

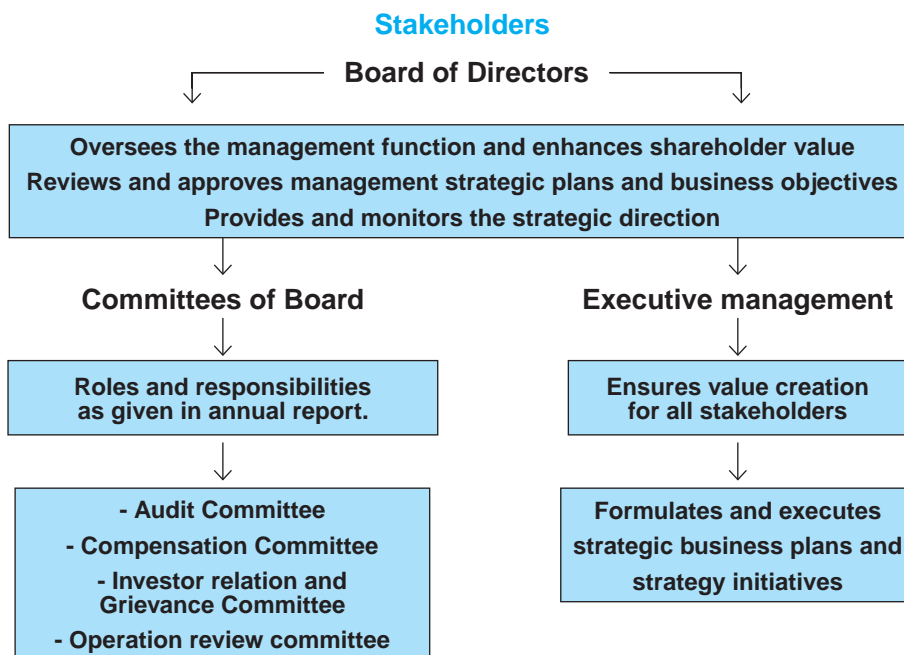
Corporate Governance

JISL's corporate governance framework is guided by the notion to set out the best management practices at all levels of strategic, tactical and operational management. The framework also embodies transparency and accountability in its operation. It also clearly sets out norms to meet the stated aims of near, medium and long-term nature.

JISL has customized its model of corporate governance and made it more responsible and responsive to all internal and external interest groups.

The organization acknowledges its responsibilities towards the entire spectrum of its stakeholders. This is met through integrity and transparency in its dealing, and delivering products and services of uncompromising quality.

The organization acts in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the listing agreement with the stock exchanges. A code of conduct is framed and adopted in the pursuit of excellence in corporate governance. The organization's governance structure with the stakeholder at the top, and its conceptual depiction is as under:



At present the Board of Directors has six independent members and five Executive directors. This constitution has been worked out considering the diverse businesses of the organization. Six Independent directors are seasoned professionals in their respective fields such as finance, law, agriculture etc. Their present tenure in the organization board is less than five years. The definition of independent directors is derived as per clause 49 of the listing agreement of SEBI. The organization adheres to the stipulation of the article of association, according to which the strength of the board shall not be less than three and not more than 14. For details kindly visit www.jains.com

The composition of the Board of Directors is as follows (with average age of 57 years with youngest Director being Ms Radhika Pereira.)

As on	Executive directors	Non-Executive Directors	Non-Executive Chairman (Head of Governance body)	Total	Male	Female
31/3/2011	5	5	1	11	10	1

Mechanism for Shareholder Feedback

The organization follows the practice of obtaining feedback from its shareholders on an ongoing basis. The shareholders can submit their suggestions/feedback by visiting our website and sending an e-mail to the organization. If their suggestions are found reasonable and practical, proper action is taken to take them forward. The Annual General Meeting is another forum where shareholders can freely express their concerns and give suggestions directly to the board. Organization's management conducts a quarterly investor conference to discuss quarterly financial results. Organization's management attends various investors' conferences around the world to communicate its strategy.

Other forms of mechanism include communication of all financial results of the organization to stock exchanges (where organization's equity shares are listed) as soon as they are approved and taken on record by the Board of Directors of the organization. Further, the results are published in leading Marathi dailies circulated throughout Maharashtra and leading financial newspapers published on an all India basis. These results are simultaneously posted on the website of the organization and on Electronic Data Information Filing: and Retrieval Redressal (EDIFAR).

Also, we have open door policy as well as suggestion box system in place for employees to share their views and suggestions with top management.

Compensation of the Highest Governance Body, Senior Managers and Executives

The Compensation Committee considers and recommends the compensation of Executive Directors and selected Executives at the senior level in the organization as also the allotment/devolution of ESOP's under approved ESOP 2005. The remuneration of the governance body members and other senior management members are linked to the organization performance as the performance incentive is based on quantitative and qualitative performance criteria.

Avoidance of Conflict of Interest

JISL ensures avoidance of conflict of interest of the organization with the members of highest governance body and senior management. In terms of provisions of SEBI Regulations, 2002, as amended, JISL has formulated a Corporate Code of Conduct for JISL which include policy on conflict of interest for governance body and senior management and Code of Conduct for prevention of Insider Trading.

The organization will implement a system-based framework for precautionary approach principle by 2014. This precautionary approach framework will identify the probable risks of business and ask for mitigating and eliminating those risk.