

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CONDUCT:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long – term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

2. BOARD OF DIRECTORS:

a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2014, the Board of Directors comprised of total five Directors, out of which two were Independent Directors, two were Non-Executive Non Independent Directors and one was Executive Director. Mr. Shamsunder Aggarwal, an Independent Director, resigned from the Directorship of the Company w.e.f. 14th February, 2014. The Board of Directors of the Company in its Board Meeting held on 29th May, 2014 has appointed Mr. Brij Gopal Roy as an Independent Director of the Company, within stipulated period of 180 days as per the provision of the Listing Agreement. Hence, the Company comply with the provisions of Clause 49 of the Listing Agreement with respect to composition of the Board.

None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, its Directors, its senior management, which would affect their independence.

Further, none of the Directors on the Board is a member of more than 10 Committees and Chairman in more than 5 Committees, across all companies in which they are director.

b) Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other Committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meeting generally relates to Company's performance, quarterly /half yearly results of the Company, review of the reports of the Internal Auditors, Audit Committee and compliances with their recommendations, suggestions, non-compliance of any regulatory, statutory or listing requirements etc.

Attendance at the Board Meetings and the last Annual General Meeting:

The Board Meeting dates are decided well in advance and communicated to Directors to enable them to plan for their schedule in order to attend the meetings.

During the year under review, the Board of Directors met 5 (five) times viz. 10th May, 2013, 8th August, 2013, 24th September, 2013, 28th October, 2013 and 13th February, 2014. As stipulated, the gap between two Board meetings did not exceed four months.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2013-2014 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in Committees are as follows:

Name	Category	Attendance at Board Meetings		Directorship in other Public Limited Companies ¹	Membership / Chairmanship of Committees (including Company) ²		Attendance at A.G.M. held on 24 th September, 2013
		Held	Attended		Chairman	Member	
Mr. Raghu Nandan Mody	Non-Executive & Non Independent	5	1	3	-	5	Yes
Mr. Varunn Mody	Non-Executive & Non Independent	5	4	1	-	-	No
Mr. Bipin Vengsarkar (w.e.f. 1 st November 2013)	Executive Director	1	1	-	-	-	N.A.
Mr. Shamsunder Aggarwal (upto 13 th February, 2014)	Independent	5	1	1	-	-	Yes
Mr. Sanjay Kothari	Independent	5	4	3	1	1	No
Mr. Atul Tandan	Independent	5	5	2	1	1	Yes

1. The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Companies except of the director who has resigned during the year and for whom details as on 31st March, 2014 are not available.
2. Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public Limited Companies has been considered.

3. AUDIT COMMITTEE:

As on 31st March, 2014, the Committee comprised of two independent Directors and one Non-Executive Non Independent Director, having financial background and knowledge in the business of the Company.

The Audit Committee met four times viz. 10th May, 2013, 8th August, 2013, 28th October, 2013 and 13th February, 2014 during the year under review. The number of meetings attended by each member during the year ended 31st March, 2014 is as follows:

Name of the member	Designation	No. of Meetings	
		Held	Attended
Mr. Sanjay Kothari	Chairman	4	4
Mr. Atul Tandan	Member	4	4
Mr. Shamsunder Aggarwal (upto 13 th February, 2014)	Member	4	-
Mr. Raghu Nandan Mody (w.e.f. 14 th February, 2014)	Member	-	-

Mr. Sohan Sarada, General Manager – Finance & Compliance Officer (Manager under Companies Act, 1956) of the Company acts as Secretary to the Committee.

The terms of reference of this Committee are wide. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief description of terms of reference is as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
- Review with management quarterly/half yearly/yearly financial statements before submission to the Board for approval.
- Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing with management, Statutory and internal auditor's adequacy of the internal control systems.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.
- Compliance with the Stock Exchanges and legal requirements concerning financial statements.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.

4. REMUNERATION COMMITTEE (now known as Nomination and Remuneration Committee):

The broad terms of reference of the Nomination and Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director / Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

The Nomination and Remuneration Committee met twice during the year viz. 10th May, 2013 and 28th October, 2013. The composition of the Committee as on 31st March, 2014 and number of meetings attended by each member during the financial year ended on that date is as follows:

Name of the member	Designation	No. of Meetings	
		Held	Attended
Mr. Shamsunder Aggarwal (upto 13 th February, 2014)	Chairman	2	-
Mr. Atul Tandan (w.e.f. 14 th February, 2014)	Chairman	2	2
Mr. Sanjay Kothari	Member	2	2
Mr. Raghu Nandan Mody (w.e.f. 14 th February, 2014)	Member	-	-

The Board of Directors of the Company at its Meeting held on 29th May, 2014, had re-christened the Remuneration Committee as the Nomination and Remuneration Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

Mr. Sohan Sarada, General Manager – Finance & Compliance Officer (Manager under Companies Act, 1956) of the Company acts as Secretary to the Committee. None of the Non - Executive Directors are being paid any remuneration except sitting fees. Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2014 and shares held by them on that date are as follows:

Name of Directors	Salary (₹)	Perquisites or Allowances (₹)	Contribution to PF & others (₹)	Stock option	Sitting fees (₹)	Total Remuneration (₹)	Total no. of shares held
Mr. Raghu Nandan Mody	Nil	Nil	Nil	Nil	5,000	5,000	250
Mr. Atul Tandan	Nil	Nil	Nil	Nil	67,000	67,000	100
Mr. Varunn Mody	Nil	Nil	Nil	Nil	20,000	20,000	135
Mr. Shamsunder Aggarwal	Nil	Nil	Nil	Nil	5,000	5,000	Nil
Mr. Sanjay Kothari	Nil	Nil	Nil	Nil	62,000	62,000	Nil
Mr. Bipin Vengsarkar	5,89,511	4,23,270	70,742	Nil	-	10,83,523	Nil

5. INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE (now known as Stakeholders' Relationship Committee):

The Stakeholders' Relationship Committee met four times viz. 10th May, 2013, 8th August, 2013, 28th October, 2013 and 13th February, 2014 during the year under review. The composition of the Committee as on 31st March, 2014 and the number of meetings attended by each member during the year ended on that date is as follows:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Atul Tandan	Chairman	4	4
Mr. Raghu Nandan Mody	Member	4	-
Mr. Sanjay Kothari	Member	4	4

The Board of Directors of the Company at its Meeting held on 29th May, 2014, had re-christened the Investors' Grievance Cum Share Transfer Committee as the Stakeholders' Relationship Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

Mr. Sohan Sarada, General Manager – Finance & Compliance Officer (Manager under Companies Act, 1956) of the Company acts as Secretary to the Committee.

The Committee meets as and when required to deal with the matters relating to monitoring and redressal of complaints from shareholders relating to transfer, non-receipt of Annual Report, etc.

The Committee is also empowered to consider and approve the physical transfers, transmissions, transposition, issue of duplicate certificates, consolidation / split / renewal of share certificates etc.

At the beginning of the year	Received during the year	Resolved during the year	Pending
-	45	45	-

Name and Designation of Compliance Officer

Mr. Sohan Sarada, General Manager – Finance (Manager under Companies Act, 1956) is the Compliance Officer of the Company.

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are given below:

Financial Year	Date of AGM	Time	Location of the meeting
2010 - 2011	5 th August, 2011	12.00 Noon	Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017
2011 - 2012	13 th September, 2012	11.00 A.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017
2012 - 2013	24 th September, 2013	11.30 A.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017

Details of Special Resolutions passed in last three Annual General Meetings:

AGM held on 5th August, 2011: For alteration of Articles of Association of the Company.

AGM held on 13th September, 2012:

- a) For approving the appointment of Mr. Sohan Sarma as Manager of the Company.
- b) For approving the appointment of Mrs. Sakshi Mody, relative of Directors as General Manager-Corporate of the Company.

AGM held on 24th September, 2013: No special resolution passed.

No special resolution was passed through Postal Ballot during the financial year 2013-14. None of the business proposed to be transacted in the ensuing Annual General Meeting require a special resolution passing through Postal Ballot.

7. DISCLOSURES:

a) Related party transactions:

Related party transactions are defined as transactions of the Company of material nature had with promoters, directors or with their relatives etc.

The transactions with the related parties, as per the requirements of the Accounting Standard 18, are disclosed in Notes on Accounts, forming part of the Annual Report.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

b) Compliance by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory Authorities.

c) Whistle-Blower Policy:

Though there is no formal Whistle-Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. None of the employees were denied to access the Audit Committee.

d) Code of Conduct:

The Company has laid down a Code of Conduct for the Directors and Senior Management Personnel of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors, Senior Managerial personnel and employees have adhered to the same, signed by Mr. Bipin Vengsarkar, Executive Director of the Company forms part of this Annual Report, which along with the certificate from Auditors of the Company on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this Annual Report.

e) Disclosure of Accounting treatment:

In the preparation of the financial statement, the Company has followed accounting standards issued by Institute of the Chartered Accountants of India to the extent applicable.

f) Disclosure of Risk management:

The Company has initiated the risk assessment and minimization procedure.

g) CEO / CFO Certification:

A certificate from Mr. Bipin Vengsarkar, Executive Director and Mr. Sohan Sarma, Chief Financial Officer on the financial statements of the Company for year ended 31st March, 2014 was placed before the Board.

h) Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2014 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

8. MEANS OF COMMUNICATION:

The Company's quarterly / half yearly / Annual results are published in newspapers viz. Financial Express (English) and Aajkal (Bengali). Half yearly reports are not being sent to each household of shareholders. These results are displayed on the Company's website: www.jlmorison.com under investor section. The Company has not made any presentations to any Institutional Investor or to the analysts during the year under review.

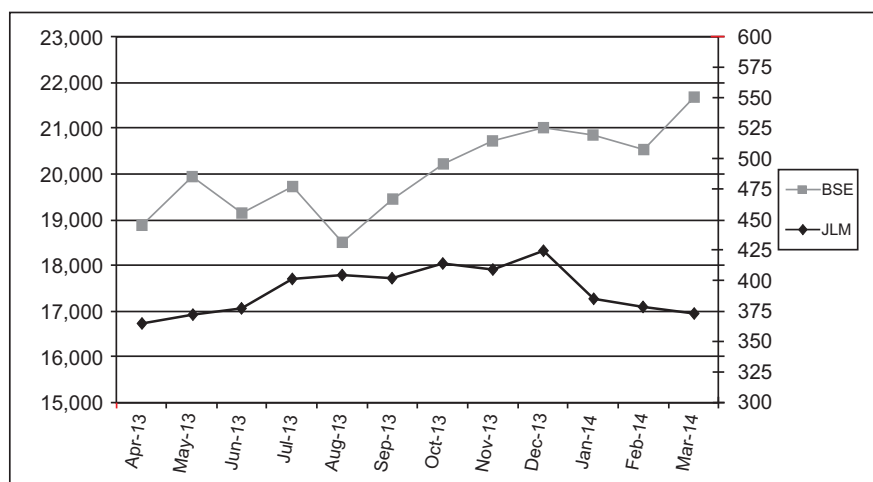
Management Discussion and Analysis Report is a part of this Annual Report.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

- a) **Date, time and venue of ensuing Annual General Meeting:** Date : 11th September, 2014
Time : 11.00 a.m.
Venue : Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017.
- b) **Financial Calendar (2014 – 2015):** i) First quarterly Results - by 14th August, 2014
ii) Second Quarterly Results - by 14th November, 2014
iii) Third Quarterly Results - by 14th February, 2015
iv) Fourth quarterly/yearly Results - by 30th May, 2015
- c) **Date of Book Closure:** 10th September, 2014 to 11th September, 2014 (both days inclusive)
- d) **Dividend payment date:** Credit/dispatch between 22nd September, 2014 and 26th September, 2014
- e) **Listing on Stock Exchanges:** 1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.
2. The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata – 700 001.
3. Bangalore Stock Exchange Limited, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore – 560 027.
- f) **Stock Code:** BSE Limited – 506522
- g) **ISIN for NSDL & CDSL:** INE430D01015
- h) **Stock Market Price Data:** The monthly high and low quotations of shares traded on the BSE Limited, Mumbai during each month in financial year 2013 – 2014 are as follows:

Month	Volume* (No. of Shares)	Price of shares of the Company at BSE (₹)*		BSE Sensex* (Points)	
		High	Low	High	Low
April - 2013	149	386.00	344.00	19,622.68	18,144.22
May - 2013	3310	394.15	350.00	20,443.62	19,451.26
June - 2013	427	400.00	356.30	19,860.19	18,467.16
July - 2013	516	414.00	390.00	20,351.06	19,126.82
August - 2013	2009	419.95	390.00	19,569.20	17,448.71
September - 2013	1342	419.80	385.05	20,739.69	18,166.17
October - 2013	324	429.00	400.00	21,205.44	19,264.72
November - 2013	1305	428.70	390.00	21,321.53	20,137.67
December - 2013	39654	449.95	400.00	21,483.74	20,568.70
January - 2014	8689	404.20	368.10	21,409.66	20,343.78
February - 2014	351	408.00	350.00	21,140.51	19,963.12
March - 2014	1894	398.00	350.05	22,467.21	20,920.98

*Source: www.bseindia.com



i) Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents (RTA) within 15 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

j) Category wise distribution of Equity shareholding as at 31st March, 2014:

	Category	Number of shares held	Percentage of Shareholding (%)
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/ Hindu Undivided Family	385	0.03
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	9,97,356	73.06
(d)	Financial Institutions/ Banks	-	-
(e)	Any Other (specify)Trust	-	-
	Sub-Total (A)(1)	9,97,741	73.09
(2)	Foreign		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Any Other (specify)	-	-
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9,97,741	73.09
(B)	Public shareholding		
(1)	Institutions	-	-
	Sub-Total (B)(1)	-	-
(2)	Non-institutions		
(a)	Bodies Corporate	1,01,976	7.47
(b)	Individuals -		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1,83,641	13.45
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	55,232	4.05
(c)	Non Resident Indians	1,144	0.08
(d)	Foreign Corporate Bodies	-	-
(e)	Any Other (specify)		
	i. Director	100	0.01
	ii. Trust	25,200	1.85
	Sub-Total (B)(2)	3,67,293	26.91
	Total Public Shareholding (B)= (B)(1) +(B)(2)	3,67,293	26.91
	TOTAL (A)+(B)	13,65,034	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	GRAND TOTAL (A)+(B)+(C)	13,65,034	100.00

k) Distribution of shareholding as on 31st March, 2014:

Shares From To	Number of shareholders	% of total number of shareholders	Total Number of Shares	% of Total Number of Shares
1 to 500	3505	97.93	144845	10.61
501 to 1000	35	0.98	27077	1.98
1001 to 5000	17	0.48	26816	1.97
5001 to 10000	4	0.11	28105	2.06
10001 & above	18	0.50	1138191	83.38
Total	3579	100.00	1365034	100.00

l) Dematerialization of Shares and Liquidity:

About 95.80% shares have been dematerialized as on 31st March, 2014. The Equity Shares of the Company are traded on BSE Limited, The Calcutta Stock Exchange Association Limited and Bangalore Stock Exchange Limited.

The Company has paid the Listing fees for the year 2014 – 2015 to all the stock exchanges on which its shares are listed.

m) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity:

Your Company has not issued any ADRs, GDRs, warrants or any convertible instruments during the financial year ended 31st March, 2014.

n) Registrar and Share Transfer Agent:**Datamatics Financial Services Limited**

Plot No.B-5,Part B, Cross Lane,
MIDC, Marol, Andheri (East),
Mumbai – 400 093
Phone: (022) 6671 2151
Fax : (022) 6671 2161
e-mail: corpequity@dfssl.com

o) Address for Investors' Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

J. L. Morison (India) Limited

Peninsula Business Park, Tower "A",
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai, 400 013
Phone : (022) 2497 5031, 6141 0300
Fax : (022) 2495 0317
e-mail: investors@jlmorison.com

Datamatics Financial Services Limited

Plot No.B-5,
Part B, Cross Lane,
MIDC, Marol, Andheri (East),
Mumbai – 400 093.
Phone : (022) 6671 9645 / 6671 2188
Fax : (022) 6671 2161
e-mail: corpequity@dfssl.com

DECLARATION

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct laid down by the Company during the year ended 31st March, 2014.

For J. L. Morison (India) Limited

Bipin Vengsarkar
Executive Director

Place: Mumbai

Date: 29th May, 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of J. L. Morison (India) Limited

We have examined the compliance of conditions of Corporate Governance by J. L. Morison (India) Limited for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No.:034828

Place: Mumbai
Date: 29th May, 2014