the Board from time to time.
4. The Company to pay to Mr. Kampani the following:
 - A.
 - (i) salary of ₹ 250,000/- (Rupees Two Lakh Fifty Thousand only) per month or such higher amount as may be decided by the Board or Compensation Committee of the Board during his tenure as Managing Director;
 - (ii) allowance of ₹ 250,000/- (Rupees Two Lakh Fifty Thousand only) per month or such higher amount as may be decided by the Board or Compensation Committee of the Board during his tenure as Managing Director;
 - (iii) bonus/performance incentive as may be decided by the Board or Compensation Committee of the Board.
 - B. Mr. Kampani to be entitled to the following perquisites:
 - (i) The Company to provide Mr. Kampani fully furnished residential accommodation including its up-keep and maintenance.
 - (ii) The Company to provide Mr. Kampani a motor car along with chauffeur for business and personal use.
 - (iii) The Company to provide gas, electricity and water at Mr. Kampani's residence.
 - (iv) The Company to reimburse the actual medical expenses incurred in India and/or abroad by Mr. Kampani, his spouse and dependent children.
 - (v) The Company to pay for the annual and/or membership fees of not more than two clubs on behalf of Mr. Kampani.
 - (vi) The Company to provide life cover and personal accident insurance for Mr. Kampani in accordance with its Rules, the premium for which not to exceed ₹ 40,000/- (Rupees Forty Thousand only) per annum.
 - (vii) The benefit of the Company's Provident Fund Scheme in accordance with the Rules of the Scheme for the time being in force.
 - (viii) Gratuity as per the Company's Rules.
 - (ix) Encashment of un-availed leave at the end of his tenure as Managing Director as per the Rules of the Company for the time being in force.
 - C. Perquisites/Allowances to be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, to be valued at actual cost.

- D. (i) Mr. Kampani to be entitled to leave on full remuneration as per the rules of the Company for a period of 25 (twenty five) days for every 12 (twelve) months' service and sick leave as per the Rules of the Company for the time being in force.
- (ii) The Company to provide two telephones at the residence of Mr. Kampani and a mobile phone for his business and personal use.
- E. **Computation of ceiling:** The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purpose of ceiling to the extent these are not taxable under the Income-tax Act, 1961.
- F. **Minimum Remuneration:** Notwithstanding anything to the contrary contained in the Agreement, if during the tenure of Mr. Kampani as Managing Director, the Company has no profits, or its profits are inadequate, the remuneration payable by the Company to Mr. Kampani shall be subject to the provisions of Schedule XIII to the Act, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force or such other higher limits as may be approved by the Central Government.
5. Mr. Kampani not to disclose confidential information during his tenure as Managing Director and for 1 (one) year thereafter or use such information for his own benefit or for any purpose other than that of the Company.
6. The Company to be entitled to terminate the employment of Mr. Kampani as Managing Director by 30 days' written notice, inter alia, if Mr. Kampani commits a breach of any of the terms of the Agreement.
7. Either party may terminate the Agreement by giving not less than 3 months' notice in writing to the other without assigning any reason.
8. No alteration to the Agreement to be valid and binding unless made in writing and agreed by both parties.

The approval of the Members is being sought for Mr. Kampani's appointment as Managing Director and to the above remuneration proposed to be paid to him pursuant to Sections 198, 269 and 309 and other applicable provisions of the Act, read with Schedule XIII thereto.

A copy of the draft Agreement will be available for inspection at the registered office of the Company between 3.00 p.m. and 5.00 p.m. on any working day (Monday to Friday).

The Board of Directors commends passing of the Special Resolution proposed at item no. 6 of the Notice.

Mr. Nimesh N Kampani is interested in the above resolution since it relates to his own appointment as Managing Director and the remuneration proposed to be paid to him as such. Mr. Ashith N Kampani, brother of Mr. Nimesh N Kampani, may also be deemed to be concerned or interested in the above resolution.

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 25, 2011

Registered Office:

141, Maker Chambers III
Nariman Point
Mumbai - 400 021

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT EXECUTED WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT

Name	Mr. D E Udwadia		
Date of Birth	September 27, 1939		
Date of Appointment	June 1, 2006		
Qualification	M.A., LL.B		
Expertise in specific functional areas	Solicitor & Advocate		
Brief Profile	<p>Mr. D E Udwadia is an Advocate and Solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England, U.K. Mr. Udwadia is the founder partner of M/s. Udwadia & Udeshi, Solicitors & Advocates, since July, 1997. Prior to this, he was a partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, for over 20 years. His firm and he are legal advisors to many Indian companies, multinational companies and foreign banks having presence in India. Mr. Udwadia has spent over 47 years in active law practice and has vast experience and expertise in areas of corporate law, mergers, acquisitions, takeovers, corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance, telecommunications, international loan and finance-related transactions and instruments, real estate and conveyancing.</p>		
Directorship held in other Public Companies excluding foreign companies	<p>ABB Limited AstraZeneca Pharma India Limited The Bombay Burmah Trading Corporation Limited Development Credit Bank Limited Eureka Forbes Limited ITD Cementation India Limited MPS Limited Mechanalysis (India) Limited Nitesh Estates Limited Wyeth Limited WABCO-TVS (India) Limited JM Financial Consultants Private Limited – Subsidiary of a public company</p>		
Membership of Committees in other Public Companies*	Name of the Company	Audit Committee	Shareholders' Grievance Committee
	ABB Limited	Member	Chairman
	AstraZeneca Pharma India Limited	Member	-
	The Bombay Burmah Trading Corporation Limited	Member	-
	Development Credit Bank Limited	Member	-
	ITD Cementation India Limited	Member	-
	Nitesh Estates Limited	Member	-
	MPS Limited	Member	-
	Wyeth Limited	Member	-
	WABCO-TVS (India) Limited	Member	-
Shareholding in the Company	Mr. Udwadia did not hold any equity shares in the Company as on March 31, 2011.		