

Jammu & Kashmir Bank Limited

Corporate Headquarters
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Kashmir, India
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Board Secretariat

Ref:-JKB/BS/F3652/2023/433
Date: 31st July, 2023

National Stock Exchange of India Ltd.
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051
Symbol: J&KBANK

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code:532209

Sub: - Annual Report 2022 - 23

Dear Sirs,

In continuation to our letter no. JKB/BS/F3652/2023/432 dated 31st July, 2023 and pursuant to Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Annual Report 2022-23 for the 85th Annual General Meeting of the Bank.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu and Kashmir Bank Ltd.

(Mohammad Shafi Mir)
Company Secretary



Unleashing Power of Shared Prosperity

► FACILITATING ATMA-NIRBHARTA



At the **CORE** of
every Activity in
J&K
and Ladakh



YOUR BANK
SINCE **1938**

ANNUAL REPORT
2022-23

QUICK INFORMATION

S.No	Particulars	Details
1.	Day, Date and Time of AGM	Thursday, August 24, 2023 at 11:00 A.M. (IST)
2.	Venue	Sher-I-Kashmir International Conference Centre, Srinagar -190 001
3.	Cut-Off Date for E-voting	Thursday, August 17, 2023
4.	Remote E-voting Start Date and Time	Monday, August 21, 2023 at 09:00 A.M (IST)
5.	Remote E-voting End Date and Time	Wednesday, August 23, 2023 at 05:00 P.M (IST)
6.	Remote E-voting Website	https://evoting.kfintech.com
7.	Name of E-voting Service Provider	M/s Kfin Technologies Limited
8.	Name of Registrar and Share Transfer Agent	M/s Kfin Technologies Limited
9.	Name of Scrutinizer	CA Majaz Ahmad Bhat
10.	Dividend	50%, i.e 50 Paise per Equity Share of Face Value Re. 1/- (Subject to the approval of Shareholders)
11.	Record Date for Dividend Payment	Thursday, August 17, 2023

Unleashing POWER of Shared PROSPERITY

▶ FACILITATING ATMA-NIRBHARTA



INSTITUTIONAL Mission

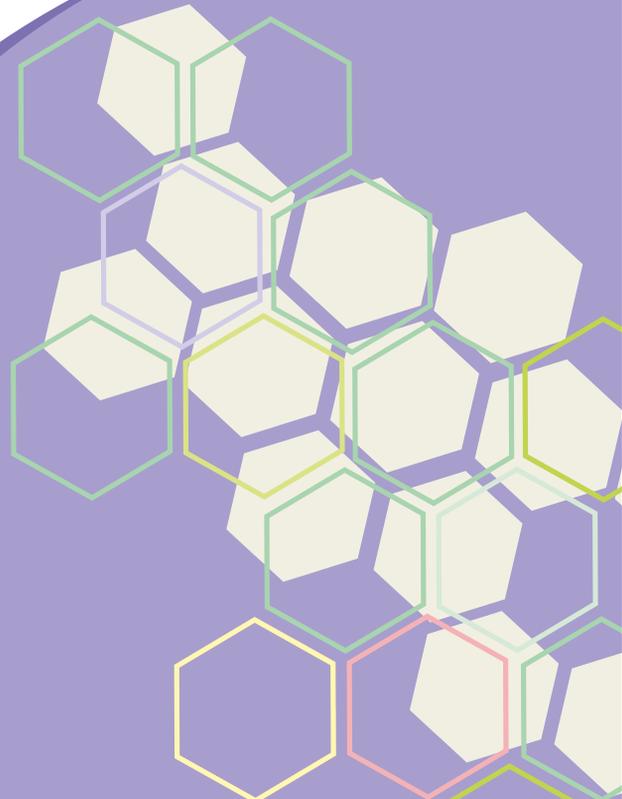
Our objective as the premier financial institution has been to realise the Union Government's vision of inclusive, equitable and sustainable economy while promoting the idea of self reliance.

We are working in a mission mode to saturate self-employment in J&K & Ladakh by encouraging "Atmanirbharta" of people especially youth.



J&K Bank
Serving To Empower

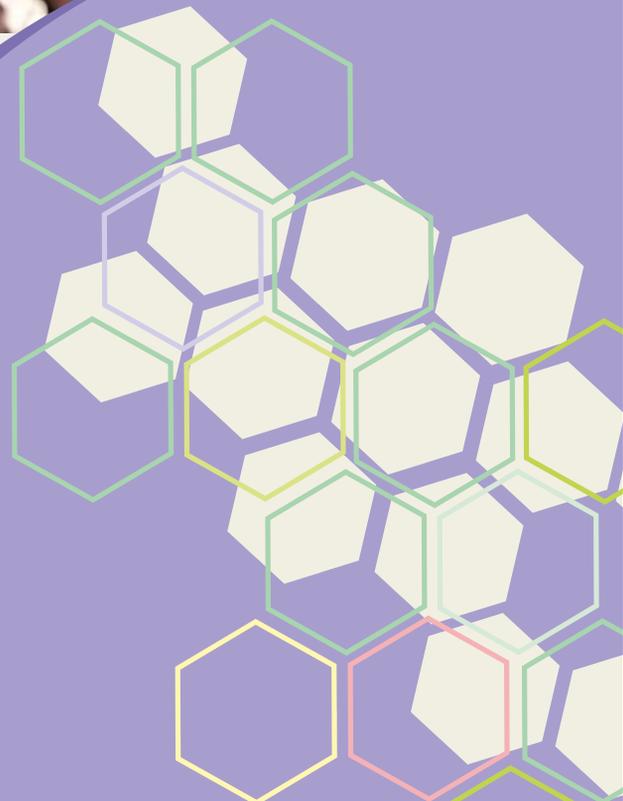
YOUR BANK
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Youth Empowerment as National Focus



▶ While the nation is taking longer strides towards becoming the third largest economy in the world, the government is taking serious and long-term measures to provide jobs to youth across the country. Youth empowerment continues to be the national focus with emphasis on skill development, knowledge Updation and youth employment. With country's more than 40% population below 25 years, the measures are afoot to meet the challenge of harnessing the great demographic dividend.





A BIG STEP TOWARDS ATMANIRBHAR BHARAT

In order to deal with the various challenges, the Union Government initiated an ambitious Atmanirbhar Bharat program. The idea is to make the country and its people self-reliant and independent by all means so as to reduce unemployment, insolvency, and poverty. Atmanirbhar Bharat Abhiyan contains bold reforms initiatives across various sectors to promote business, attract investment, improve local supply chain and further strengthen Make in India to drive the country's economy towards self-reliance in coming years.



J&K GOVERNMENT'S INNOVATIVE OUTREACH PROGRAMS

Unemployment is also a cause of great concern in the J&K. However, to check the menace of unemployment, a couple of J&K UT Government devised an innovative and unprecedented outreach programs 'Back to Village' and 'My Town My Pride' to involve the people and government officials in a joint effort to deliver the mission of equitable development especially across the rural landscape of the UT.

The idea was to ensure that the benefits of growth and development reach out to the man standing at the last mile whether at Panchayat or Block level.



OUR LEGACY OF SERVING TO EMPOWER

Being the bank of systemic significance in J&K's growing economy, J&K Bank joined efforts with other banks operating in the UT to facilitate common man, farmers, industries, SHGs and young entrepreneurs. Guided by its remarkable missionary legacy of Serving to Empower by making people self-reliant, J&K Bank empowers people financially especially youth so that they realize not only their own economic pursuits but establish employment generating entrepreneurial ventures to make more and more youth Atmanirbhar.



Leading from the FRONT

ANNUAL REPORT
2022-23



As Convener UTLBC, J&K Bank has always taken the lead in implementing the idea of Atmanirbharta or self-reliance at grass-root level through an array of financial products besides other government sponsored schemes tailored to meet varied economic needs of the people especially youth.

Bank's major role in cementing this idea of Atmanirbharta in the UT of J&K was evident last year when out of all the Banks operating in the UT, J&K Bank alone contributed over **90%** in providing self-employment opportunities to more than **92000** youth of J&K during the UT Government's flagship programs i.e. **'Back to Village (B2V-4)'** meant for Gram Panchayats in rural areas and **'My Town My Pride (MTMP-2)'** at Block level in towns.

Notably, the Bank has recently kick-started 'Employment Generation Campaign' titled **"Swarozgar Utsav"** for providing gainful self-employment opportunities to 1 lac youth of Jammu & Kashmir.

Centrally sponsored schemes

Additionally, the Bank has been financing the youth irrespective of location, gender and status under different schemes sponsored by the Union and UT Government.



PM SVANIDHI

AMOUNT DISBURSED FOR FY 2022-23 :
RS. 2365.10 LACS



PRIME MINISTER MUDRA YOJANA (PPMY)

AMOUNT DISBURSED FOR FY 2022-23 :
RS. 306536.55 LACS



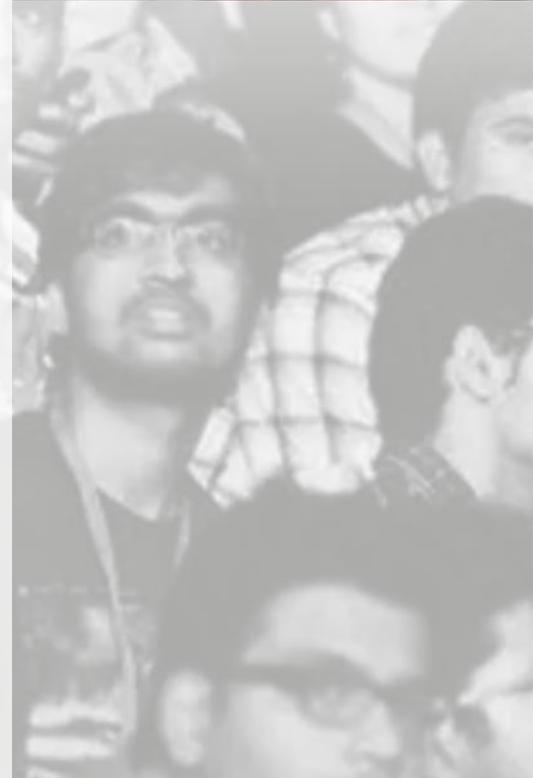
PRIME MINISTER EMPLOYMENT GENERATION PROGRAM (PMEGP)

AMOUNT DISBURSED FOR FY 2022-23 :
RS. 113511.32 LACS



NATIONAL RURAL LIVELIHOOD MISSION (NRLM)

AMOUNT DISBURSED FOR FY 2022-23 :
RS. 29253.12 LACS





Acknowledgement from the Top State Functionaries

I feel delighted to be part of this programme of J&K Bank that is doing a commendable job of providing self-employment to the youth, progressing ahead with a clear digital vision, and enhancing financial awareness of the people while deepening financial inclusion -

Union MoS Finance
Dr. Bhagwat Kishanrao Karad



On behalf of people of J&K, I wholeheartedly express my gratitude to J&K Bank and its management for playing leading role in facilitating self-employment among youth during the Government's flagship B2V4 and MTMP2 programs, wherein thousands of aspiring and energetic persons have benefited by availing a range of Government sponsored schemes besides tailor-made products of the Banks -

J&K Lieutenant Governor
Manoj Kumar Sinha

The way J&K Bank is showing confidence in lending should make all other banks in Jammu & Kashmir to follow the suit -

J&K Chief Secretary
Dr A K Mehta



Thankyou J&K Bank



Bhoomika Self-Help Group

"In Bhoomika (Self-Help Group), we are ten ladies engaged in different self-employed ventures like parlour, provision-store, dairy etc. As a group, we approached J&K Bank for financial help and the Bank whole-heartedly supported us. Thank You J&K Bank for making us self-reliant.



Tashi Wangtak @ Sugar House Bakery

"Wanting to be my own boss, I started mini bakery from home. For expansion of business, I went to J&K Bank and within 15 days I got the loan without hassles. Thank You J&K Bank for this sweet success.



Farooq Fazili @ Dolphin International School

"I had a dream but providing quality education to children required world-class infra-structure, for which I turned to the most trusted financial institution - J&K Bank. Thank You J&K Bank for making Dolphin International School a reality.



Gagan Jain & Gunjan Jain @ VKC Nuts

"Besides Jammu, our factories are in Delhi, Mumbai and Bangalore employing hundreds especially women. Our growth is because of continued financial support from J&K Bank that remains ever-ready to help its clients. Thank You J&K Bank for being there in hard-times.

This journey of economic transformation of individuals, groups and societies will continue with a renewed institutional zeal as the Bank keeps partnering in all the initiatives aimed at realising the vision of Atmanirbhar Bharat.





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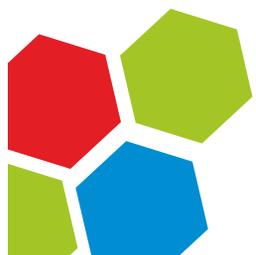
85TH
ANNUAL
GENERAL
MEETING
(AGM)
OF THE
SHAREHOLDERS

Unleashing
Power of
Shared **Prosperity**

► FACILITATING ATMA-NIRBHARTA

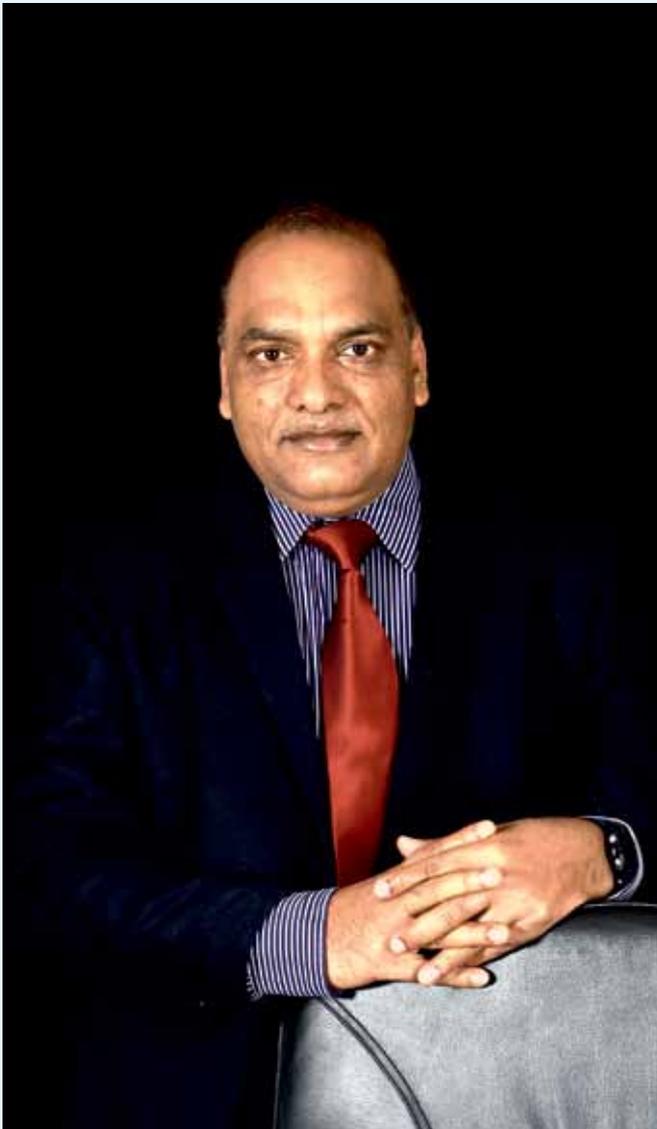


YOUR BANK
SINCE **1938**





Message from MD & CEO



Dear Shareholders,

Thank you for joining us today at the Annual General Meeting of your beloved Bank which incidently coincides with the celebration of Azadi Ka Amrut - 75 Years of Independence. It is my privilege and honor to stand before you as the Managing Director and CEO, representing a dedicated team that worked tirelessly to achieve the business and other targets of the institution successfully.

I am delighted to present the 85th Annual Report of the Bank, which outlines the key highlights and performance of the Bank for the fiscal 2022-23. The enclosed Annual Report provides comprehensive details of the Bank's initiatives and achievements during this period.

First and foremost, I would like to express my heartfelt gratitude to our shareholders for their unwavering support and trust. Your confidence in our vision and strategy has been instrumental in supporting our journey towards excellence.

We remain committed to deliver value along with sustainable returns on your investments.

Economy Overview

Characterized by significant shocks and unprecedented levels of uncertainty, the global economy in the past year witnessed simmering turbulence. Despite the receding impact of the pandemic, prolonged Russia-Ukraine war continued to cast shadow on the world economy. The recent banking fiasco in US has triggered an alarm across the global economies to revisit their monetary policies and address financial vulnerabilities with heightened concern.

Although inflation has partially subsided with central Banks increasing interest rates, but underlying price pressures persist particularly due to tight labour markets in several economies. High levels of debt also restrict the capacity of fiscal policymakers to respond effectively to new challenges. Commodity prices have moderated, but geopolitical tensions remain elevated, posing significant risks. However, post-pandemic opening of China has alleviated supply chain disruptions and rekindled hopes for a moderate economic recovery. According to IMF projections, global growth is expected to reach a low of 2.8% this year before gradually improving to 3.0% in 2024.

Meanwhile, backed by a strong agriculture sector and robust services, the Indian economy displayed resilience despite global uncertainties. During FY2022-23, India's GDP grew at a rate of 7.2%, driven by robust investment and private consumption.

Looking ahead, the projected real GDP growth for India in FY2023-24, as per the Reserve Bank of India (RBI), is 6.5%. This growth is expected to be supported by improving rural demand, the government's emphasis on infrastructure spending, a revival in corporate investments, healthy bank credit, and a moderation in commodity price.

Banks' Performance

Over the past year, your Bank continued to navigate successfully a rapidly evolving financial landscape. Despite the uncertainties and disruptions, we have maintained our core values and remained committed to delivering remarkable service to our customers. Our dedication to innovation and technology has allowed us to enhance our digital offerings, ensuring a seamless banking experience for our clients.

During the FY2022-23, the deposits of the Bank grew by 6.39% YoY to ₹1.22 Lakh Crore with CASA ratio of the Bank recorded at 54.10%. Gross Advances of the Bank grew by 16.89% YoY, at par with banking industry, from ₹70K Crore to ₹82K Crore.

For the FY2022-23, as a result of tremendous efforts put in by your Bank and improved operational efficiency, your Bank delivered an unprecedented profit of ₹1197 Crore, highest in the history of your Bank.

On the asset quality front, your Bank improved significantly and registered its best asset quality figures over last 8 years and this I would rate as the major takeaway of FY 2022-23. Non-performing Assets (NPA) figures of the Bank have also improved significantly from 8.67% last FY to 6.04%. Net

NPA of the Bank witnessed sharp decline to 1.62%.

Net Interest Income (NII) witnessed a robust growth of 21% from ₹3911.23 Crore to ₹4745.28 Crore. The Operating profit of your Bank during the year stood at ₹1858.49 Crore, a significant improvement of 75% over the last year of ₹1062.46 Crore.

Your Bank has remarkably brought down cost-to-income ratio to 66.22% in FY2022-23 from 77.18% in FY2021-22, a visible change of about 1100 bps. Return on Asset (RoA) stood at 1.37% for Q4 of FY2022-23 against 0.42% last year. Return on Equity (RoE) also reflected resounding improvement of 746 basis points, rising to 15.23% for the FY2023 against 7.77% during FY2022.

Owing to this remarkable performance by the Bank, I am delighted to announce that the Board of your Bank has recommended a dividend of ₹0.50 per equity share of Re.1/- each fully paid for the financial year ended March 31, 2023. This decision reflects our commitment to delivering sustainable growth and maximizing shareholder value.

We believe that our strong financial performance and strategic initiatives have contributed to this milestone achievement. Besides, our focus on risk management and compliance has ensured that we maintain a robust framework to safeguard our stakeholders' interests. Your Bank has consistently adhered to stringent regulatory standards, establishing itself as a trusted and responsible financial institution, resultantly the regulatory rating of your Bank has improved from "D" to "C".

Strategic Initiatives

During FY2023, your Bank continued undertaking initiatives of strategic significance to achieve the business objectives. Some key initiatives taken during the period are:-

- Upgradation of Large Credit Units to branches for handling corporate credit portfolio for better visibility and seamless services to our customers.
- Establishment of Marketing Heads across the divisions for focusing on generating and mobilization of fresh business.
- In line with Digital India Mission, Bank designated some of its IT resources as "Digimitras" as nodal officers for all kinds of digital initiatives and for promoting digital platforms.
- In case of personal loans to government employees, Bank has extended its instant loan under STP facility with real-time sanctioning and disbursement. J&K Bank is the pioneer for this unique initiative.
- Enhancing complementary accidental insurance cover to ₹25 lakh to J&K Government employees under the initiative 'Azadi ka Amrit Mahaotsav'.

These measures, ranging from strategic to operational levels, have been implemented to align with the broader organizational advancements that have become necessary in the highly competitive landscape of modern banking.

Transforming Technology

On technology front, your Bank has undertaken an ambitious transformational journey which is aimed at providing efficient, secure, and convenient banking services to our valued customers.

Your Bank is actively embracing new technologies, automating processes, and leveraging the wave of digital adoption to enhance customer experiences, streamline operations, and stay competitive in an increasingly digital world while taking measures to keep it insulated from emerging and increasing

cyber/other security threats.

The flagship mobile banking platform J&K Bank mPay is also being upgraded to next level which shall unify m-Banking, e-Banking, UPI, IMPS experience. The feature-rich enhanced integrated platform shall offer the customers a unique "Bank in the Pocket" experience through ease of use and diverse features for seamlessly undertaking banking & wealth management transactions through their mobile devices.

Your Bank has recently launched its artificial intelligence (AI) driven Chatbot technology to enhance customer service. This AI-powered Chatbot is being used to handle customer queries, provide account information, assist with transactional tasks, and offer personalized recommendations. This operates 24/7, improving customer support and reducing response times.

With the advent of Open Banking Initiatives, your Bank is also embracing collaboration with Fintech companies and third-party developers. This will result in fostering innovation and creating new products and services.

Customer Delight

With a strong emphasis on customer convenience, your Bank is dedicated to transform customer experience into sheer delight by implementing various initiatives such as updating its interfaces towards customer, introduction of AI-driven chatbot to resolve customer queries, dedicated Large Credit Branches, as well as cash lifting services, and doorstep banking services, all aimed at enhancing the banking experience of our valued customers.

Way Forward

Looking ahead, we are optimistic about the future of our Bank. Your Bank sees a new phase of accelerated growth unleashing in Jammu and Kashmir, especially in infrastructure, agriculture, agro-based industry and tourism sectors. Being a major player with around 60 percent market share here, we see J&K Bank as a major beneficiary of this imminent growth dynamic.

Moreover, we remain committed to our strategic objectives, including expanding our market presence, further enhancing our digital capabilities, and deepening our customer relationships. We will continue to invest in our employees, empowering them with the tools and knowledge necessary to deliver outstanding results.

Dear Shareholders!

I would like to take this opportunity to record my appreciation for the hard work and dedication of our employees. Their professionalism and unwavering commitment towards our customers have been instrumental in our success. Our talented team continues to drive innovation, explore new avenues for growth and uphold the values that define us.

Lastly, I want to reiterate our gratitude to our shareholders, customers, and employees. Your unflinching trust and continued support remain foundational to our success.

As we move forward, let us embrace the upcoming challenges with firm confidence in our ability to convert them into opportunities and contribute positively to the future of banking in the country.

Thank you once again for your presence today, and I look forward to a successful Annual General Meeting.

(Baldev Prakash)
Managing Director & CEO



Board of Directors



Mr. Baldev Prakash
Managing Director & CEO



Dr. Pawan Kotwal (IAS)
Non-Executive Additional
Director



Mr. R.K. Chhibber
Non-Executive Non-Independent
Director



Dr. Rajeev Lochan Bishnoi
Non-Executive Independent
Director



Mr. Naba Kishore Sahoo
Non-Executive Independent
Director



Mr. Umesh Chandra Pandey
Non-Executive Independent
Director



Mr. Anil Kumar Goel
Non-Executive Independent
Director



Mr. Anand Kumar
Non-Executive Independent
Director



Mr. Sudhir Gupta
Executive Non-Independent
Director



Ms. Shahla Ayoub
Non-Executive Independent
Director

Jammu and Kashmir Bank Limited

Registered Office: Corporate Headquarters, M. A. Road
Srinagar - Jammu & Kashmir - 190001 Tel: +91-194-2481930-35
Email: board.sectt@jkbmail.com Web: www.jkbank.com
CIN: L65110JK1938SGC000048

Notice

NOTICE is hereby given that the 85th Annual General Meeting (AGM) of the Shareholders of the Jammu and Kashmir Bank Limited (the "Bank") will be held on Thursday, August 24, 2023 at 11:00 A.M at Sher-i-Kashmir International Conference Centre (SKICC), Srinagar, J&K - 190001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (standalone and consolidated) of the Bank for the Financial Year ended 31st March, 2023 including Balance Sheet as at 31st March, 2023 and the Profit & Loss Account for the Financial Year ended on that date, together with the Reports of the Board of Directors and Auditors and comments of the Comptroller and Auditor General of India thereon.
2. To declare dividend on Equity Shares of the Bank.
3. To appoint a Director in place of Mr. R K Chhibber (DIN: 08190084), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To authorise the Board of Directors of the Bank to fix the remuneration of Auditors appointed by the Comptroller & Auditor General of India, in terms of provisions of Section 142 of the Companies Act, 2013, for the Financial Year 2023-24.

SPECIAL BUSINESS:

5. 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 the Companies Act, 2013 and rules framed thereunder as amended from time to time and subject to the approvals, consents, permissions and sanctions, if any, of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), and/or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them while granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the regulations viz., SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") as amended up to date, guidelines, if any, prescribed by the RBI, SEBI, notifications/circulars and clarifications under the Banking Regulation Act, 1949, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ("Listing Regulations"), Securities and Exchange Board of India Act, 1992 and all other applicable laws and all other relevant authorities from time to time and subject to the Listing Agreements entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "Board" which shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) to create, offer, issue and allot (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares and/or other permitted securities which are capable of being converted into equity or not, for an aggregate amount not exceeding Rs.750 Crores (Rupees Seven Hundred and Fifty Crores Only) in one or more tranches, inclusive of such premium as may be fixed on the Equity Shares at such time or times, at such price or prices, at a discount or premium to market price or prices as may be decided by the Board to one or more of the shareholders, Indian nationals, Non-Resident Indians ("NRIs"), Companies, (private or public), Investment Institutions, Societies, Trusts, Research Organisations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are authorized to invest in equity/securities of the Bank whether or not such investor(s) are existing shareholders of the Bank, as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Bank.

RESOLVED FURTHER THAT such issue, offer or allotment shall be by way of Follow on Public Issue, Rights Issue, Preferential Allotment, Private Placement/Qualified Institutional Placement (QIP)/or any other mode approved by RBI with or without over-allotment option and that such offer, issue, placement and allotment be made as per the provisions of the ICDR Regulations and all other guidelines issued by the RBI, SEBI and any other authority as applicable, and at such time or times, in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit.



RESOLVED FURTHER THAT in accordance with the provisions of the Listing Regulations, the provisions of ICDR Regulations, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, and subject to requisite approvals, consents, permissions and/or sanction of SEBI, Stock Exchanges, RBI, Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and all other authorities as may be required (hereinafter collectively referred to as "the Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals") the Board, may at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date, to Qualified Institutional Buyers (QIBs) (as defined in the ICDR Regulations) pursuant to a Qualified Institutional Placement (QIP), as provided for under Chapter VI of the ICDR Regulations, through a placement document and/or such other documents/writings/circulars / memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement pursuant to Chapter VI of the ICDR Regulations.

1. The "relevant date" for pricing of the Securities in accordance with ICDR Regulations will be the date of the meeting in which the Board of Directors of the Bank or the Committee of Directors duly authorised by the Board of Directors of the Bank decides to open the proposed issue;
2. The issue of Securities shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the "QIP Floor Price"). The Board may, however, in accordance with applicable laws, also offer a discount of not more than 5% on the QIP Floor Price or such other percentage as may be permitted under applicable laws from time to time;
3. The allotment of the Securities shall be completed within such period as provided under ICDR Regulations;
4. No allotment shall be made, either directly or indirectly to any QIB who is a promoter or any person related to promoters in terms of the ICDR Regulations;
5. A minimum of 10% of the Securities to be

issued and allotted pursuant to Chapter VI of ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIBs;

6. The prices determined for QIP shall be subject to appropriate adjustments, if the Bank, pending allotment under this resolution:
 - a. makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of dividend on shares;
 - b. makes a rights issue of equity shares;
 - c. consolidates its outstanding equity shares into a smaller number of shares;
 - d. divides its outstanding equity shares including by way of stock split;
 - e. re-classifies any of its equity shares into other securities; or
 - f. is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the RBI/SEBI/Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according/granting their approvals, consents, permissions and sanction to issue, allotment of the equity shares and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the issue and allotment of new equity shares/securities, if any, to NRIs, FIIs and/or other eligible foreign investors shall be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2017 as may be applicable.

RESOLVED FURTHER THAT the said new equity shares to be issued shall rank in all respects pari passu with the existing equity shares of the Bank and shall be entitled to dividend declared, if any, in accordance with the statutory guidelines that are in force at the time of such declaration.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares/ securities, the Board be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares/ securities to be allotted in each tranche, issue price, premium amount on issue as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that

may arise with regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the shareholders and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements/agreements with any Book Runner(s), Lead Manager(s), Banker(s), Underwriter(s), Depository(ies), Registrar(s), Auditor(s) and all such agencies as may be involved or concerned in such offering of equity/securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, be and is hereby authorized to determine in consultation with the Lead Managers, Underwriters, Advisors and/or other persons as appointed by the Bank, the form and terms of the issue(s), including the class of investors to whom the shares/securities are to be allotted, number of shares/securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue/conversion of securities/ exercise of warrants/redemption of securities, rate of interest, redemption period, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion, fixing of record date or book closure and related or incidental matters, listings on one or more stock exchanges in India and / or abroad, as the Board in its absolute discretion deems fit.

RESOLVED FURTHER THAT such of these shares/securities as are not subscribed may be disposed-off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise with regard to the issue of the shares/securities and further to do all such acts, deeds, matters and things, finalise and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Managing Director & CEO or to the Committee of Directors to give effect to the aforesaid Resolutions."

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 Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules 2014, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 including any amendment, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the statutory authority(ies) concerned, including RBI, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for issue of Non-Convertible, Redeemable, Unsecured, BASEL III Compliant, TIER 2 bonds in the nature of debentures ("debentures") on a private placement basis for an amount up to Rs.1000 Crores (Rupees One Thousand Crores) in the financial year 2023-24.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Merchant Bankers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Stabilizing Agents, Bankers, Lawyers, Advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, contracts/ agreements, memoranda, documents, etc., with such agencies, to seek the listing of debt securities in one or more recognized stock exchange(s) as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt



securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution.”

7. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution with or without modifications:

“RESOLVED THAT Dr. Pawan Kotwal (DIN: 02455728) who was appointed as an Additional Director by the Board under Section 160 of the Companies Act, 2013 read with Article 78 of the Articles of Association of the Bank in the meeting of the Board of Directors held on 24th July, 2023 and who holds office upto the date of this Annual

General Meeting and in respect of whom the Bank has received a notice under Section 160 of the Companies Act, 2013, signifying his candidature to the office of Director under Section 152(6)(a) of the Companies Act, 2013, be and is hereby appointed, as a Director on the Board of Directors of the Bank, whose period of office shall be liable to retire by rotation.”

8. To consider and if thought fit, to pass the following Resolution as a Special Resolution with or without modifications:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 3 of the Articles of Association of the Bank and subject to the approval of the Reserve Bank of India, wherever applicable, approval of the Members of the Bank, be and is hereby, accorded to the alterations in the Articles of Association of the Bank as detailed in explanatory statement.”

By order of the Board of Directors

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Dated: July 28, 2023

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK.

PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE RECEIVED BY THE BANK AT IT'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK CARRYING VOTING RIGHTS.

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK, CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND A CERTIFIED COPY OF THE BOARD RESOLUTION TO THE BANK, AUTHORISING THEIR REPRESENTATIVES TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.

- b) As per Sections 124 and 125 of the Companies Act, 2013, the amount of unpaid or unclaimed dividend lying in unpaid dividend account for a period of seven (7) years from the date of its transfer to the unpaid dividend account and the underlying Equity Shares of such unpaid or unclaimed dividend, are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of financial years 2013-14 and 2014- 2015 have already been transferred to the IEPF on August 20, 2021 and September 01, 2022 respectively. The unclaimed dividend in respect of the Financial Year 2015-2016 is in the process of being transferred to the IEPF in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013.
- c) As per Rule 5 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Bank on its website at the link <https://www.jkbank.com/investor/stockExchangeIntimation/shareholderInformation.php>. The concerned members are requested to verify the details of their unclaimed dividend, if any, from

the said websites and lodge their claim with the Bank's Registrar & Share Transfer agent, before the unclaimed dividends are transferred to the IEPF.

- d) As per the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed: Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.
- e) As per the requirement of Rule 6 of the IEPF Rules, the Bank had sent individual intimation to all the shareholders and also published notice in the leading newspapers in English and regional language having wide circulation for the information to shareholders regarding transfer of shares to IEPF. The shares in respect of the shareholders whose dividend has not been claimed for seven (7) consecutive years, upto financial year 2014-15, were transferred to the designated Dematerialized Account of the IEPF authority.
- f) Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 in original, signed ISR Forms in original alongwith self-attested copy of PAN card and address proof, duly filled in, to the Registrar & Share Transfer Agent at the address mentioned at point no. (h) in the Notes. The prescribed forms in this regard are attached and form part of Corporate Governance Report. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
- g) Members holding shares in dematerialized form are requested to intimate any change in their address or bank account details (including 9 digit MICR no., 11 digit IFSC and core banking account no.) to their respective Depository Participants with whom they are maintaining demat accounts.
- h) Members holding shares in physical form are requested to send the complete ISR Forms in original, duly signed by all the holder(s), intimating the change in address immediately to the Registrar & Share Transfer Agent/Bank along with the self-attested copy of their PAN Card(s), unsigned copy of Cheque leaf of an active Bank account and the copy of the supporting documents evidencing change in address. Communication details of Registrar & Share Transfer Agent are as under:



M/s KFin Technologies Limited
Unit : Jammu & Kashmir Bank Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032,
Telangana - India.
Toll Free Number: 1-800-309-4001
Email: einward.ris@kfintech.com

SEBI vide its circular dated 24 January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

SEBI vide its circular dated 25 January, 2022, has mandated listed companies to issue securities only in dematerialised form while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of certificates / folios and transmission and transposition. In continuation to the said circular, SEBI vide another circular dated 30 December, 2022, has mandated that in cases where the securities holder / claimant fails to submit the dematerialisation request to the depository participant within the period of 120 days from the date of issuance of the letter of confirmation from RTA / company, the RTA shall then move the said securities to a physical folio "suspense escrow demat account" and dematerialise these securities.

Accordingly, the members are required to make a request for such services or to claim securities from 'suspense escrow demat account' by submitting a duly filled and signed Form ISR - 4, the format of which is enclosed with this report and is also available on the Bank's website at <https://www.jkbank.com/investor/stockExchangeIntimation/shareholderInformation.php>.

SEBI vide its circular dated 16th March, 2023, has made it mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers. Folios wherein any one of the cited document / details are not available on or after 1 October, 2023, shall be frozen by the RTA.

Accordingly, Members holding shares in physical form are required to update the same by submitting a duly filled and signed Form ISR - 1, SH -13, SH -14, ISR -3 and ISR -2, the format of which is enclosed with this report and is also available on the Bank's website at <https://www.jkbank.com/investor/stockExchangeIntimation/shareholderInformation.php>, on or before 1 October, 2023 to the RTA.

- i) Important communication to members
As per the provisions of Companies Act, 2013 as well

as Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been registered/made available to the Bank/Depository Participants for this purpose unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form and other documents annexed to the Notice, will be sent to them in the permitted mode.

The Bank hereby requests Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or Registrar & Share Transfer Agent of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants/Registrar & Share Transfer Agent of the Bank. Members holding shares in physical mode are also requested to update their email addresses by sending the requisite ISR documentation to the Registrar & Share Transfer Agent of the Bank quoting their folio number(s).

- j) The Statutory Registers maintained under the Act and all other documents referred to in the notice will be available for inspection by the Members at the annual general Meeting. The certificate from the Secretarial Auditor of the Bank pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection by the Members at the Annual General Meeting. Members desirous of getting any information about the accounts and operations of the Bank are requested to send their queries to the Bank at least ten days before the AGM at the email address sharedeptt_gc@jkbmail.com, to enable the Bank to gather information.
- k) Only Registered Members/Beneficial Owners carrying their attendance slips and holders of valid proxy forms registered with the Bank will be permitted to attend the meeting. Also Members/Proxy holders are requested to:
- Please carry photo ID card for identification/verification purposes.
 - Note that briefcases, mobile phones, bags, helmets, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security reasons and members/proxy holders will be required to take care of their belongings.
 - Note that no gifts will be distributed at the AGM.

- iv. Note that members present in person or through registered proxy shall only be entertained.
 - v. Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Registrar & Share Transfer Agent/Depository Participant.
 - vi. Quote their Folio/DP & Client Id No. in all correspondences with the Registrar & Share Transfer Agent/Bank.
 - vii. Avoid being accompanied by non-members and/or children.
- l) A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant items of business of this Notice is annexed herewith and the same should be taken as part of this Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the directors proposed to be appointed /re-appointed is set out in the Explanatory Statement to this Notice.
- m) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote during the AGM, provided the votes are not already cast by remote e-voting by the first holder.
- n) The route map for the AGM Venue is provided at the end of this notice.
- o) E-Voting:
The Bank is pleased to provide E-voting facility through M/s Kfin Technologies Limited, in compliance with Section 108 of the Companies Act, 2013 read with rules framed thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for all shareholders of the Bank to enable them to cast their votes electronically on the items mentioned in this notice of the 85th AGM of the Bank. Based on the consent received from Mr. Majaz Ahmad Bhat, Chartered Accountant, the Board of Directors of the Bank has appointed him as the Scrutinizer for conducting the voting process in a fair and transparent manner. E-voting is optional and Members can opt for only one mode for voting i.e. either by remote e-voting or vote at the AGM. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Bank as on the cut-off date i.e. Thursday, August 17, 2023.

The instructions for E-Voting are as under:

- i. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies",

e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

- ii. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participant(s) to access e-voting facility.
- iii. The remote e-voting period commences on Monday, August 21, 2023 from 0900 Hours to Wednesday, August 23, 2023 upto 1700 Hours. During the remote e-voting period, Members of the Company, holding shares either in physical form or in dematerialised form, may cast their votes electronically. The remote e-voting module shall be disabled by M/s KFin Technologies Ltd. for voting thereafter and thus, remote e-voting shall not be allowed beyond Wednesday, August 23, 2023 (1700 hours). Once the vote on all the resolutions are cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off Date i.e. Thursday, August 17, 2023. ("Cut-off Date").
- v. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of AGM Notice and holding shares as on the Cut-off Date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he/she is already registered with M/s KFin Technologies Ltd. for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vi. The details of the process and manner for remote e-voting, voting during the AGM and attending the AGM are explained herein below:

Step 1: Access to Depositories



e-voting system in case of individual Shareholders holding shares in demat mode.

Step 2: Access to M/s KFin Technologies Ltd. e-voting system in case of Shareholders holding shares in physical and non-individual Shareholders holding shares in demat mode

Step 3: Access to vote during the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-voting for Individual Shareholders holding shares in demat mode:

Type of Shareholders	Login Method
Individual Shareholders holding shares in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <p>I. Visit URL: https://eservices.nsd.com</p> <p>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting"</p> <p>IV. Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</p> <p>2. User not registered for IDeAS e-Services</p> <p>I. To register click on link : https://eservices.nsd.com</p> <p>II. Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in point 1</p> <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <p>I. Open URL: https://www.evoting.nsd.com/</p> <p>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. M/s KFin Technologies Ltd.</p> <p>V. On successful selection, you will be redirected to M/s KFin Technologies Ltd. e-Voting page for casting your vote during the remote e-Voting period</p>

Individual Shareholders holding shares in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <p>I. Visit URL: https://web.cdslindia.com/myeasinew/home/login/ or URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered User ID and Password.</p> <p>The user will see the e-voting Menu. Click on e-voting link available against the name of the Company and you will be re-directed to e-voting page of M/s KFin Technologies Ltd. for casting the vote during the remote e-voting period.</p>
	<p>2. User not registered for Easi / Easiest</p> <p>I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p>
	<p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>i. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin</p> <p>ii. Provide your demat Account Number and PAN No.</p> <p>iii. System will authenticate user by sending OTP on registered Mobile & e-mail as recorded in the demat Account.</p> <p>iv. After successful authentication, user will be redirected to M/s KFin Technologies Ltd. e-voting page for casting your vote during the remote e-voting period.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account websites of Depository Participants registered with NSDL/CDSL for e-voting facility.</p> <p>II. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>III. Click on options available against Company name or e-voting service provider - M/s KFin Technologies Ltd. and you will be redirected to e-voting website of M/s KFin Technologies Ltd. for casting your vote during the remote e-voting period without any further authentication.</p>

Members who are unable to retrieve User ID / Password are advised to use "Forgot user ID" / "Forgot Password" options available on the websites of Depositories / Depository Participant(s). Helpdesk for Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Shares held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Shares held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

Login method for remote e-Voting for Non-individual Shareholders holding shares in demat mode and Shareholders holding shares in physical mode. Members whose e-mail IDs are registered with the Company/Depository Participant(s), will receive an e-mail from M/s KFin Technologies Ltd. which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: [https:// evoting.kfintech.com](https://evoting.kfintech.com).
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with M/s KFin Technologies Ltd. for e-voting, you can use your existing User ID and password for casting the vote.
- 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 of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (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 ID 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 "EVENT" i.e., 'Jammu and Kashmir Bank 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 "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or

- "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ 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 and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the e-voting period, Members can login any number of times till they have voted on the Resolution(s) set forth in this Notice.
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s) pursuant to Section 113 of the Companies Act, 2013 at camajaz@gmail.com with a copy marked to evoting@kfintech.com and to the Bank at sharedeptt_gc@jkbmail.com.

Details on Step 3 are mentioned below:

Instructions for all the Shareholders for voting during the AGM.

- i. The facility for voting through electronic voting system shall also be made available at the Meeting and Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
- ii. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID". However, Members who have voted through remote e-voting shall be eligible to attend the AGM.
- iii. The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The facility for voting through electronic voting system ("Insta Poll") shall be made available at the Meeting.

OTHER INSTRUCTIONS:

- a. Members holding shares as on the Cut-off Date shall be entitled to vote through remote e-voting or vote at the meeting.
- b. User ID and password for e-voting is being sent on the registered email of shareholders. Members



whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Cut-off Date shall be entitled to avail the facility of remote e-voting or voting at the AGM, as the case may be. The voting rights shall be reckoned on the basis of number of equity shares held by the Members as on the Cut-off Date for the purpose.

- c. Members holding shares as on the Cut-off Date shall be entitled to vote through remote e-voting or voting during the AGM. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/ List of Beneficial Owner of the Company will be entitled to vote during the AGM.
 - d. The facility for remote e-voting shall remain available from Monday, August 21, 2023 from 0900 Hours to Wednesday, August 23, 2023 upto 1700 Hours. During this period shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 17, 2023 may cast their vote electronically. The e-voting module shall be disabled by Registrar and Share Transfer Agent for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically through remote e-voting may participate in the AGM but shall not be allowed to vote at the AGM.
 - e. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.kfintech.com> or contact M/s KFin Technologies Limited at Tel No. 1800-309-4001 (toll free).
 - f. Any person, who acquires shares of the Bank and become Member of the Bank after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-Voting.
- II. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Managing Director and CEO of the Bank who shall countersign the same.
 - III. The Managing Director and CEO or a person authorised by him in writing shall declare the result of voting forthwith.
 - IV. The voting results declared along with the Scrutinizer's Report will be placed on the Bank's website www.jkbank.com and on the website of M/s KFin Technologies Limited, <https://evoting.kfintech.com>, immediately after the declaration of the result by the Managing Director and CEO or a person authorized by the Managing Director and CEO. The

results will also be immediately intimated to The BSE Limited and National Stock Exchange of India Limited.

- V. Poll will also be conducted at the AGM and any Shareholder who has not cast vote through remote e-voting facility, may attend the AGM and cast vote.

Dividend Related Information:

1. The Record Date for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM, is Thursday, August 17, 2023. The Register of Members shall remain closed from Friday, August 18, 2023 to August 24, 2023.
2. Dividend as recommended by the Board of Directors, if approved at the AGM, will be paid by or before Friday, September 22, 2023, by way of electronic mode or through physical dividend warrants, to those Members whose names appear on the Register of Members/statements of beneficial position received from NSDL and/or CDSL at the close of business hours on Thursday, August 17, 2023.
3. Members holding shares in physical form are requested to send the completed ISR Forms in original, duly signed by all the holder(s), intimating the change in address immediately to the Registrar & Share Transfer Agent/Bank along with the self-attested copy of their PAN Card(s), unsigned copy of Cheque leaf of an active Bank account and the copy of the supporting documents evidencing change in address. Communication details of Registrar & Share Transfer Agent are as under:
M/s KFin Technologies Limited
Unit : Jammu and Kashmir Bank Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032,
Telangana - India.
Toll Free Number: 1-800-309-4001
Email: einward.ris@kfintech.com
4. In case, the Bank is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of the details of the bank account, the Bank shall dispatch the dividend warrant to such shareholder by post.
5. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank after April 1, 2020, shall be taxable in the hands of the shareholders and the Bank shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in the AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act on the link: <https://>

ris.kfintech.com/form15/forms.aspx?q=0 by or before August 20, 2023.

a) For Resident Shareholders

Tax will be deducted at source ("TDS") under Section 194 of the IT Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the IT Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed/paid to them by the company during a financial year does not exceed Rs.5,000.

Tax will not be deducted at source in cases where a shareholder provides Form 15G (applicable to all individuals)/ Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are satisfied. Please note that all fields mentioned in the Form are mandatory and the Bank may reject the forms submitted, if they do not fulfil the requirement of the law.

Needless to mention, valid Permanent Account Number ("PAN") will be mandatorily required. Shareholders who are required to link Aadhaar number with PAN as required under section 139AA(2) read with Rule 114AAA, should compulsorily link the same. If, as required under the law, any PAN is found to have not been linked with Aadhaar, then such PAN will be inoperative and tax would be deducted at a higher rate under section 206AA of the IT Act. The Bank reserves its right to recover any demand raised subsequently on the Bank for not informing the Bank or providing wrong information about applicability of Section 206AA in your case.

Nil/lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

- I. **Insurance Companies:** Declaration that the provisions of Section 194 of the IT Act are not applicable to them along with self-attested copy of registration certificate and PAN card.
- II. **Mutual Funds:** Declaration by Mutual Funds Shareholders eligible for exemption under section 10(23D) of the IT Act along with self-attested copy of registration documents and PAN card.
- III. **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI regulations, along with copy of self-attested registration documents and PAN card.
- IV. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- V. **Other Shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- VI. Shareholders who have provided a valid certificate issued under section 197 of the Act for lower/nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

b) For Non-Resident Shareholders (including Foreign Portfolio Investors)

Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the IT Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge

and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide the following:

- I. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities.
- II. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident.
- III. Self-declaration in Form 10F.
- IV. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act).
- V. In case of Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
- VI. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA)

Please note that the application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable DTAA. It must be ensured that self-declaration should be addressed to the Bank and should be in the prescribed format. In absence of the same, the Bank will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

The Bank shall arrange to e-mail the soft copy of TDS certificate at the registered e-mail ID of Members post payment of the dividend.

Section 206AB of the Act

Rate of TDS @10% under section 194 of the IT Act is subject to provisions of Section 206AB of IT Act which provides for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at the highest of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on dividend, the Bank will be using functionality of the Income Tax department to determine the applicability of Section 206AB of the IT Act.

To summarise, dividend will be paid after deducting the tax at source as under:

- I. Nil for resident shareholders receiving dividend upto Rs.5,000/- or in case Form 15G/Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.



- II. 10% for other resident shareholders in case copy of PAN card is provided/available.
- III. 20% for resident shareholders if copy of PAN card is not provided/not available/not linked with Aadhar Number.
- IV. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- V. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- VI. Lower/Nil TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the IT Act.

Aforesaid rates will be subject to applicability of Section 206AB of the IT Act. In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted

at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Bank in the manner prescribed by the said rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details/documents, you will be able to claim refund of the excess tax deducted while filing your Income Tax Return. No claim shall lie against the Bank for such taxes deducted.

Updation of Bank Account details: While on the subject, we request you to submit/update your bank account details with your Depository Participant, in case you are holding shares in electronic form. In case your shareholding is in physical form, you will have to submit a scanned copy of a covering letter, mentioning the folio number alongwith the requisite ISR documentation, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.



Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 04

Though not strictly necessary, Explanatory Statement is being given for Item No. 04 of the Notice, with the view to set-out material facts concerning such business. Pursuant to the provisions of Section 142 of the Companies Act, 2013, the remuneration of Auditors, appointed by C&AG under Section 139(5) of the Companies Act, 2013, has to be fixed by the Bank in General Meeting or in such manner as the Bank in the General Meeting may determine.

Members may accordingly authorize the Board of Directors to fix the remuneration of Auditors as per the best industry practices among the peer banks for the financial year 2023-24 including remuneration for the Limited Review of Quarterly Financial Results for the period ending 30th June, 2023, 30th September, 2023 and 31st December, 2023.

The Board of Directors recommends the passing of the proposed Resolution at Item No.04.

No Director, Key Managerial Personnel of the Bank or their relatives is in anyway concerned or interested in the Resolution.

ITEM NO. 05 & 06

The implementation of Basel III guidelines has necessitated the need for banks in India to augment their capital base. This becomes important as Basel III capital requirements call for increase in quantity and quality of capital, besides providing for capital buffer during economic downturn. The Basel III capital regulations were implemented in India with effect from April 1, 2013. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. Basel III capital regulations

were fully implemented from October 01, 2021.

Capital Adequacy Ratio (CAR) is an important measure of "safety and soundness" for banks because it serves as a buffer or cushion for absorbing losses. It is one of the major benchmarks for financial institutions the world over, especially with the introduction and adoption of Basel Framework.

The Capital requirement that has been envisaged by the Reserve Bank of India under Basel III and has to be met universally by all scheduled commercial banks in India is depicted as under:

	Basel-III Regulatory Capital	As % to RWAs
(i)	Minimum Common Equity Tier 1 ratio	5.5
(ii)	Capital Conservation Buffer (comprising of Common Equity)	2.5
(iii)	Minimum Common Equity Tier 1 ratio plus capital conservation buffer [(i)+(ii)]	8.0
(iv)	Additional Tier 1 Capital	1.5
(v)	Minimum Tier 1 capital ratio [(i) +(iv)]	7.0
(vi)	Tier 2 capital	2.0
(vii)	Minimum Total Capital Ratio (MTC) [(v)+(vi)]	9.0
(viii)	Minimum Total Capital Ratio plus capital conservation buffer [(vii)+(ii)]	11.5

Bank's historic Capital position over past 5 years is appended below:

(Amount in Crores)

Summary	March-23	March-22	March-21	March-20	March-19
CET Capital	8549.38	7498.58	6079.37	5773.42	6213.72
Tier I	9549.38	8498.58	7079.37	6773.42	7213.72
Tier II	2352.40	1084.99	1322.9	1047.29	1264.95
Capital Funds	11901.78	9583.57	8402.27	7820.71	8478.67
Credit Risk weighted Assets	67367.85	62795.14	60428.44	61108.00	60442.58
Market Risk Weighted Assets	1850.56	1776.78	1162.70	962.35	1693.16
Operational Risk Weighted Assets	8154.92	7885.81	7301.72	6515.88	5912.84
Total RWAs	77373.33	72457.73	68892.86	68586.23	68048.58
CET Ratio (%)	11.05	10.35	8.82	8.42	9.13
Tier I Ratio (%)	12.34	11.73	10.28	9.88	10.60
Tier II Ratio (%)	3.04	1.50	1.92	1.53	1.86
CRAR (%)	15.38	13.23	12.20	11.40	12.46



Bank for meeting the regulatory requirement and impending implementation of ECL/Ind-AS and to have adequate capital buffer over and above regulatory minimum to meet supervisory capital, had initiated the process for infusion of fresh capital through various modes in FY 2022-23. Bank during Q3 FY2022-23 infused Tier II capital of INR 1021 crores, which along with internal accruals for FY 2022-23 post dividend payout has augmented the capital base of the Bank. Further, the Bank raised equity capital through Employee Stock Purchase Scheme, 2023 (JKBESPS-2023) through allotment of 7 Crore equity shares to the eligible employees. The total amount received by the Bank on this account aggregates to INR 338.31 crores which includes INR 7.00 crores as paid up capital and INR 331.31 crores as share premium. However, owing to the observations of the Statutory Auditors, Bank, as a matter of adopting prudent Corporate Governance Standards, has not reckoned the amount in the Capital funds as on March 31, 2023 and has not been included in calculation of CRAR.

To gauge the capital requirements under Basel III and have Capital for business growth, Capital Planning exercise is carried out by Bank under Internal Capital Adequacy Assessment Process (ICAAP). The exercise is reviewed on regular basis (quarterly) in light of economic and business environment and takes in account the expected / estimated future developments such as balance sheet growth, strategic plans, macroeconomic factors, etc. and subsequently defines the capital position/requirements of the Bank. An appropriate strategy is developed to ensure that the Bank maintains adequate capital commensurate with the nature, scope, scale, complexity and risks inherent in the Bank's on-balance-sheet and off-balance-sheet activities which includes raising fresh capital through various means available like follow-up issue, rights issue, preferential issue to government, employees (ESOP/ESPS)/public, institutional placements, raising of AT1 & Tier II bonds and other permitted mode of raising capital. Based on the above factors in the Capital planning exercise carried out to support its balance sheet growth, Bank needs to augment its Capital base during FY 2023-24.

In the back drop of pursuing envisaged balance sheet growth during FY 2023-24, Bank envisages to further augment the Capital base by infusion of upto INR 1750 crores - upto INR 1000 crores of Tier II capital and upto INR 750 crores Equity capital during Q3-Q4 FY2023-24 by approaching the market, besides, recognition of 338.31 crores of equity capital raised through ESPS during FY 2022-23 (subject to Regulatory clearance) towards the CRAR of the Bank. With the projected infusion, Bank is expected to meet minimum Regulatory Capital Requirement and have adequate Capital buffer in place for business growth and pillar 2 risks.

The Board of Directors recommends the passing of the proposed Special Resolution at Item No. 05 & 06.

No Director, Key Managerial Personnel of the Bank or their relatives is in anyway concerned or interested in the Resolution.

ITEM NO. 07

Dr. Pawan Kotwal (DIN: 02455728) was appointed as an Additional Director on the Board of the Bank on 24th July, 2023. The Bank has now received a notice pursuant to the provisions of Section 160 of the Companies Act, 2013 from the Director proposing his candidature for directorship of the Bank.

The Bank has also received from Dr. Pawan Kotwal (DIN: 02455728) consent in writing to act as Director pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Companies Act, 2013.

Brief profile of Dr. Pawan Kotwal (DIN: 02455728) is provided in the Corporate Governance Report forming part of Annual Report 2022-23.

The Board upon the recommendations of the Nomination and Remuneration Committee, recommends the resolution as set out in Item No. 07 of the Notice for approval of Members as an Ordinary Resolution.

Except Dr. Pawan Kotwal (DIN: 02455728), no other Director, Key Managerial Personnel of the Bank or their relatives is in anyway concerned or interested in the Resolution.

The Details as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed to this Notice.

ITEM NO. 08

The Bank being a listed Company is governed by the Banking Regulation Act, 1949, Companies Act, 2013, RBI directives, SEBI rules and regulations and other regulatory requirements and directions. The Bank has already in place Memorandum and Articles of Association which govern the business and other matters of the Bank.

Since the scenario in today's business world is dynamic, the Acts, Rules and Regulations which govern the Bank are subject to changes/amendments, and accordingly, the Memorandum and Articles of Association of the Bank also require modifications/amendments, so as to align the same with the regulatory/statutory requirements.

In view of the above, it is as such proposed, if approved, to amend the Articles of Association of the Bank as per regulatory/statutory requirements. The relevant portion of the existing and the proposed Articles of Association of the Bank alongwith the reasons for the same are as under:

AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
4 t	Company Secretary or Secretary	“Secretary” means a person, subordinate to the Chairman, appointed as such who, subject to the supervision, control and direction of the Chairman, besides working as Secretary to the Board, performs such administrative and ministerial duties as may be laid down for him by the Chairman.	“Company Secretary” or “Secretary” means a person who is a member of the Institute of Company Secretaries of India (ICSI) and who is appointed by the Bank to perform the functions of a Company Secretary under the Companies Act.	Definition updated as per applicable statute.
4 v	Beneficial Owner	Appearing presently under 4 v	Placed after Article 4 b as 4b(a) (under alphabet B).	To have the definition of “Beneficial Owner” under Alphabet B.
4	---	4 v), w), x), y)	The definitions appearing after 4 v accordingly re-arranged.	Rearranged consequent of placing definition of beneficial under alphabet B.
4 z	Securities	---	“Securities” shall have same meaning as assigned to it under section 2(h) of Securities Contracts Regulation Act, 1956.	Definition added to define the term securities.
11	Register and Index of Members	The Company shall cause to be kept a Register and Index of members in accordance with Sections 88 of the Companies Act, 2013.	The Company shall cause to be kept a Register and Index of Members in accordance with Section 88 of the Companies Act, 2013 read with Section 11 of the Depositories Act, 1996 (22 of 1996).	To make proper reference to applicable laws.
13(1)	Further issue of Capital	(1) Where the Board decides to increase the Subscribed Capital of the Company by the allotment of further shares either out of the un issued capital or out of the increased share capital then. a) Such further shares shall be offered to the persons who at the date of Offer are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date. b) Such offer shall be made by a notice signifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed, to have been declined. c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason shares to allot to any shares to any person in whose favour any member may renounce the shares offered to him. d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such a manner and to such person/s as they may think, in their sole discretion, fit.	(1) Where at any time, the Company intends to increase its subscribed capital by issue of further shares, such shares shall be offered– (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: i. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; ii. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; iii. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company; (b) to employees under a scheme of employees’ stock option, subject to special resolution passed by company and subject to compliance of applicable laws/ regulations; or (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance of applicable laws/ regulations.	Clause redrafted as per requirements of Section 62 of Companies Act, 2013.



AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
		<p>(2) Notwithstanding anything contained in sub clause (1) thereof, the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.</p> <p>a) If a special resolution to that effect is passed by the Company in General Meeting, or;</p> <p>b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the members, who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.</p>	<p>(2) The notice referred to in sub-clause (i) of clause (a) herein above shall be dispatched through registered post or speed post or courier or through electronic mode or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.</p>	
		<p>(3) Nothing in sub clause (c) of (1) hereof shall be deemed:</p> <p>a) To extend the time within which the offer should be accepted, or;</p> <p>b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p>	<p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p>	
		<p>(4) Nothing in this Article shall apply to the increase of the Subscribed Capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company :</p> <p>a) To convert such Debentures or Loans into shares in the Company, or;</p> <p>b) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).</p> <p>Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:</p> <p>i. either has been approved by the Central Government before the issue of Debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and</p> <p>ii. in the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.</p>	<p>(4) Notwithstanding anything contained in sub-clause (3) hereinabove, where any debentures have been issued, or loan has been obtained from Government by the company, and if the Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion;</p> <p>Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.</p>	

AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
			<p>(5) In determining the terms and conditions of conversion under sub-clause (4) hereinabove, the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.</p> <p>(6) Where the Government has, by an order made under sub-clause (4) hereinabove, directed that any debenture or loan or any part thereof shall be converted into shares in the company and where no appeal has been preferred to the Tribunal under sub-clause (4) hereinabove, or where such appeal has been dismissed, the memorandum of the company shall, where such order has the effect of increasing the authorized share capital of the company, stand altered and the authorised share capital of the company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.</p>	
13 A	Terms of Issue of Debentures	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Debentures with a right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of nominee Directors of Debenture Trustee in the manner detailed herein below in Article 69-A. Debentures with a right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Amended as per Regulation 23 (6) SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023
14	Shares under control of Directors	Subject to the provisions of Section 81 of the Companies Act, and these Articles, the shares in the capital of the Company for time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, may issue and allot shares in the Capital of the Company on payment in full or part of any property sold or transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid up shares Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, may issue and allot shares in the Capital of the Company on payment in full or part of any property sold or transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.	Section 81 referred in the Article refers to Companies Act, 1956. Article updated as per provisions of Companies Act, 2013.



AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
15	Power also to company in General meeting to issue shares.	<p>(a) In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons in such proportion and on such terms and conditions, and either (subject to compliance with the provisions of Sections 52 and 54 of the Companies Act, 2013) at a premium or at par, as such General Meeting shall determine and with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Companies Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting; or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.</p> <p>(b) The Company in its General Meeting may increase its Paid-up capital through capitalisation of its General Reserves (over and above the statutory reserve fund) by issue of Bonus Shares to its existing shareholders on the pattern as may be decided by the Company in its General Meeting whose names appear in the books of the Company on the date of such meeting of the Company, subject to compliance with the provisions of the Companies Act 2013 and other guidelines issued by Government or other Regulatory Bodies in this regard from time to time.</p>	<p>(a) The Company in the General Meeting may decide that any shares (whether forming part of the original capital or of any increased capital) shall be offered to such persons in such proportion and on such terms and conditions, either at a premium or at par or at a discount, as may be determined. Such General Meeting shall determine to give any person(s) the option to call for or be allotted shares of any class of the Company. The Article however shall be subject to Articles 13, 14 (supra) and sections 52 to 54 of the Act.</p> <p>(b) Subject to compliance with the provisions of the Companies Act 2013 and other applicable guidelines/ regulations, the Company in its General Meeting may increase its Paid-up capital through capitalisation of its General Reserves (over and above the statutory reserve fund) by issue of Bonus Shares to its existing shareholders on the pattern as may be decided by the Company in its General Meeting whose names appear in the books of the Company on the date of such meeting of the Company.</p>	To improve the language of the Article and to have more clarity.
25	Share Certificate by whom to be signed	<p>Every member shall be entitled to receive gratis one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the common Seal of the Company signed by two of the Directors and countersigned by the Secretary, or by any person or persons authorised for the purpose by the Directors and such certificate(s) shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.</p>	<p>Every certificate of shares shall be under the Common Seal of the Company signed by two of the Directors and by the Secretary, or by such other person as the Board may appoint for the purpose and such certificate(s) shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>Notwithstanding anything contained herein, the manner of issue of certificate of shares or the duplicates thereof, the form of such certificate, the particulars to be entered in the register of member and other matters shall be such as may be prescribed under the Act or rules thereto. Where a share is held in a depository form, the record of the depository is the prima facie evidence of the interest of the Beneficial Owner.</p>	As per proviso to Regulation 2(ii) and Regulation 79 Table F of Companies Act, 2013 (Articles of Association of a Company Limited by Shares).

AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
26	Issue of Duplicate/ Renewed Certificate	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, or if any certificate comprising of more than one share is to be splitted into two or more separate certificates then upon production and surrender thereof to the Company, new certificate(s) may be issued in lieu thereof without charging any fee and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and upon execution of such indemnity as the Company deem fit and adequate, being given, and on payment of out of pocket expenses incurred by the Company in investigating evidence, new certificate(s) in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, without payment of fees, if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>Provided that notwithstanding what is stated above the Company shall comply with such Rules or Regulations or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	As per Regulation 3(i) Table F of Companies Act, 2013 (Articles of Association of a Company Limited by Shares
36	Calls to carry interest.	<p>If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18%⁴ but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.</p>	<p>If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, such Member shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	(Amended in terms of regulation 16 (i & ii) of Table F of Companies Act, 2013).



AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
47	Certificate of forfeiture	A certificate in writing under the signatures of two Directors and countersigned by the Secretary or any other person who may be appointed for the purpose by the Directors, that the call in respect of a share was made, or as the case may be, interest in respect of a call was payable and notice thereof specified in Clause 41 of these Articles was given but not complied with, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to or interested in such share and such declaration and the receipt of the Bank for the price of such share shall constitute a good title to such share and a certificate such as specified in Clause 26 of these Articles shall be delivered to the purchaser and thereupon he shall be deemed to be the holder of such share discharged from all calls due prior to such purchase and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture of the share and after his name has been entered in the register in respect of such share or shares, the validity of the sale shall not be impeached by any person and the remedy, if any, of the person aggrieved by the sale shall be in damages only and against the Bank exclusively.	A duly verified declaration in writing that the declarant is a Director, or the Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share.	Amended in terms of regulation 33 of Table F of Companies Act, 2013).
65	Power to Borrow	Subject to the provisions of Section 179, 180 and 181 of the Companies Act, 2013 the Directors may, from time to time, at their discretion, by means of a resolution passed at their meeting, borrow, or secure the payment of, any sum or sums of money for the purposes of the Company, PROVIDED that the Directors shall not, without the sanction of a General Meeting of the Company, borrow money where the moneys to be borrowed, together with the moneys already borrowed by the Company, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves, not set apart for specific purposes.	Subject to the provisions of Section 179, 180 and 181 of the Companies Act, 2013 the Directors may, from time to time, at their discretion, by means of a resolution passed at their meeting, borrow, or secure the payment of, any sum or sums of money for the purposes of the Company, PROVIDED that the Directors shall not, without the sanction of a General Meeting of the Company, borrow money where the moneys to be borrowed, together with the moneys already borrowed by the Company, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the Company, its free reserves (that is to say, reserves, not set apart for specific purposes) and securities premium.	Amended as per Sections 179 and 180 of the Companies Act.
69A	Nomina- tion of a Director on the Board of the Bank by Debenture Trustee(s)	Nil	Subject to the provisions of Companies Act, 2013, rules made thereunder and SEBI Regulations, the Debenture Trustee(s) shall have the power to nominate a director on the Board of the Bank in the event of: i. two consecutive defaults in payment of interest to the debenture holders; or ii. default in creation of security for debentures; or iii. default in redemption of debentures.	Incorporated pursuant to Regulation 23 (6) SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023

AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
103(3)	Chair- man with consent of sharehold- ers may adjourn meeting.	“In the case of an adjourned meeting, the Bank shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.”	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Amended as per Regulation 49 Table F schedule-I
105	Questions at General Meeting how decided	At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five Members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid-up which in not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried unanimously, or by a particular majority, or lost, an entry to that effect in the Minute books of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.	At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five Members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being Shares on which an aggregate sum of not less than five lakh rupees or such higher amount has been paid - up as may be prescribed by the Act or the rules made thereunder. A declaration by the Chairman that a resolution has, on a show of hands been carried unanimously, or by a particular majority, or lost, an entry to that effect in the Minute books of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.	Amended as per Section 109 (1) (a) of the Companies Act, 2013
107	Poll to be taken	If a poll is demanded as aforesaid it shall be taken in such manner and at such time not being later than forty-eight hours from the time and place as the Chairman of the Meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive	If a poll is demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such time, not being later than forty eight hours from the time when the demand was made, as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.	Amended as per Section 109 (4) of the Companies Act, 2013
110 (a)	What share- holders may	<u>VOTES OF SHAREHOLDERS</u> On a show of hands every member present in person shall have one vote, and Electronically every member present in person or by proxy shall have voting right in proportion to his share of the paid-up equity Capital of the Company.	<u>VOTING RIGHTS OF SHAREHOLDERS</u> On a show of hands every member present in person shall have one vote; and on a poll /voting by electronic means, the voting rights of Members shall be in proportion to their share of the paid-up equity Capital of the Company.	Title of the Article and the Article Amended as per Regulation 50 Table F schedule-I.



AR- TICLE NO.	TITLE OF THE AR- TICLE	EXISTING	REVISED/AMENDED	REASON(S) FOR MODIFICATION
110 (b)		Any person entitled under Article 56 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours atleast before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-compos-mentis, he may vote whether by a show of hands or at a poll by his committee curator-bons or other legal curator and such last mentioned persons may give their votes by proxy.	Any person entitled under Article 56 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours atleast before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	Amended in line with Regulation 53 of Table-F, schedule-I)
113 (b)	Deposit of instrument of proxy	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or an office copy or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time of holding the meeting at which the person named in such instrument purports to vote in respect thereof but no instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	(amended in line with Regulation 57 of Table-F, schedule-I)
128 (b)	Accounts to be audited annually	Without prejudice to the provision of 139(5) of the Companies Act, 2013, the Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting. Their appointment, retirement, remuneration, rights and duties shall be regulated by Sections 224 to 231 of the Companies Act.	Without prejudice to the provision of 139(5) of the Companies Act, 2013, the Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting. Their appointment, retirement, remuneration, rights and duties shall be regulated by Sections 139 to 148 of the Companies Act.	Reference to sections 224 to 231 relate to Companies Act, 1956. Replaced with relevant Sections 139 to 148 of the Companies Act, 2013.
135	Secrecy clause	Every member of the Board of Directors, General Manager, Auditor, member of a Committee, Officer, Servant Agent, Accountant or other person employed in the business of the Company, shall be bound to observe strict SECRECY respecting all transactions of the Company with the customers and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters, which may come to his knowledge in the discharge of his duties except when required so to do by the Board of Directors or by any meeting, or by a Court of Law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions herein contained	Every member of the Board of Directors, General Manager, officer or any other employee/ person /agent, Auditor of the Company shall be bound to observe strict secrecy respecting all transactions of the Company with the customers and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters, which may come to their knowledge in the discharge of their duties except when required so to do by the Board of Directors or by any meeting, or by a Court of Law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions herein contained.	To have more clarity as to persons required to maintain secrecy.

Details of Directors seeking appointment/re-appointment at the 85th Annual General Meeting as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Details of Directors seeking appointment/reappointment at the 85 th Annual General Meeting	
Name	R K Chhibber	Pawan Kotwal, IAS
Category	Rotational Director	Rotational Director
DIN	08190084	02455728
Date of Birth	09-10-1959	04-12-1965
Qualification	BSc, CAIIB Part I	MBBS
Nature of Expertise / Experience	Banking, Finance, Accountancy, Treasury & Investment Management, Agriculture & Rural Economy	Administration, Finance and SSI
Terms and conditions of appointment	Re-appointment as Director liable to retire by rotation.	Appointment as Director liable to retire by rotation.
Details of Remuneration paid and last drawn remuneration (including sitting fees) during Financial Year 2022-2023	Sitting Fee of Rs.20,40,000.00 and Commission of Rs.2,52,055.00. It is pertinent to mention that the Commission pertains to financial year 2021-22.	NA
Remuneration proposed to be paid	Non-Executive Directors (excluding Government Nominee Directors in active service; RBI Nominated Directors in active service; Directors in Active Service of Government) are paid the sitting fee of Rs.70,000 for attending each meeting of the Board and Rs.40,000 for a Committee thereof. In addition, the non-executive directors (as above) are also entitled to profit-related compensation to the extent of one percent of the profits of the Bank for the relevant financial year, subject to a maximum of Rs.10 Lakhs per annum per Director. However, as on date, the Board of Directors has mutually decided to keep the sitting fee for attending a meeting of the Board as Rs.40,000.	Since Dr. Pawan Kotwal, IAS is presently in full time employment of Govt. of UT of Ladakh, therefore he shall not be entitled to remuneration.
Date of First Appointment on the Board	10 th June, 2019	24 th July, 2023
Shareholding in the Bank	500 Shares	0
Relationship with other Directors, Key Managerial Personnel	Nil	Nil
No. of Board Meetings attended during the financial year 2022-2023	Attended 17 out of 17 meetings held during the financial year 2022-2023	NA
No. of Committee Meetings attended during the financial year 2022-2023	Attended 34 out of 34 meetings held during the financial year 2022-2023	NA
Directorships, Membership / Chairmanship of Committees of other Boards	Nil	Nil



Director's Report

To the Members,

Your Board of Directors has pleasure in presenting the 85th Annual Report of your Bank, together with the audited Balance Sheet, Profit and Loss Account and the report on business and operations for the year ended 31st March, 2023.

Performance at a Glance

- The aggregate business of the Bank stood at Rs.204323.19 Crore at the end of the financial year 2022-23.
- The total deposits of the Bank grew by Rs.7327.36 Crore from Rs.114710.38 Crore as on 31st March, 2022 to Rs.122037.74 Crore as on 31st March, 2023, a growth of 6.39 percent.
- CASA deposits of the Bank at Rs. 66017.98 Crore constituted 54.10 percent of total deposits of the Bank.
- Cost of deposits for current FY stood at 3.79 percent.
- The net advances of the Bank stood at Rs.82285.45 Crore as on 31st March, 2023.
- Yield on advances for the current FY stood at 8.91 percent.
- Average Priority sector advances stood at Rs.32,800.26 Crore as on 31st March, 2023.
- The Bank effected cumulative cash recovery, up-gradation of NPA's and technical write-off of Rs.8762.71 Crores during FY 2022-23.
- Investment portfolio of the Bank stood at Rs.34829.15 Crore as on 31st March, 2023.

Insurance Business

The Bank earned a commission income of Rs. 70.69 Crore from Insurance Business by mobilizing a business of Rs 568.2 Crore in life insurance (including fresh retail life business of Rs 155.17 Crore, Credit life business of Rs 96.68 Crore and renewal business of Rs 316.35 Crore) and Rs 245.66 Crore in non-life insurance during financial year 2022-23.

Income Analysis

- The Interest income of the Bank stood at Rs.9355.11 Crore in the year 2022-23. Interest expenses stood at Rs.4609.83 Crore for FY2022-23. The Net Interest Income stood at Rs. 4745.28 Crore for FY2022-23.
- The Net Income from operations [Interest Spread plus Non-interest Income] stood at Rs.5502.09 Crore in the financial year 2022-23.
- The Operating Expenses registered an increase of Rs.50.82 Crore during the financial year 2022-23 and stood at Rs.3643.60 Crore as compared to Rs.3592.78 Crore in 2021-22.
- The Cost to Income ratio (Operating Expenses to Net Operating Income) stood at 66.22 percent in the financial year 2022-23.

Gross Profit

The Gross Profit for the financial year 2022-23 stood at Rs.1858.49 Crore.

Provisions

The Provision for Loan Losses, Standard Assets, Taxation and others aggregated to Rs.661.11 Crore in the financial year 2022-23.

Net Profit/Loss

The Bank registered a Net Profit of Rs.1197.38 Crore for the financial year 2022-23.

Dividend

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 4th & 5th May, 2023, recommended dividend of 50 per cent for the financial year 2022-23 for approval by the shareholders at the 85th Annual General Meeting. If approved, the total outflow on account of dividend for the year 2022-23 will be Rs. 51.57 Crore. The record date for payment of dividend is mentioned in the notice of the ensuing 85th AGM of the Bank. In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of the Members. Therefore, the dividend will be paid to the Members after deduction of applicable tax, if any.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has formulated and adopted a Dividend Distribution Policy with the objective of appropriately rewarding Shareholders through dividends while retaining the capital required for meeting regulatory capital requirements, maintaining adequate buffers and supporting its future growth. The said Policy has been hosted on the website of the Bank at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>.

Branch/ATM Network

During the financial year 2022-23, 10 new branches were established, thereby taking the number of branches to 990 (including IARBs) as on 31.03.2023, spread over 18 states and 4 union territories. The area-wise breakup of the branch network (excluding extension counters/ mobile branches and Service branches) on the basis of census 2011 as at the end of FY 2022-23 is as under:

Area	Business Units (including IARBs)
Metro	174
Urban	110
Semi-Urban	162
Rural	544
Total	990

During the financial year FY 2022-23, 5 EBU/USBs were established taking the total number of EBU/USBs to 82 and 17 ATMs were added taking the ATM network of the Bank to 1421 as on 31.03.2023.

Capital

The capital management framework of the Bank includes a comprehensive internal capital adequacy assessment process conducted periodically, which determines the adequate level of capitalization needed to meet the regulatory norms and current and future business needs.

The capital management framework of the Bank is complemented by the risk management framework, which covers the business and capital plans and stress testing results integrated with the internal capital adequacy assessment process while assessing its impact on the capital ratios and adequacy of capital buffers for current and future periods.

As at March 31, 2023, the Subscribed and Paid-up Capital of the Bank stood at Rs.103,14,79,861.00 comprising of 103,14,79,861 equity shares, which is 9,85,93,267 equity shares more than as at March 31, 2022. The said capital was raised by way of:

- Allotment of 2,85,93,267 equity shares at a price of Rs.32.70 which was at a discount of 4.97% (i.e. Rs.1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total amount of Rs.93,49,99,830.90. The Issue opened on March 28, 2022 and closed on March 31, 2022. The allotment was made on April 01, 2022, and
- Allotment of 7,00,00,000 equity shares at a price of Rs.39.25 to the eligible employees of the Bank under J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) amounting to a total of Rs.274,75,00,000.00.

Employees Stock Purchase Scheme

Jammu and Kashmir Bank Employee Stock Purchase Scheme, 2023 (JKBESPS, 2023) was approved and implemented by the Bank and shares were granted to the eligible employees in accordance with guidelines applicable to ESPS. The Statutory Central Auditors have however issued a qualified opinion with respect to the funds raised through ESPS. For Management Response to the observations of the Auditors, please refer to Corporate Governance Section of this Report. The Bank has received a certificate from the Secretarial Auditor of the Bank pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the same is available on the website of the Bank at <https://www.jkbank.com/investor/investorInfo/ESPS.php>

Net Worth and Capital Adequacy Ratio (CRAR)

- The Net Worth of the Bank stood at Rs.8323.67 Crore on 31st March 2023.
- Capital Adequacy Ratio under Basel III stood at 15.38 percent as on March, 2023. The tier I component of CRAR is 11.04 percent as on 31st March 2023.
- Adjusted Book Value per Share for the financial year 2022-23 stood at Rs.67.76.

Board of Directors

Your Bank has Nine (9) Directors consisting of MD & CEO, Executive Director and 7 Non-Executive Directors as on 31st March, 2023.

Independent and Non-Independent Directors

• Non-Independent Executive Director

Mr. Baldev Prakash (DIN: 09421701), Non Independent Executive Director has been serving as the MD & CEO of the Bank since December 30, 2021, with the approval of Reserve Bank of India (RBI). Mr. Sudhir Gupta (DIN: 09614492), Non Independent Executive Director has been serving as the Executive Director of the Bank since December 14, 2022, with the approval of Reserve Bank of India (RBI).

• Non-Independent Non-Executive Director

Mr. R K Chhibber is the Non-Independent Non-Executive Director of the Bank.

• Independent Non-Executive Director

In terms of the definition of 'Independent Director' as prescribed under Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and based on the declarations/disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:-

1. Dr. Rajeev Lochan Bishnoi
2. Mr. Naba Kishore Sahoo
3. Mr. Umesh Chandra Pandey
4. Mr. Anil Kumar Goel
5. Mr. Anand Kumar
6. Ms. Shahla Ayoub

All Independent Directors of the Bank have given their respective declarations stating that they meet the criteria of independence as laid down under the applicable laws and in the opinion of the Board, the independent directors meet the said criteria.

Appointments/Resignations from the Board of Directors

During the FY 2022-23, there were following changes in the composition of the Board:

- Mr. Vivek Bhardwaj, IAS (DIN: 02847409) was appointed as Govt. Nominee Director w.e.f May 17, 2022 in place of Mr. Atal Dulloo, IAS (DIN: 03542909).
- Dr. Mohmad Ishaq Wani (DIN: 08944038) ceased to be the Director on the Board of the Bank w.e.f. August 24, 2022 consequent upon his non-re-appointment at the 84th Annual General Meeting of the Bank.
- Mrs. Sushmita Chadha (DIN: 02939808) resigned as an Independent Director on the Board of the Bank w.e.f. September 27, 2022 due to her personal reasons.
- Mr. Nitishwar Kumar (DIN: 05326456) resigned as a Director on the Board of the Bank w.e.f October 13, 2022.
- Mr. Sudhir Gupta (DIN: 09614492) was appointed as an Executive Director on the Board of the Bank w.e.f. December 14, 2022
- Ms. Shahla Ayoub (DIN: 09834993) was appointed as Independent Director on the Board of the Bank w.e.f. December 26, 2022
- Mr. Vivek Bhardwaj, IAS (DIN: 02847409) ceased to be the Govt. Nominee Director on the Board of the Bank w.e.f. January 25, 2023 consequent upon withdrawal of his nomination by the Government of UT of Jammu and Kashmir.



During the year under review, Mrs. Sushmita Chadha, Independent Director and Mr. Nitishwar Kumar, IAS resigned from the Board of the Bank w.e.f. September 27, 2022 and October 13, 2022 respectively due to their personal reasons before the expiry of their tenure. Further, it has been confirmed by the said Directors that there were no material reasons other than personal reasons for their resignations.

The Board acknowledges the invaluable contributions rendered by the outgoing Directors during their tenure as Directors on the Board of the Bank and places on record deep appreciation for their invaluable contribution/ guidance as Members of the Board.

Changes in the Board of Directors after the Closure of Financial Year

Mr. Pawan Kotwal (DIN: 02455728) was appointed as an Additional Director on the Board of the Bank on July 24, 2023.

Directors seeking appointment/re-appointment at AGM

Mr. Pawan Kotwal (DIN: 02455728), Additional Director on the Board of Bank being eligible has offered himself for appointment as Director liable to retire by rotation. Mr. R K Chhibber (DIN: 08190084), who is retiring by rotation, has offered himself for re-appointment. The profile and necessary details of the above mentioned Directors have been included in the Corporate Governance Report.

Appointments/Resignations of the Key Managerial Personnel

Mr. Baldev Prakash, Managing Director & Chief Executive Officer, Mr. Sudhir Gupta, Executive Director, Mr. Pratik D Punjabi, Chief Financial Officer and Mr. Mohammad Shafi Mir, Company Secretary are the Key Managerial Personnel of the Bank.

Mr. Sudhir Gupta was appointed as Executive Director of the Bank in the Board meeting held on December 14, 2022. Mrs. Rajni Saraf was appointed as Chief Financial Officer of the Bank on April 27, 2022 in place of Mr. Balvir Singh Gandhi, who ceased to be the Chief Financial Officer of the Bank. Mr. Pratik D Punjabi was appointed as Chief Financial Officer of the Bank to be effective from the date of his joining i.e. July 01, 2022 in place of Mrs. Rajni Saraf, who ceased to be the Chief Financial Officer of the Bank after attaining the age of superannuation on June 30, 2022.

None of the Key Managerial Personnel has resigned during the year under review.

Changes in the Key Managerial Personnel after the Closure of Financial Year

There were no changes in the Key Managerial Personnel after the closure of Financial Year.

Number of Meetings of the Board

During the year under review, Seventeen (17) Board Meetings were held, in due compliance with statutory provisions, on the following dates:

08.04.2022, 27.04.2022, 12.05.2022, 16.06.2022, 28.06.2022, 13.07.2022, 10.08.2022, 24.08.2022, 26.09.2022, 21.10.2022, 15.11.2022, 14.12.2022, 26.12.2022, 23.01.2023, 20.02.2023, 06.03.2023, 15.03.2023.

Committees of the Board

The Bank has following Committees of the Board:

- Management Committee
- Audit Committee
- Special Committee of Board on Frauds
- Stakeholders Relationship Committee
- Information Technology Strategy Committee
- Corporate Social Responsibility & Environmental, Social and Governance Committee
- Integrated Risk Management Committee
- Customer Service Committee
- Nomination & Remuneration Committee
- Legal and Impaired Assets Resolution Committee

The compositions, powers, roles, terms of reference, etc. of aforesaid Committees are given in detail in the statement on Corporate Governance annexed to this report.

Performance Evaluation of the Board

The Nomination and Remuneration Committee (NRC) has approved a framework / policy for evaluation of the Board, Committees of the Board and the individual Members of the Board (including the Chairperson). In conformity with the said policy requirements, following is the process of evaluation:

- The performance evaluation of all the Independent Directors is conducted by the entire Board excluding the Director being evaluated.
- Independent Directors evaluate the performance of Non-Independent Directors, Chairperson of the Board, Whole Time Directors and Board as a whole and submits its report to the Board alongwith necessary comments and suggestive course of action arising out of the evaluation.
- The performance evaluation of the Committees of the Board is conducted by the entire Board.

A questionnaire for the evaluation of the Board, its Committees and the individual Members of the Board (including the Chairperson) designed in accordance with the said framework and covering various aspects of the performance relating to the following is forwarded to individual Directors:

Board	Board Composition & Quality, Board Meetings & Procedures, Board Development, Board Strategy & Risk Management, Board & Management Relations, Succession Planning and Stakeholder Value & Responsibility, etc.
Committees of the Board	Functions & Duties, Management Relations, Committee Meetings & Procedures, etc.
Chairman of the Board	Managing Relationships, Leadership, Role & Responsibility, etc.
Whole Time Directors	Participation at Board / Committee Meetings, Managing Relationships, Knowledge and Skills, Personal Attributes, Contribution towards growth, Leadership and Initiative.
Individual Directors	Participation in meetings, managing relationships, knowledge & skills & personal attributes, etc.

The responses received to the questionnaires on evaluation of the Board, its Committees, individual Directors including Chairperson are consolidated and discussed by the Board.

Your Bank has in place a process, wherein, declarations are obtained from the Directors regarding fulfillment of the 'fit and proper' criteria in accordance with the RBI guidelines/ Companies Act, 2013. The declarations from the Directors other than Members of the NRC are placed before the NRC and the declarations of the Members of the NRC are placed before the Board. Assessment on whether the Directors fulfill the said criteria is made by the NRC / Board on an annual basis.

Fiscal Year

The Fiscal Year for the Bank is reckoned as starting from 01st April to 31st March every year.

Lead Bank Responsibility:

J&K Bank is the only Private Sector Bank in the Country assigned with responsibility of convening UT Level Bankers Committee - UTLBC meetings. The Bank continued to satisfactorily discharge its Lead Bank responsibility in 12 districts of UT of J&K, i.e. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri. Lead bank responsibility in other 8 districts of the UT, i.e. Jammu, Samba, Kathua, Udhampur, Reasi, Doda, Ramban and Kishtwar is assigned to State Bank of India.

The Annual Credit Plan for UT of J&K for FY 2022-23 was launched on 1st April 2022, envisaging a total credit target of Rs.50,790.08 Crore for 16,51,877 beneficiaries. During FY 2022-23 banks operating in UT of J&K have disbursed total credit of Rs.60,048.27 Crore in favour of 17,16,527 beneficiaries, registering an achievement of 118% in financial terms and 104% in physical terms. This includes disbursement of Rs. 26,411.85 Crore in favour of 9,60,347 beneficiaries against the annual target of Rs.40,342.37 Crore for 13,38,894 beneficiaries under Priority Sector and Rs.33,636.42 Crore in favour of 7,56,180 beneficiaries against the annual target of Rs.10,447.71 Crore for 3,12,983 beneficiaries under Non-Priority Sector thereby registering achievement of 65% and 322% in financial terms respectively.

J&K Bank was assigned annual target of Rs.25,324.42 Crore for 8,32,205 beneficiaries under Priority and Non-Priority Sectors of economy during FY 2022-23 against which Rs.39,270.12 Crore were disbursed in favour of 12,14,233 beneficiaries registering an achievement of 155% in financial terms and 146% in physical terms.

During the FY 2022-23, following meetings were conducted:

- 7th Meeting of J&K UTLBC held on 22nd June, 2022 to review the performance of Banks/ FIs in UT of J&K in dispensation of credit and other banking services during the Financial Year ending 31st March, 2022.
- 8th Meeting of J&K UTLBC held on 19th October, 2022 to review the performance of Banks/ FIs in UT of J&K during the quarter/ Half Year ending September, 2022.
- 9th Meeting of J&K UTLBC held on 2nd March, 2023 to review the performance of Banks/ FIs in UT of J&K during the quarter ending December, 2022.

- Special Meeting of J&K UTLBC held on 22nd November, 2022 to take the general review of the performance of Banks/ FIs in UT of J&K.
- Steering Sub-Committee of J&K UTLBC held on 12th October, 2022 to monitor SHG-Bank Linkage Programme
- Two Meetings of Steering Sub-Committee of J&K UTLBC held on 25th August, 2022 and 6th February, 2023 to finalise the agenda for meetings of J&K UTLBC

Convening of District Level/ Block level meetings as per Lead bank Scheme

Lead Bank ensured that District- level and block level meetings, such as DCC/ DLRC/ BLBC, and other relative meetings under Lead Bank Scheme are held as per schedule in all the 20 districts of UT of J&K during the FY 2022-23.

Implementation of Financial Inclusion Plans (FIPs):

Reserve Bank of India initiated the concept of Financial Inclusion by setting up the Khan Commission in 2004 and later on mooted a campaign under Financial Inclusion Plan to make efforts to provide financial services to the financially excluded segment of the society. Accordingly "Swabhimaan" campaign to cover 74,000 identified villages in India with population more than 2000 (as per census 2001), was launched by Government of India in February 10, 2011. Consequently, a total of 795 villages in J&K State having population of over 2000 (FIP-I) but without banking facilities were identified by the concerned Lead District Managers/ Lead Bank Officers, and accordingly allocated to 5 major banks for providing banking services by March 2012. After providing coverage of banking services in all the identified 795 villages, RBI advised SLBCs to prepare a roadmap covering all unbanked villages of population less than 2000 (FIP-II) and notionally allot these villages to banks for providing banking services in a time-bound manner. Accordingly, a total of 5582 villages having population less than 2000 were identified in J&K State, and allocated to 5 major banks operating in J&K. All the allocated villages in this segment stand covered by providing Banking service outlets in the form of Bank Branch/ Banking Correspondents or other Modes of coverage.

Subsequently, FIDD RBI issued direction to all SLBC Convenor Banks to identify the villages, with population more than 5000 (FIP-III), which do not have a Brick & Mortar Branch of any Scheduled Commercial Bank and allocate the same among the Scheduled Commercial Banks operating in the state for opening of branches. All the identified 104 villages' stands covered by Brick & Mortar branches or CBS-enabled Banking outlets.

Reserve Bank of India in consonance to Government of India Sub-Service Area (SSA) plan envisaged to provide Banking Touch Point (Bank Branch/BC/IPPB) within a radius of 5 KMs of every village across the country. In this connection, National Informatics Centre (NIC) in the year 2019 conducted a GPS (Latitude/ Longitude) based verification of Banking Touch Points across the country on the basis of the details uploaded by banks on Jan Dhan Darshak App - (GIS App) and a list of 11,278 uncovered villages across the country was arrived at and shared with respective SLBCs/ UTLBCs in the month of October 2019 for opening Banking Touch Points.



For UT of J&K 147 villages were identified as Uncovered (Phase IV). All the 147 villages stand covered by banking touch points.

Department of Financial Services, MoF, GoI identified 363 unbanked villages with population more than 3000 across the Country for opening of Brick and Mortar branches and in the matter SLBCs/ UTLBCs were requested to allocate the locations among the member banks for opening of branches and monitoring the progress thereof. Out of the total 363 locations, 10 locations (Phase V) have been identified in seven districts of UT of J&K of which 7 villages stands covered.

Responsibility of setting up of RSETIs in UT of J&K:

In terms of guidelines issued by Ministry of Rural Development, Government of India, setting up the Rural Self Employment Training Institutes (RSETIs) in all the districts of UT of J&K was assigned by J&K UTLBC to two banks, viz. J&K Bank and SBI as per their Lead Bank responsibility. Accordingly, J&K Bank has set up 12 RSETIs in its allocated 12 lead districts (Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri). Performance of RSETIs in conducting training programmes and the number of persons settled and benefited through credit linkage is being reviewed in Quarterly UTLBC meetings.

Responsibility of setting up of FLCs in UT of J&K:

In terms of RBI guidelines for setting up of Financial Literacy Centres (FLCs) in all the districts of UT of Jammu and Kashmir, J&K Bank has made 12 FLCs operational in its 12 allocated lead districts viz. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri and SBI having made 8 FLCs operational in its 8 allocated lead districts of UT of J&K, viz. Jammu, Samba, Kathua, Udhampur, Reasi, Doda, Ramban, Kishtwar. In addition, PNB, JKGB, EDB and J&K State Cooperative Bank have also established 6, 2, 2 & 1 FLCs respectively, in various districts of UT of J&K, which as on 31.03.2023 takes the total number of FLCs in the UT of J&K to 31. The performance of FLCs in conducting the Financial Literacy Camps as per the guidelines from RBI is being reviewed at various forums including quarterly UTLBC meetings.

100% Saturation Drive for KCC

Banks/ FIs in J&K have issued 54,929 fresh KCCs during FY 2022-23 involving an amount of Rs.557.23 Crore. This includes Rs.289.45 Crore disbursed in favour of 26,352 beneficiaries under KCC Crop and Rs.267.79 Crore to 28,577 beneficiaries under KCC-AH& F.

With the above achievement during FY 2022-23 the total number of active KCCs in J&K has reached to 9,28,504 as on 31.3.2023 with an outstanding credit of Rs.6,777.06 Crore.

Performance of Associate /Subsidiary Companies Subsidiary:

As on March 31, 2023, the Bank has one unlisted wholly owned subsidiary namely, JKB Financial Services Limited (JKBFSL) which was incorporated on August 27, 2008. JKB Financial Services Limited was floated with the objective to primarily meet the para-banking requirements of J&K Bank customers in particular and other customers of the UT of J&K in general. JKBFSL is a member of the National Stock Exchange of India

Limited (NSE) & The BSE Limited (BSE). As a leading broking entity in the Union Territory of J&K, JKBFSL at present provides a wide range of financial services to its clients which include;

Equity Broking Services: JKBFSL provides broking services in equity (cash/delivery, intra-day, futures and option). As a part of broking services offered by the company, JKBFSL also facilitates opening of DEMAT accounts for its clients.

Margin Trading Facility: JKBFSL is providing margin-trading facility to its clients for leveraging their eligible collaterals by funding their requirements on the cash-delivery segment of equities in NSE. The exposure is provided as per the norms set by SEBI and other regulatory bodies.

Gold ETF: JKBFSL is providing the facility to its customers for buying and selling Gold ETF. This product being an exchange-traded fund can be bought and sold only on stock exchanges, thus saving investors from the trouble of keeping physical gold. The transparency in pricing/purity is another advantage. Exchange Traded Funds are open-ended mutual fund schemes based on the ever-fluctuating cost of gold. Gold ETFs give investors exposure to the gold market, they are an excellent choice of investment for investors with conservative risk profile as gold as an asset is less volatile when compared to equities.

Initial Public Offer: To complement its broking business, JKBFSL also facilitates its client's participation in the IPO's undertaken by various companies. To provide these services, the company uses the ASBA platform of J&K Bank through offline mode. However, the Company is working on the application that will enable client to apply for IPO through Mobile Application.

Third Party Product Distribution: JKBFSL undertakes distribution of third party products like mutual funds and ETF's according to its client's requirements. The company provides such distribution through online channels as well as through the BSE Star Mutual Fund platform. JKBFSL has recently launched a mobile app called JKB mGrow, which offers better user interface and experience for distributing mutual fund products.

Performance highlights of the JKBFSL during the financial year 2022-23:

Income:

- The total income of the Company surpassed ₹100 Million mark during the financial year 2022-23 & grew by 6% from ₹ 991.25 lakhs to ₹1046.39 lakhs.
- Income from MTF (Margin Trade Funding) is ₹255.91 lakhs for the financial year 2022-23 as compared to ₹180.42 lakhs in FY 2021-22 thereby registering a YoY growth of 42 %.
- Revenue from 3rd party products has been marked as a growth area for the company. The company has recorded AUM growth of around 82% on YoY basis and accordingly the mutual fund commission grew from ₹ 22.37 lakhs in 2021-22 to ₹53.89 in 2022-23 thereby recorded a YOY growth of 141%.
- The income from Equity broking for the financial year 2022-23 is ₹ 510.55 lakhs & the cash market

trading volumes of the company during the year remained in line with the market.

- The depository income during the financial year 2022-23 reached at ₹121.57 lakhs.

Expenditure:

- The total expenses during the financial year 2022-23 is ₹879.22 lakhs as compared to ₹ 590.03 lakhs in the previous financial year. Total expenditures have increased by 49% YOY basis. The substantial increase in the total costs on YOY basis was mainly because of employment costs due to regularisation of the services of employees of the company & investments made in technology platforms during FY 2022-23.

Profits:

- The Company registered a profit before tax of ₹167.16 lakhs during the given financial year and the net profit achieved was ₹120.65 lakh during the same period.

Associate:

Regional Rural Bank Sponsored by J&K Bank: J&K Grameen Bank

The J & K Grameen Bank (JKGB) has come into existence on 30th June 2009 with the issuance of statutory notification by GoI, MoF, Department of Financial Services under sub-section (1) of section 23 (A) of the Regional Rural Banks Act, 1976 vide F. No. 1/4/2006-RRB providing for amalgamation of 'Kamraz Rural Bank' and 'Jammu Rural Bank' into a single new Regional Rural Bank under the name of J & K Grameen Bank with its Head Office at Jammu and has commenced business effective from 01.07.2009.

- Area of Operation:**
The area of operation of the J&K Grameen Bank comprises of 13 districts of the UT of J&K and UT of Ladakh viz. Baramulla, Bandipora, Kupwara, Ganderbal, Srinagar Jammu, Kathua, Rajouri, Poonch, Samba, Kishtwar, Leh and Kargil.
No. of Branches
(as on 31st March, 2023) : 215
No. of Employees
(as on 31st March, 2023) : 1161
(includes 12 officials on deputation from J&K Bank - Sponsor Bank).
- Capital Structure:**
In terms of the RRBs Act 1976, the authorized capital of Regional Rural Banks was fixed at ₹ 5.00 Crore (which stands amended to ₹ 2000 Crore in terms of the Regional Rural Banks (Amendment) Act, 2015 notified in the Gazette of India on 12-05-2015). The issued and paid up capital of the J&K Grameen Bank is ₹ 97.16 Crores fully subscribed by the Central Government, State/ UT Government and Sponsor Bank in the ratio of 50:15:35 respectively.
Besides during FY 2022-23 Bank has received an additional capital support of ₹ 287.79 Crores from its promoters in the prescribed ratio of 50:15:35 till March 31, 2023, which was kept under Share Capital Deposit Account. The details of Bank's total Capital of ₹ 384.96

Crores as on March 31, 2023 are given hereunder:

Authorised Capital ₹ 2,000 Crores			
Particulars	Paid up Share Capital	Share Capital Deposit	Total Capital
Share of Government Of India	48.58	143.90	192.48
Share of Government of U.T of J&K	14.57	43.17	57.74
Share of J&K Bank (Sponsor Bank)	34.01	100.73	134.74

- Tier II Perpetual Bonds :** Date of issue: 04-12-2014
Out of total cost outlay of Rs. 23.34 Crores for implementation of 100% CBS by JKGB, 50% i.e. ₹ 11.67 crore has been shared by J&K Bank (Sponsor Bank) in the form of perpetual debt (bonds).

Business Performance of the J&K Grameen Bank as on 31.03.2023

- Total Business:**
The total business of the bank as on 31st March 2023 stood at ₹ 8513.30 Crores against ₹7646.50 Crores as on 31st March 2022, thereby registering a growth of 11.34% during the financial year 2022-23.
- Deposits:**
The deposits of the bank have increased from ₹ 4767.90 Crores to ₹ 5268.76 Crores during the financial year 2022-23 thereby registering a growth rate of 10.50%.
- Advances:**
The gross advances of the Bank as on 31st March 2023 stood at ₹3244.54 Crores as against ₹ 2878.60 Crores as on the corresponding date of the previous year recording a growth of 12.71%.
- CD Ratio:**
The C.D. Ratio of the bank has increased by 121 bps from 60.37% as on 31st March 2022 to 61.58% as on 31st March, 2023.
- Priority Sector Advances:**
The Priority Sector Advances outstanding as on 31st March 2023 stood at ₹ 2595.45 Crores against ₹ 2327.61 Crores outstanding as on 31st March 2022, registering a growth of 11.51 % on Y-o-Y basis. RRB specific benchmark of 75% portion of priority sector advances to total advances outstanding has been well maintained with 79.99% as on 31st March, 2023.
- NPA Management:**
Gross NPAs of the Bank as on 31st March, 2023 stood at ₹ 147.51 Crores (4.55%) against ₹ 152.07 Crores (5.28%) as on 31st March, 2022. Accordingly Net NPAs as on 31st March, 2023 stood at ₹ 55.89 Crores (1.77%) against ₹ 69.75 Crores (2.49%) as on 31st March, 2022.
- Business per Employee:**
The business per employee as on 31st March 2023 stood at ₹ 7.33 Crores against ₹6.78 Crores as on corresponding date of the previous year.
- Business per Branch:**
The business per branch as on 31st March 2023 stood as ₹39.60 Crores against ₹ 35.24 Crores as on corresponding date of the previous year.
- Profitability:**
The Bank has incurred a net loss of ₹ 51.63 Crores as on 31st March, 2023, which is mainly due to the pension provision liability of ₹ 117.61 Crores during the year 2022-23.



Advertising and Publicity

During the FY 2022-23, we have been successful in strengthening the bond of trust with all our stakeholders by leveraging all the means and channels available for uninterrupted communication throughout the financial year. The Bank's products, services and facilities were successfully advertised and publicized in the form of mass-media campaigns across the operational geographies of the Bank. Also, the advertising campaigns initiated by the Bank to increase in the overall business, while meeting the set targets, were duly publicized with proper follow-up communications. Also, the functioning and accomplishments of the Bank were effectively communicated to relevant target audiences including major stakeholders, customers, shareholders, other stakeholders and general public through customized and efficiently packaged messages/hand-outs using mass media within J&K and Ladakh, besides rest of the country to earn high credibility and enhance our brand image.

To leverage the power of internet for reaching out to a wider audience, we successfully increased our presence in the social-media universe further by strengthening and streamlining our online presence through highly popular mediums of social connectivity platforms especially Facebook, Twitter, Instagram, YouTube and LinkedIn.

Brand Building

Brand perception forms the fulcrum of any communication plan, which is devised to complement the Bank's business strategy. Therefore, in line with the Bank's vision to scale up its business and expand presence in rest of the country while deepening its foot-prints in Jammu & Kashmir and Ladakh (JKL), we aligned the Brand Building campaigns accordingly to better leverage Bank's success in financial and institutional terms. With an established identity and image in the JKL market, our focus remained to enhance Bank's position and boost its brand appeal in aesthetically vibrant terms to complement its financial standing. While as in rest of the country, we successfully increased our brand exposure activities during the FY 2022-23 both on and off-line thereby enhancing Bank's brand awareness, deepening its brand perception and increasing its brand value.

During the FY 2022-23, the Bank undertook various promotional activities to position its brand further favorably among the people, complementing ever-strengthening significance of our institution on financial landscape of JKL and beyond. While Brand J&K Bank continues to hold the sway among the people, Bank has ensured to put an effective and efficient communication strategy in place to reinforce the brand recall.

While the thrust for using digital channels to communicate to the people has been mandated in the face of ever changing technological landscape with Bank enhancing its digital footprints by leveraging its presence on social media platforms, it has increased usage of traditional advertisement genres like outdoor advertising (OOH) through hoardings to garner better mileage in terms of brand visibility and reach. A well-drilled brand visibility enhancing activity was carried out by displaying Bank's products and schemes at ATMs/CRMs & Branches while making sure Glow Signboards-an important tool of brand identity-are properly maintained. Hoardings were placed in twin cities of Jammu and Srinagar, national

highways and other key locations across all major towns and areas of JKL and rest of the country.

Moreover, people-centric and environment-friendly initiatives commenced under CSR during FY2022-23 were properly highlighted to earn public goodwill, strengthen the trust and bond between Bank and its stakeholders, and create a continuity in the positive perception about the Bank. While doing all this, the key components of brand identity like logo, its colors, font, and other aspects were properly utilized and placed to strengthen the brand loyalty among the stakeholders.

Awards & Certifications received by the Bank during FY 2022-23

J&K Bank's illustrious history of more than eight decades is decorated with awards and accolades. Over the years, the Bank has collected numerous honors in various categories. During the FY 2022-23, the Bank outperformed its competitors to grab the headlines in following categories;

1. Award from Housing and Urban Development Corporation Ltd (HUDCO) for its outstanding contribution towards housing sector under PM Awas Yojana for FY 2022-23.
2. Awarded as Best MSME Bank by Chamber of Indian Micro, Small and Medium Enterprises (CIMSME) at MSME Banking Excellence Awards
3. MSME Friendly Bank Award by CIMSME at MSME Banking Excellence Awards
4. Award for Government Schemes Implementing Bank by CIMSME at MSME Banking Excellence Awards
5. Best Branding Bank Award by CIMSME at MSME Banking Excellence Awards
6. Best Bank for Implementing COVID Schemes at MSME Banking Excellence Awards - 2022 organized by CIMSME
7. Award for outstanding performance in promoting digital payments at Digital Payments Utsav organized by Ministry of Electronics and Information Technology, Government of India at India New Delhi
8. CSO 100 Award - 2022 at CSO100 Awards & Symposium - 2022 from Foundry India, an Indian chapter of Foundry - an IDG Inc.
9. Special Cyber Security Award 2022 on Access and Identity Management for its Privilege and Customer Authentication Framework from Foundry India.
10. Certification of prestigious ISO 27001:2013 from Intertek - a reputed London-based Total Quality Assurance provider - for being compliant with the best industry standard in terms of privacy and security protocols.

Corporate Social Responsibility (CSR) Policy

As a responsible corporate citizen, J&K Bank envisions to integrate its strategic intent and business goals with the needs of the society in order to achieve an inclusive, sustainable and harmonious environment. This represents the core principle and forms the basis of the Bank's CSR policy.

The Bank, guided by the founding principles of its CSR policy, takes and encourages initiatives aimed at improving the lives and living conditions of the vulnerable sections of the society besides lending support to the society's endeavors aimed at

making the world a better place to live in.

In line with the same, the Bank continued its 'social investment' by undertaking projects of varied nature to alleviate the hardships of different sections of the society and address issues of environmental sustainability. In turn, the Bank reaped benefits in the form of increased emotional equity, brand-connect and goodwill.

During the financial year FY2022-23, the Bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. While CSR initiatives undertaken during FY2022-23 have, directly or indirectly, benefitted hundreds of thousands of people across UTs of J&K and Ladakh, some eco-centric activities have contributed towards reducing carbon footprint and encouraging green energy solutions. The statutory disclosures with respect to the CSR&ESG Committee of the Board, including a report on the CSR, forms part of this report at Annexure 1. The key areas of intervention and the activities undertaken under CSR by the Bank during the FY 2022-23 are detailed as under:

Key areas of intervention under the CSR programme

- a) Healthcare
- b) Education
- c) Community Development
- d) Ecology & Environment
- e) Employment Generation & Skill Development
- f) Promotion of Sports

Details of activities undertaken under CSR during the FY 2022-23

Healthcare

Ambulance to Government Psychiatric Hospital Jammu

Realizing the indispensable role of ambulance services in emergency pre-hospital medical care, patient transfer, ease of access to health services particularly to underprivileged, the initiative of providing ambulance to the Psychiatric Hospital, Jammu under Corporate Social Responsibility (CSR) was taken up by the Bank.

The Govt. Psychiatric Diseases Hospital (GPDH) Jammu, a tertiary care hospital of psychiatric diseases catering to the whole Jammu division, had just one ambulance (8-year old) to cater to a huge rush of patients. Notably, the Hospital also provides 24-hour psychiatric emergency services on all days. The Ambulance provided under Bank's CSR will go a long way in bettering the existing infrastructure of the hospital in so far as 'ferrying the patients and attend to the emergencies in the hospital and also to shift patients to GMC Jammu and associated hospitals round the clock' is concerned.

Mobile Charging Stations in premier hospitals

In an attempt to ease the sufferings of general public, the Bank installed 45 Mobile Charging stations at three prominent government-run hospitals (SMHS Hospital Karan Nagar, Children's Hospital Bemina and Lal Ded Maternity Hospital) of Srinagar city for convenience and facilitation of patients/ attendants visiting the Hospital's OPD or those admitted in IPDs.

Installing phone-charging stations inside these hospitals will provide much needed relief and support to patients

and attendants alike especially in desperate times of health emergencies. Besides, the three premier health facilities apart from treating hundreds of admitted patients on daily basis, cater to a monthly OPD footfall of over two lakh people in a month, which further adds to the utility of such stations in these facilities.

Apheresis kits to children suffering from blood cancer and other blood dysfunctional diseases

The incidence of Blood Cancer has seen alarming rise in Kashmir valley over the years thereby necessitating the need for Apheresis Kits (Platelet/ Therapeutic kits with ACD and saline) to ensure treatment of the diagnosed patients. Pertinently, the poor and the under-privileged find it hard to mobilize finances for procurement of these kits, especially considering the fact that the treatment/expenditure for this disease is not covered under "Ayushman Bharat/Golden Card Scheme".

The Bank Understanding the need collaborated with SK Institute of Medical Sciences Srinagar (SKIMSS), Srinagar, and provided apheresis kits to 90 deserving child patients suffering from cancer and other blood dysfunctional diseases so as to make a difference in the lives of these underprivileged patients.

Pertinently, SKIMSS is the only hospital in J&K that caters exclusively to the pediatric oncology patients from Jammu, Kashmir & Ladakh and treats around 350 pediatric cancer patients every year.

Sponsoring 50 TB patients from Kargil, Ladakh under Pradhan Mantri TB Mukh Bharat Abhiyan

The government of India under The Pradhan Mantri TB Mukh Bharat Abhiyaan is committed to eliminate TB in India by 2025. Struggling to achieve its TB elimination target, the Union Health Ministry launched a campaign inviting citizens, non-governmental organizations and the corporate sector to sponsor monthly food baskets for TB patients who require good quality nutrition to tame the infection in the month of September 2022. There are identified food baskets for adults and parents, which the sponsor can fund through the district-level officials managing the TB programme.

The Bank realizing the importance of this mission and in consonance with the Ministry of Health and Family Welfare, GOI's directive for corporates and other organizations, collaborated with Kargil Health Authorities to provide such support to 50 TB patients for one year.

Construction of fabricated structure for convenience of patients and their attendants at ENT OPD of SMGS Hospital

Considering the Bank's commitment towards community development and improving allied infrastructure related to healthcare with a larger objective of contributing our bit to add convenience to people, Bank undertook the project of constructing a fabricated structure on modern lines fitted with turbo ventilators to bring relief to the poor patients and their attendants waiting for their turn at the waiting area of ENT-OPD at SMGS Hospital, a leading government healthcare facility in Jammu city that caters to the health assistance needs of tens of thousands of patients annually.



Education

Setting up of Computer Laboratory at Bhartiya Vidya Mandir, High School Udhampur

To complement the efforts of Bhartiya Shiksha Samiti J&K in the field of education, Bank, after assessing the need, set up a computer lab for the benefit of underprivileged students receiving education from its Udhampur based Bhartiya Vidya Mandir High School, located on the banks of holy Devika River in Nianso village.

In place to mention that Bhartiya Vidya Mandir High School Udhampur is one of the 36 schools run by Bhartiya Shiksha Samiti across the UTs of J&K and Ladakh (most of these schools are located in remote areas like Kishtwar, Doda, Leh & Kargil districts). A reputed NGO, registered with Ministry of Corporate Affairs for undertaking CSR activities, Bhartiya Shiksha Samiti is working in the field of education and is running a chain of schools for the students belonging to poor and weaker sections of society. Samiti provides basic infrastructure in most of these schools like transport facility, furniture, science laboratories, computer labs, libraries, meeting halls etc. These schools called as 'Bhartiya Vidya Mandirs' provide quality education to the students by creating a healthy educational and cultural atmosphere.

The students of the said school, right from pre-primary to tenth class, were found to be in dire need of computer lab as the school has only four old computers for the use of students. Moreover, the computer lab will help students of 30 villages living in and around Udhampur town to connect with digital teaching-learning process along with other government & private school students. Pertinently, the computer lab will have 20 - 25 PCs, one UPS for uninterrupted power supply to meet the lab requirements, one 3-in-1 color-printer and two 3-in-1 black and white printers.

Community Development

100 Wheelchairs and 100 Tricycles to the specially-abled persons

Jammu and Kashmir Bank has always contributed to the development of local communities in different capacities and varied ways. On these lines, Bank collaborated with SAKSHAM, a leading national level not-for-profit organization to provide 100 wheelchairs and 100 special tricycles to the specially-abled persons belonging to various districts of Jammu region and beyond. The initiative is primarily aimed at contributing Bank's bit towards the welfare and development of specially-abled community and to ensure their physical, social and psychological rehabilitation.

Upgrading of facilities at Sainik Bhawan Srinagar

Conscious of the sacrifices rendered by the armed forces for the security of the nation, Bank considers itself duty bound to contribute its bit in complimenting Government and society's efforts towards looking after the families of the martyred soldiers. It was towards this end that Bank provided one 1.5 ton Air Conditioner (Hot and Cold) and one Water Purifier to Sainik Bhawan Srinagar, the organization engaged in welfare activities carried out for the families of 115 forces Martyrs of the Valley.

Upgrading of facilities at Balgran Jammu

Contributing towards the welfare of lesser privileged children, Bank collaborated with Balgran, Jammu (a charitable home

for destitute children), which provides boarding/lodging, education, healthcare, vocational training etc. to orphan and destitute children.

Bank provided 380 sitting chairs to Balgran for upgrading their furniture-infrastructure as a humble contribution of Bank towards the noble cause of Child welfare.

Ecology & Environment

Plantation drives

As part of enhancing environment sustainability, Bank collaborated with Border Security Force (BSF) in undertaking a plantation drive at its Subsidiary Training Center (STC) at Humhama Srinagar that encompasses an area of over 300 acres. The Bank provided plant stems of apple, almond, walnut, cherry and pear with an aim to improving green cover in this ecologically sensitive area. The initiative assumes greater importance as the green cover through plantation will go a long way in protecting not only the campus residents from the ill effects of pollution but also the people living in the adjoining areas.

A similar plantation drive was carried out in collaboration with Rahim Greens Srinagar and pine & apple trees were planted at different educational institution in Srinagar which included NIT Srinagar, Women's Degree College Zakura, etc

Installation of 15KW Solar Grid at Voluntary Medicare Society's Srinagar facility

Bank installed a 15KW solar power grid at Voluntary Medicare Society, Srinagar, a Srinagar based medico-social voluntary organization (registered with Ministry of Corporate Affairs for mobilizing CSR funds), dedicated to the care, treatment, education, rehabilitation and empowerment of physically and mentally challenged persons of all the factions of the society. For over 50 years, VMS is providing its services in all the districts of J&K and Ladakh UTs. VMS provides institutional and community based rehabilitation services to the needy persons with disabilities with focus on children and women. Apart from attending to 85 on-roll and over 300 off-roll specially-abled students per month, VMS provides medical treatment to almost 2000 patients per month, including children with special needs, in their Srinagar based facility.

As most of the equipment-oriented services provided at their facility run on electricity and given the frequent interruptions in the power supply, along with huge energy cost involved to run these machines and equipment, providing undisturbed services to the patients and students becomes really difficult. As such, the Bank keeping in view long-term viability, utility and also sustainability issues into consideration, installed the solar grid at its Srinagar facility spanned over 46 Kanals of land.

The initiative while ensuring support to the specially-abled people especially children and women serves the larger purpose of encouraging and promoting clean and green energy resources.

E-Rickshaws to the University of Ladakh and Kashmir University's South Campus

Sensitive to the value and importance of protection of environment for sustenance of the economic and social progress of a country, J&K Bank, notwithstanding meagre

budget, invested in an environmental friendly endeavor of providing two e-rickshaws to University of Ladakh (UOL) and one to Kashmir University's South campus under CSR.

The two campuses are situated in ecologically sensitive areas and Bank's endeavor aims at encouraging eco-friendly transportation facilities within these campuses while considerably reducing the pollution levels.

Collaboration with NIT Srinagar for its Green/Clean Campus initiative under Swachh Bharat Abhiyaan

Situated in vast campus spread over 67 acres of land on the banks of the world famous Dal Lake, with Nigeen Lake too being in its close vicinity, National Institute of Technology (NIT) Srinagar is located in a highly ecologically sensitive environment.

NIT Srinagar is taking concrete steps to become one-of-its-kind green campuses with a focus on reduction of carbon emissions, encouragement of green energy initiatives and preservation of ecology and environment. It was with this understanding that J&K Bank collaborated with NIT Srinagar in its Green & Clean campus initiatives under Swachh Bharat Abhiyan by providing dust-bins and garden benches to be placed across their vast campus.

Employment Generation & Skill Development

Up-gradation of infrastructure of Rural Self Employment Training Institutes (RSETIs)

An initiative of Ministry of Rural Development Government of India, RSETIs act as dedicated institutions designed to ensure necessary skill training and skill up-gradation of the rural youth especially those belonging to BPL category to mitigate the problem of unemployment by encouraging and nourishing the culture of entrepreneurship. J&K Bank, with the support of Central and UT government, runs 12 RSETIs across J&K, making it a key member of the RSETI network of the nation.

In order to compliment the efforts of RSETIs in imparting quality and practical trainings to the aspiring entrepreneurs, Bank provided dozens of plumbing/sanitation kits and electric fitting kits, to these RSETIs. The initiative will help RSETIs (run by J&K Bank) across J&K to further enhance the level of practicality/ demonstration in their trainings to ensure better quality and well trained output.

Promotion of Sports

J&K Bank has a long history of encouraging nationally recognized sports and in this context promotion and propagation of football assumes special significance. Apart from having its own football team, Bank is running two football academies, one each in Jammu and Srinagar. These initiatives have, over the years, helped scores of youth to polish and nourish their sporting talent and emerge as professional footballers, with many of them having carved their place in prestigious teams and clubs across country. Under the instant project, the Bank provided match uniforms, practice uniforms, tracksuits and footballs to the two academies to meet the immediate needs of the budding footballers receiving training through these academies.

Corporate Governance

The Bank has established a tradition of exemplary practices in corporate governance. It encompasses not only regulatory and legal requirements, but also several voluntary practices, aimed at high level business ethics, effective supervision and enhancement of stakeholder volume. Several matters have been voluntarily included in the statement on corporate governance annexed to this report, besides certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated by the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under report is presented in a separate section forming part of this report.

Whistle Blower Policy & Vigil Mechanism

The Bank has a Whistle Blower mechanism in place which enhances the transparency in the organization by encouraging the employees/ directors/ other specified stakeholders to report any wrongdoing, which comes to their knowledge in the day-to-day performance of their duties or interaction with other fellow-colleagues/ Bank staff without fear of retaliation, victimization and unfair-treatment. The Bank has formulated the "Whistle Blower Policy" to guarantee them protection from any adverse departmental proceedings. The Policy is compliant to regulatory requirements under Section 177 (9) of the Companies Act 2013, and SEBI Listing Regulations. The policy document is available on the Bank's official website under link:

<https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and also provides for direct access to Chairman of the Audit Committee of the Board, in exceptional cases.

The grievance under Whistle Blower mechanism can be lodged on the Bank's official website under link:

<https://www.jkbank.com/others/common/wbGrievences.php>

It is hereby affirmed that the Bank has not denied any of its personnel access to the Chairman of the Audit Committee of the Board and that the policy contains adequate provisions for protecting whistle blowers from unfair termination and other unfair prejudicial employment practices. In the FY 2022-23, three (03) complaints received under Whistle Blower Mechanism were placed before the Audit Committee of Board.

Protected Disclosures Scheme

The Bank in line with the RBI prescribed framework, has devised a Policy Document on the "Protected Disclosure Scheme" The complaints under the Scheme cover the areas such as corruption, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934, Banking Regulation Act 1949, etc. and acts resulting in financial loss/ operational risk, loss of reputation, etc. detrimental to depositors' interest/ public interest. Reserve



Bank of India (RBI) will be the Nodal Agency to receive complaints under the Scheme.

The complaint under the scheme should be sent in a closed/secured envelope addressed to The Chief General Manager, Reserve Bank of India, Department of Banking Supervision, Fraud Monitoring Cell, Third Floor, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005. The envelope should be superscripted "Complaint under Protected Disclosures Scheme for Banks". Complaints can also be made to RBI through e-mail: dbspd@rbi.org.in by giving full details as specified above.

The policy document is available on the intranet page of the bank as well as on the Bank's official website under link https://www.jkbank.com/pdfs/policy/latest/Policy_protected.pdf. It is hereby affirmed that No unfair treatment will be meted out to a Complainant by virtue of his/her having reported a Disclosure under this Policy. The Bank, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Complainant(s). Complete protection will, therefore, be given to Complainant(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, including any direct or indirect use of authority to obstruct the Complainant's right to continue to perform his duties/functions including making further Disclosure under the policy. The Bank has not received any complaint under the "Protected Disclosure Scheme".

Risk Management

A well-defined, comprehensive risk management framework of our bank is based on a clear understanding of different risks, accepting various risks, disciplined risk assessment, measurement & continuous monitoring. The Bank has put in place a Risk Management and Risk Appetite Framework (RAF) that articulates the risk appetite and drills down the same into a limit framework for various risk categories. Risk appetite defines the levels and types of risk that are acceptable, within risk capacity, in order to achieve strategic objectives and business plans. The risk appetite framework, which is approved by the Board, bolsters effective risk management by promoting sound risk-taking through a structured approach, within agreed boundaries. The key components of the Bank's Risk Management architecture rely on the risk governance structure, comprehensive processes and internal control mechanism based on approved policies and guidelines. The Bank's risk management processes are guided by way of policies adopted appropriately for various risk categories, independent risk oversight and periodic monitoring by Board of Directors, Committee of the Board of Directors (Integrated Risk Management Committee of Board) and Senior Management Committees - Credit Risk Management Committee, Market Risk Management Committee, Operational Risk Management Committee and Asset Liability Committee (ALCO). The policies approved from time to time by Board of Directors, Committees of Board (IRMC) form the basis for governing framework for each type of risk. The Board sets the overall risk appetite and philosophy for the Bank and have an oversight of all the risks assumed by the Bank. The Bank's Risk Management framework focuses on the management of key areas of Risk such as

Credit, Market, Operational Risk and Liquidity Risk and Pillar II risks; quantification of these risks, wherever possible. The risk management function in the Bank strives to proactively anticipate vulnerabilities in the business operations through quantitative or qualitative examination of the embedded risks for effective and continuous monitoring and control. An independent risk management function ensures that risk is managed through a risk management architecture as well as through policies and processes approved by Board of Directors. The risk management policies and procedures established are updated on continuous basis in compliance to RBI guidelines and benchmarked to best practices. The Board of Directors with its committee-Integrated Risk Management Committee (IRMC) reviews risk management policies of the Bank pertaining to credit, market, liquidity, operational & Pillar II risks that includes strategic risk and reputational risk, Internal Capital Adequacy Assessment Process (ICAAP) and stress testing. The senior Management Committees - Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and Market Risk Management Committee (MRMC) for credit risk, operational risk and market risk operate within the broad risk management framework of the Bank to assess and minimize these risks. Bank has an independent Risk Management vertical headed by Chief Risk Officer, who reports to IRMC of Board and monitors the development and implementation of methodologies for risk identification, assessment, measurement, monitoring and mitigation for all risks. Information security and business continuity plan also forms part of risk management functions in the Bank. Treasury activities are separately monitored by mid office, which reports to Risk Management Vertical. The Bank has Stress Testing Policy to measure impact of adverse stress scenarios on the adequacy of capital. The stress scenarios are idiosyncratic, generic and a combination of both.

Business Responsibility and Sustainability Report (BRSR)

In terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Entities based on their market capitalization as on 31st March every year are required to submit their Business Responsibility and Sustainability Report (BRSR) on the environmental, social and governance disclosures as a part of the Annual Report. The Bank's BRSR describing the initiatives taken by the Bank from an environmental, Social and governance perspective is enclosed as Annexure- 6.

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank does not engage in any form of child labour / forced labour / involuntary labour and does not adopt any discriminatory employment practices. The Bank has a Policy against sexual harassment and a Committee "Internal Complaints Committee for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace" has been constituted for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the parliament in 2013. The Bank, through the policy ensures that all such complaints are resolved within defined timelines. During the year, one complaint was lodged before the Internal Complaints Committee duly constituted under the Sexual Harassment of Women at Work Place (Prevention

and Redressal) Act, 2013 and the rules made thereunder. Accordingly, due inquiry proceedings were conducted in the case, as stipulated in the Act and adequate opportunity was provided to both complainant and respondent to present/defend their case. The same was disposed of within the requisite time frame of 90 days.

Employee accidental deaths

During the year 2023, there were no occurrences of employee accidental death at the workplace.

Loans, Guarantees & Investment in Securities

Pursuant to section 186(11) of the Companies Act, 2013 loans made, guarantees given or securities provided or acquisition of shares by a Banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Contracts or Arrangements with Related Parties

Considering the nature of the Industry in which the Bank operates, transactions with related parties of the Bank are in the ordinary course of business and are also at arm's length basis. There was no materially significant related party transaction entered by the Bank with promoters, Directors, Key managerial personnel or other persons which may have a potential conflict with the interests of the Bank. The policy on Related Party Transactions and dealing with related parties as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and the link for the same is at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php> Statement of related party transactions under sub section (1) of Section 188 of the Companies Act, 2013 is attached herewith as Annexure 5.

Information under Insolvency and Bankruptcy Code, 2016

The Bank as on 31st March, 2023 has cases under the IBC resolution, the details whereof along with existing status is tabulated as under:

(Amt. in Crs)

S . No.	No. of Accounts	Stage of Process	NPA / NPI Outstanding	Recoveries during the year , if any
1	26	Resolution Process (Pending with NCLT)	1876.60	-
2	22	Liquidation Process	1809.27	61.83
3	3	Resolution approved/ implemented during the year.	130.62	25.66

Frauds reported by the Bank

The Bank during the financial year 2022-23 has detected/ reported 20 cases of frauds to Reserve Bank of India involving an amount of Rs. 380.04 Crores.

Frauds reported by Auditors

During the year under review, no fraud was reported by any of the statutory auditors under Section 143 (12) of the Companies Act, 2013 to the Ministry of Corporate Affairs, Govt. of India.

Consolidated Financial Statements

Pursuant to Section 129 of the Companies Act, 2013, the Bank has prepared Consolidated Financial Statements of the Bank, its Subsidiary (JKB Financial Services Ltd.) and also its Associate (J&K Grameen Bank) which shall be laid before shareholders at the 85th Annual General Meeting of the Bank along with Bank's Financial Statements under sub-section (2) of Section 129 i.e. Standalone Financial Statements of the Bank. Further, pursuant to the provisions of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its Subsidiary/ Associate for the year ended March 31, 2023 form part of this Annual Report. The statement in form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules 2014 is annexed as Annexure-4.

Statutory Auditors

The Statutory Central and Branch auditors of the Bank are appointed by the Comptroller & Auditor General of India (C&AG) pursuant to Section 139 (5) of the Companies Act, 2013. The Bank had three (3) Statutory Central Auditors appointed by the C&AG of India for the year under report as given below:

1. O Aggarwal & Co, Chartered Accountants
2. Dharam Raj & Co, Chartered Accountants
3. Arora Vohra & co, Chartered Accountants



Statutory Central Auditor's Report

For the FY 2022-23, the Statutory Central Auditors have issued a qualified opinion with respect to funds raised through ESPS. The Bank's replies to the observations of the Statutory Central Auditors are furnished as under:

S. No.	Observations of the Statutory Central Auditors	Response of the Bank
1.	Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme.	The Bank did not provide any loan facility specifically for the purchase of shares under the scheme.
2.	Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/ 2015-16/ 95 DBR. No.Dir.BC.10/13.03.00/ 2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares.	The Bank did not extended any loan facility to its employee's for the purpose of purchasing of shares under the scheme. Further Bank has approached the Reserve Bank of India vide communication dated June 09, 2023 seeking guidance of RBI regarding applicability of para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/ 2015-16/ 95 DBR.No.Dir. BC.10/13.03.00/ 2015-16) dated July 1, 2015 to JKB ESPS 2023.
3.	Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21 st March 2023 and payment was realised on 22.03.2023 and 23.03.2023 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank.	<p>Section 39 of the Companies Act, 2013 pertains to the allotment of securities of a company offered to the public for subscription, while as the ESPS Scheme of the Bank is specifically meant for its permanent eligible employees only. Therefore, Section 39 of the Act is not applicable to JKBESPS-2023.</p> <p>Section 42 (4) of the Companies Act, 2013 provides that every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person along with subscription money paid either by cheque of demand draft or other banking channel and not by cash.</p> <p>The process flow for the JKBESPS-2023 was designed in such a manner that an eligible employee while submitting application for shares should necessarily have sufficient and required balance in his/her saving account. On successful submission of the application, the amount proportionate to the shares applied was lien marked. So, effectively, the amount remained within the Bank's right from the date of submission of application by the employee, as the lien was in effect.</p> <p>The mechanism adopted by the Bank is on the pattern of ASBA (Application Supported by Blocked Amount) prescribed by SEBI vide its Circular no. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015, which provides for an alternative mode of payment in issues, whereby the application money remains in the investor's account till finalization of basis of allotment in the issue.</p>

Fees paid to Statutory Auditors

The details of total fees (excluding taxes), for all services, paid by the Bank on a consolidated basis to the Statutory Central Auditors are tabulated below:

(Amount in Rs. Lakhs)

S. No.	Particular	M/S O Aggarwal & Co.	M/S Hem Sandeep & Co	M/S Arora Vohra & Co	M/S Dharam Raj & Co	Total
1	Fee payment by Bank to Central Statutory Auditors	71.28	12.37	73.59	72.49	229.73
2	Fee payment by J & K Grameen Bank (Associate) to Central Statutory Auditors of the Bank	6.86	---	---	---	6.86

Comments of C & AG

As on date of this report, the Bank has not received the comments under Section 143 (6) of the Companies Act, 2013 from The Comptroller and Auditor General of India on the accounts of the Bank for the year ended 31st March 2023 and the same alongwith Banks reply to the comments shall be read out at the 85th Annual General Meeting.

Secretarial Auditors

Pursuant to Section 204 of the Companies Act 2013, your Bank has appointed CS Ghulam Jeelani Reshi, Proprietor of M/s Reshi & Associates, Company Secretaries as its Secretarial Auditors to conduct the Secretarial Audit of the Bank for the FY 2022-23. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit.

Secretarial Audit Report

The report of Secretarial Auditor for the FY 2022-23 is annexed to this report as Annexure 3. The Bank's replies to the comments of Secretarial Auditor are furnished as under:

S. No.	Observations of the Secretarial Auditor	Response of the Bank
1.	The Composition of the Board was not in compliance to the Section 152 of the Companies Act, 2013 as the Bank did not have adequate number of rotational directors till 25th January, 2023.	This is a statement of fact. The Bank is taking steps to augment its Board to make it compliant with the regulatory prescriptions.
2.	The Bank filed the Form MGT - 14 relating to the raising of capital with Registrar of Companies with additional fee due to up gradation of MCA Portal from V2 to V3 Portal	The form was filed within the permitted window prescribed by MCA. However, due to technical glitch at MCA portal, receipt with additional fee was generated by MCA portal/system wrongly.

Compliance with Secretarial Standards

The Bank is in compliance with all applicable Secretarial Standards as notified from time to time.

Employee Remuneration

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in "Annexure 2" forming part of this report.

Statutory Disclosures

- The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with rule (8) (3) of the Companies (Accounts) Rules, 2014 by your Bank are explained as under:

A. Conservation of energy

(i) The steps taken or impact on conservation of energy. Bank is continuously working towards achieving low carbon footprint for which many steps have been taken including use energy efficient IT equipment Various initiatives taken in this regard by the bank are given below:

- The Bank's Data Center is strategically located in a high-energy-efficient hosting facility in Noida. The facility adheres to an ITIL-based service delivery framework, ensuring efficient operations and optimal service levels. Furthermore, it complies with internationally recognized standards such as ISO 9001 and ISO 20000, emphasizing the commitment to quality management and IT service management. This choice of hosting facility not only ensures the security and reliability of the Bank's data infrastructure but also contributes to energy conservation initiatives through its efficient design and operational practices.
- Bank's Disaster Recovery Center has been shifted to a new co-location site CtrlS located in Navi Mumbai, which is Asia's Largest Rated

4 Hyper scale Datacenter aligned to TIA-942 standard having strong focus on various environmental considerations. The new Facility is USGBC LEED Platinum Certified Rated4 Datacenter and is World's 1st DC to Win Golden Peacock Eco-Innovation Award.

- The Bank has taken a proactive stance towards environmental sustainability and energy conservation by implementing an e-Office solution. This initiative aims to significantly reduce paper consumption, minimize the reliance on printers, and conserve energy resources. By transitioning to a digital work environment, the Bank not only improves operational efficiency and streamlines processes but also demonstrates its commitment to reducing its carbon footprint.
- The Bank has increased the usage of Digital Signage Screens as an energy-efficient alternative to traditional paper-based notices. By adopting this technology, the Bank significantly reduces the energy consumption associated with printing, distribution, and disposal of paper notices. The Digital Signage Screens are designed with energy-saving features, such as low-power LED displays, which contribute to overall energy conservation efforts.
- Energy star compliant computing and communication hardware is used by the bank across all offices and banking outlets.
- The bank ensures the use of Energy Star compliant computing and communication hardware across all its offices and banking outlets, actively reducing power consumption and promoting energy conservation.

(ii) The steps taken by the company for utilizing alternate sources of energy. Bank operates in a non-energy intensive environment.



However, it is always ensured that energy efficient hardware / equipment which consumes less power is procured and put in operation. Besides replacement of CFL Lamps with LED Lamps / fixtures wherever needed stands changed.

- (iii) The capital investment on energy conservation equipment.
Bank is steadfast in its commitment to implementing energy conservation measures throughout the enterprise. This includes the utilization of energy-efficient equipment such as virtual servers, thin clients, multi-purpose printers, kiosks, and scanners. By incorporating these technologies, the bank aims to minimize energy consumption and promote sustainability across its operations.
- (iv) Paperless e-Office Initiative.
Bank has successfully adopted paperless e-Office across all departments at corporate office and is in process of adopting the initiative across enterprise.
- (v) USGBC LEED Platinum Certified Rated 4 Datacenter (World's 1st DC to Win Golden Peacock Eco-Innovation Award).
Bank successfully relocated its Disaster Recovery Center to CtrlS, a state-of-the-art co-location site in Mumbai. This new site is recognized as Asia's largest rated LEED Platinum V4 O+M Certified Rated 4 Hyper-scale Datacenter, ensuring top-notch environmental sustainability and operational efficiency. The new Facility is USGBC LEED Platinum Certified Rated 4 Datacenter and is World's 1st DC to Win Golden Peacock Eco-Innovation Award.

B. Technology Absorption

Our Bank has a strong commitment to simplifying banking experiences for our customers by focusing on technology driven new business initiatives. These initiatives are aimed at delivering value through continuous technology adoption and innovation. Throughout the year, the Bank has implemented number of initiatives leveraging the power of technology to enhance the overall banking experience for its customers.

Bank has successfully upgraded its core banking system to the newest version (Finacle 10). This upgrade has introduced new automation capabilities, enabling the Bank to drive new and innovative business initiatives. Several initiatives have already been implemented, leveraging the enhanced features, while additional projects are currently underway to further leverage the system's capabilities and support the Bank's digital transformation goals.

The bank successfully launched its flagship digital offering, "J&K Bank Instant Digital Loan," catering to the unique needs of employees belonging to the J&K Government and other organizations/institutions covered by existing Memorandums of Understanding (MOUs). This state-of-the-art solution, built on a robust Straight through Processing (STP) platform, represents a significant upgrade from the previous "Phone pe Loan" facility. By leveraging advanced automation and self-

service capabilities, customers can now enjoy a seamless and hassle-free loan application process. This end-to-end digital solution empowers customers to apply for loans online, eliminating the need for manual paperwork and reducing processing time. With a focus on providing the best personal retail lending experience, the "J&K Bank Instant Digital Loan" ensures convenience, speed, and transparency throughout the entire loan journey.

Bank has started complete revamp of its customer facing digital platforms including Mobile Banking, Internet Banking and Kiosk Banking. A Modern and resilient mobile banking application will be rolled out in this Financial Year which will be scalable to handle daily transaction load in crores besides being loaded with features like corporate banking, online loan processing, deposit management, customer digital engagements etc. The mobile banking UI would be one stop shop for catering to all customer requirements of banking and wealth management like gold, mutual funds, insurance etc., besides acting as customer engagement platform for other services and grievance management. A cloud based UPI /IMPS solution will also be rolled out this year through which our bank will be offering interoperable and scalable payment solutions through the UPI/IMPS ecosystem which will also converge under the new Mobile Banking application.

The bank has also invested in AI/ML Technology and we have rolled out first version of Chatbot & WhatsApp Banking through Online Personal Assistant "JIA". The application in its first phase is being used by our valuable customers to get their financial queries answered, and the bank is in process of adding more services to the Chabot /WhatsApp banking platform to enrich the customer experience as per their dynamically changing needs.

Bank has setup a Fintech Initiative and Cloud Adoption Programs, and in the ensuing financial year it will start with deployment of an Open Banking Platform for seamless interfacing with partners and customers, and also initiate the Cloud Migration of selective applications besides deployment of new applications over cloud as part of its Pilot Cloud Program.

C. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow: During the Year ended 31.03.2023 the Bank earned Rs.95.98 lacs and spent Rs.182.45 lacs in foreign currency. This does not include foreign currency cash flow in derivatives and foreign currency exchange transactions.

2. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Bank's operations in future.
3. Number of cases filed, if any and their disposal under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Bank has Zero tolerance towards any action on the part of any executive/employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive/employee working in the Bank. Only one complaint of sexual harassment was lodged with the Internal Complaints Committee during the year 2022-23 and the same was disposed off within the required time frame of 90 days.

4. No Stock options were issued to the Directors of your Bank

Annual Return

In accordance with the provisions of Companies Act, 2013, the Annual Return of the Bank for the financial year 2022-23 in the prescribed Form MGT-7 will be available on the website of the Bank at: <https://www.jkbank.com/investor/financials/annualReturns.php>.

Directors Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors hereby state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Adequacy of Internal Financial Controls related to Financial Statement

The Bank has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Generally Accepted Accounting Principles. These controls and processes are driven through various policies, procedures and certifications. The control

environment of the Bank is adequate enough to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Bank's financial statements. The processes and controls are reviewed periodically.

Requirement for maintenance of Cost Records

The cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 are not required to be maintained by the Bank.

CEO & CFO Certification

Certificate issued by Mr. Baldev Prakash, MD & CEO and Mr. Pratik D Punjabi, CFO of the Bank, for the financial year under review, was placed before the Board of Directors at its meeting held on 04th / 5th May, 2023 in terms of the Regulation 17(8) of the Listing Regulations.

Important events after the closure of Financial Year ended 31-03-2023

This report covers the period of financial year of the Bank beginning on 1st April, 2022 to 31st March, 2023. However, few material events listed below happened from 1st April, 2023 till the date of this report.

1. Reserve Bank of India (RBI) has by an order dated June 22, 2023 (received by us on June 23, 2023) imposed a monetary penalty of ₹2.50 crores on the Bank for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks', read with 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting', 'Loans and Advances - Statutory and other Restrictions' and 'Time-bound implementation and strengthening of SWIFT-related operational controls'. The said penalty has been imposed by the RBI in exercise of powers vested under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949.
2. Dr. Pawan Kotwal, IAS (DIN: 02455728) was appointed as an Additional Director in the category of Rotational Directors by the Board of Directors of the Bank in their meeting held on 24th July, 2023.

Transfer of Shares to UT of Ladakh

The J&K Govt. General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020. As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd. consisting of 4,58,29,445 shares which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 were to be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The UT of Jammu and Kashmir has completed the transfer of the said 4,58,29,445 shares to UT of Ladakh on February 10, 2023.



Acknowledgements

The Directors thank the valued customers, shareholders, well-wishers and correspondents of the bank in India and abroad for their goodwill, patronage and support. The Directors acknowledge with gratitude the valuable and timely advice, guidance and support received from Government of India, Government of Jammu & Kashmir, Reserve Bank of India, Securities and Exchange Board of India (SEBI), Insurance Regulatory Developmental Authority (IRDA), NABARD, SIDBI, IBA, FIMMDA, FEDAI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, Comptroller & Auditor General of India, Financial Institutions and the Central Statutory Auditors of the bank in the functioning of the bank.

The Directors place on record their deep appreciation of the valuable contribution of the members of the staff at all levels for the progress of the bank during the year and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

For and on behalf of the Board of Directors

Naba Kishore Sahoo
Independent Director

Baldev Prakash
MD & CEO

Place: Srinagar (J&K)
Date: July 15, 2023

Annexure 1

Annual Report on CSR activities for the financial year ended 31st March, 2023

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) policy of the Bank envisages not only an inclusive and sustainable socio-economic empowerment of the under-privileged; it strives to help achieve a vibrant and environmentally conscious ecosystem. The Bank, guided by the founding principles of its CSR policy, helps support initiatives to improve the lives and living conditions of the indigent sections of the society besides lending support to the society's endeavors aimed at making the world a better place to live.

In line with the same, the bank continued its 'social-investment' in the form of monetary and other logistics support to systemically vital healthcare institutions as well as to alleviate the hardships of different sections of the society. In turn, the Bank reaped benefits in the form of increased emotional equity, brand-connect and goodwill.

During the Financial Year (FY) 2022-23, the Bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'.

2. Composition of Corporate Social Responsibility and Environmental, Social & Governance (CSR&ESG) Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR&ESG Committee held during the year	Number of meetings of CSR&ESG Committee attended during the tenure
1	Ms Shahla Ayoub	Chairperson	2	1
2	Mr Baldev Prakash	Member	2	1
3	Mr Umesh Chandra Pandey	Member	2	1
4	Mr Anil Kumar Goel	Member	2	2
5	Mr Anand Kumar	Member	2	2
6	Mr Sudhir Gupta	Member	2	1

CSR & ESG Committee met two (02) times during the FY 2022-23. Mr. R.K Chibber and Dr. Mohmad Ishaq Wani were also the members of the committee till their tenures in the committee ended on 26.09.2022 and 24.08.2022 respectively. Mr. Anand Kumar became a member of the committee on 27.04.2022, Mr Baldev Prakash on 26.09.2022, Mr. Umesh Chandra Pandey on 21.10.2022, Mr. Sudhir Gupta on 20.02.2023 and Ms. Shahla Ayoub on 20.02.2023.

3. Provide the web-link(s) where Composition of CSR&ESG Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

<https://www.jkbank.com/others/common/csrcommittee.php>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Nil/Not Applicable

5.

a) **Average net profit of the company as per sub-section (5) of section 135.** = Rs. 58.90 Cr.

b) **Two percent of average net profit of the company as per sub-section (5) of section 135.** = Rs. 1.18 Cr.

c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.** = NIL

d) **Amount required to be set-off for the financial year, if any.** = NIL

e) **Total CSR obligation for the financial year [(b)+(c)-(d)].** = Rs. 1.18 Cr.

6.

a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).** =Rs. 1.18 Cr.

b) **Amount spent in Administrative Overheads.** = NIL

c) **Amount spent on Impact Assessment, if applicable.** = NIL/Not Applicable

d) **Total amount spent for the Financial Year [(a)+(b)+(c)].** = Rs. 1.18 Cr.

e) **CSR amount spent or unspent for the Financial Year:**



Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1.18 Cr.	Nil	Not Applicable	Not Applicable	NIL	Not Applicable

f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
	Two percent of average net profit of the company as per sub-section (5) of section 135	1.18 Cr.
	Total amount spent for the Financial Year	1.18 Cr.
	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY19-20	NIL	NIL	NIL	NIL	Not Applicable	NIL	NIL
2	FY20-21	NIL	NIL	NIL	NIL	Not Applicable	NIL	NIL
3	FY21-22	NIL	NIL	NIL	NIL	Not Applicable	NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year

= No

If Yes, enter the number of Capital assets created/ acquired

= Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)		Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)			
					Number, if applicable	CSR Registration	Name	Registered address
	Not Applicable (NA)	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135** : Not Applicable

Baldev Prakash
(Managing Director &
Chief Executive Officer)

Shahla Ayoub
Chairperson CSRESG Committee



Annexure 2

A. PARTICULARS OF EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2023, ARE AS UNDER:

- I. Employed throughout the Financial Year and in Receipt of Remuneration Aggregating Rs. 1.02 Crore or more Per Annum: NIL
- II. Employed for a Part of the Financial Year and in Receipt of Remuneration Aggregating Rs. 8.50 Lakhs or more Per Month: NIL
- III. Employed throughout the financial year or part thereof and in receipt of remuneration which in aggregate or the rate of which in aggregate is in excess of that drawn by managing director or whole time or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: NIL

B. List of top ten employees (other than MD & CEO and ED) in terms of remuneration drawn during the FY 2022-23 with following fields:

S. No.	Name	Designation (as on 31 st March, 2023)	Remuneration drawn	Nature of employment (whether contractual or otherwise)	Qualification/Experience	Date of Joining	Age	Last employment held before joining the Bank	% of equity shares	Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager
1.	Rakesh Koul	General Manager	36,70,525	Permanent	BSC, JAIIB	25-10-1989	56	-	0.0017	-
2.	Sunit Kumar	General Manager	35,52,971	Permanent	BSC, JAIIB, PG. Diploma in Computer Science Applications	27-10-1989	56	-	0.0027	-
3.	Syed Rais Maqbool	General Manager	35,46,423	Permanent	BSC, CAIIB	18-10-1989	56	-	0.0031	-
4.	Peer Masood Ahmad	General Manager	33,86,045	Permanent	BSC, Diploma In Treasury & Risk Mgt., CAIIB	18-10-1989	55	-	0.0035	-
5.	Imtiyaz Ahmad Bhat	General Manager	33,72,481	Permanent	BSC, BA, MBA (Banking & Finance), CAIIB, PG Diploma in Computer Applications	20-10-1989	55	-	0.0016	-
6.	Narjay Gupta	General Manager	33,72,344	Permanent	BSC, LLB, CAIIB	25-10-1989	56	-	0.0029	-
7.	Sushil Kumar Gupta	General Manager	33,48,574	Permanent	BSC, CAIIB	18-04-1988	57	-	0.0028	-
8.	Shareesh Sharma	General Manager	33,25,248	Permanent	BSC, MSC, CAIIB	26-10-1989	58	-	0.0022	-
9.	Tabassum Nazir	General Manager	33,10,453	Permanent	BSC, LLB, CAIIB	17-10-1989	58	-	0.0035	-
10.	Ashutosh Sareen	General Manager	32,95,905	Permanent	B.COM, LLB, JAIIB	24-10-1989	55	-	0.0028	-

C) The ratio of the remuneration of each director to the median remuneration of employees and other details in terms of subsection 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S I . No	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD & CEO	8.97
		Executive Director	1.09
		Mr. R K Chhibber	2.00
		Mr. Vikram Gujral	0.44
		Dr. Rajeev Lochan Bishnoi	2.91
		Ms. Monica Dhawan	0.68
		Mr. Naba Kishore Sahoo	2.83
		Dr. Mohmad Ishaq Wani	1.40
		Mr. Umesh Chandra Pandey	1.98
		Mr. Anil Kumar Goel	1.81
		Mr. Anand Kumar	1.92
		Mrs. Sushmita Chadha	0.60
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	MD & CEO	68.10%*
		Executive Director	##
		CFO	-11.82%
		CS	9.00%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 8.04%.	
IV	The number of permanent employees on the rolls of the Bank	There were 12786 employees as on March 31, 2023.	
V	Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of the employees other than the Managerial personnel is -7.95%. There is no exceptional increase in the salary of employees or management.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed	

*MD & CEO percentage increase in remuneration in comparison with last year also include arrears of Rs.11 Lacs paid in FY 22-23.

Position of ED during the FY 21-22 was vacant.



Annexure 3

FORM NO MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Jammu and Kashmir Bank Limited
CIN: L65110JK1938SGC000048
Corporate Head Quarters, M A Road
Srinagar, J&K - 190001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Jammu and Kashmir Bank Limited (CIN: L65110JK1938SGC000048) (hereinafter referred to as the 'Bank').

The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Bank's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2023 according to the provisions mentioned below and the Bank has complied with said provisions except mentioned thereunder:

- (i) The Companies Act, 2013 (the Act) and the rules made there under except;
 - (a) The Composition of the Board was not in compliance to the Section 152 of the Companies Act, 2013 as the Bank did not have adequate number of rotational directors till 25th January, 2023.
 - (b) The Bank filed the Form MGT - 14 relating to the raising of capital with Registrar of Companies with additional fee due to up gradation of MCA Portal from V2 to V3 Portal.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Not applicable to the Bank during the audit period.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

The Bank had issued and allotted 2,85,93,267 equity shares at a price of Rs.32.70 which was at a discount of 4.97% (i.e. Rs1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of Rs.93,49,99,830.90. The Issue opened on March 28, 2022 and closed on March 31, 2022. The allotment was made on April 01, 2022. The aforesaid issues and allotments were made in compliance with the above regulations.

- (d) Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021(Erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;

The Bank had allotted 7,00,00,000 equity shares at a price of Rs.39.25 to the eligible employees of the Bank under

Jammu and Kashmir Bank Employee Stock Purchase Scheme, 2023 (JKBESPS, 2023) amounting to a total of Rs.2,74,75,00,000.00.

The said Employees Stock Purchase Scheme (JKBESPS-2023) had a qualified opinion of the Statutory Central Auditors and is reproduced as under:

- ✓ Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme;
- ✓ Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/2015-16 /95 DBR.No. Dir.BC.10/13.03.00/2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares;
- ✓ Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21st March 2023 and payment was realised on 22.03.2023 and 23.03.2023 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank.

- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021(Erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008);

The Bank had allotted 1021 Unsecured, Subordinated, Non-Convertible, Redeemable, Fully-Paid-Up, Basel III Compliant Tier II Bonds in the nature of debentures of the face value of INR 1,00,00,000 each aggregating up to INR 1021,00,00,000. The aforesaid issue and allotment has been made in compliance with the above regulations.

The aforesaid issue and allotment has been made in compliance with the above regulations.

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Not applicable as the Bank is not registered as Registrar to an Issue and Share Transfer Agent during the audit period.

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

Not applicable as the Bank has not delisted/proposed to delist its equity shares from any stock exchange during the audit period.

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Not applicable as the Bank has not bought back/proposed to buy back any of its securities during the audit period.

- (vi) List of other laws specifically applicable to the Bank:

- a) Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.

- b) The Insolvency and Bankruptcy code, 2016, and amendments thereto from time to time.

- c) The Banking Regulation Act, 1949 and rules framed thereunder so far as applicable to the Bank except:

- During the financial year under review the Reserve Bank of India had imposed a fine of Rs.100,00,000 on account of contravention of RBI circular on lending to NBFCs. During the Financial year 2022-23, a penalty of Rs. 3,74,921 was imposed by the Reserve Bank of India on Currency Chests and Rs. 42,10,000 was imposed by the Reserve Bank of India on ATM Cash Out.
- Rs. 3,00,000.00 imposed by FIU-India in relation with the non-compliance observed in respect of the transactions carried out in a particular account.
- Rs. 986.00 imposed by CBIC being amount of penalty raised for delayed reporting of GST Transaction for the period 01-04-2022 to 30-06-2022.

- d) The deposit Insurance and Credit Guarantee Corporation Act, 1961.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards - SS-1(related to Board Meetings) and SS-2(related to General Meetings) issued by The Institute of Company Secretaries of India.

- (j) The Bank has complied all the provisions of the listing agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except mentioned hereunder:



- The National Stock Exchange of India Limited and The BSE Limited have imposed a fine of Rs. 15,000/-+GST by each Exchange for delayed submission of disclosure under Regulation 23(9) of the SEBI (LODR) Regulations, 2015. The fine was levied by the Exchanges for the delayed submission of Related Party disclosure. Since the fine levied was not in accordance with the operational guidelines issued by the Exchanges, the National Stock Exchange of India Limited revoked the fine amount of Rs.10,000/- and response from The BSE Limited is awaited.

I further report that:

- a) The Board of Directors of the Bank is duly constituted with proper balance of Executive, Non-Executive and Independent Directors except that during period under review, the Bank did not have adequate number of rotational directors as required under Section 152 of the Companies Act, 2013 till 25th January, 2023.
- b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- c) Adequate notice was given to all directors atleast seven days in advance to the scheduled Board/Committee Meetings except in those cases where the meetings were conducted at shorter notice. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision were carried through while the dissenting members' views were captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Bank of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory Central Auditors and other designated professionals.

I further report that during the audit period, the Bank had following events which had bearing on the Bank's affairs in pursuance to above referred laws, rules, regulations, guidelines etc.

1. J&K Govt. General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020. As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd. consisting of 4,58,29,445 shares which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 were to be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The UT of Jammu and Kashmir has completed the transfer of the said 4,58,29,445 shares to UT of Ladakh on February 10, 2023.

For Reshi & Associates
Company Secretaries

Ghulam Jeelani Reshi
(Proprietor)
FCS No -8720; C P No: 10020
Firm Registration No: S2011JK536600
UDIN: F008720E000507735

Place: Srinagar
Date: 27/06/2023.

This Report is to be read with Annexure A and Forms an integral part of this report.

Annexure A

To,
The Members,
JAMMU AND KASHMIR BANK LIMITED
CIN: L65110JK1938SGC000048
CORPRATE HEAD QUARTERS,
M.A ROAD SRINAGAR
J&K, - 190001

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records during the period of my audit. The audit process was carried on the basis of documents, reports and records made available to me, which were relied upon as audit evidence for conducting the audit.
3. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
4. Wherever required, I have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For Reshi & Associates
Company Secretaries

Ghulam Jeelani Reshi
(Proprietor)
FCS No -8720; C P No: 10020
FRN: S2011JK536600
UDIN: F008720E000507735

Place: Srinagar
Date: 27/06/2023.



Annexure 4

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures Part "A": Subsidiaries

(Amount ₹in Lakhs)

S. No	Particulars	Remarks
1.	Name of the subsidiary	JKB Financial Services Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital	4000.00
5.	Reserves & surplus	89.02
6.	Total assets	5653.49
7.	Total Liabilities	5653.49
8.	Investments	0.00
9.	Turnover	1046.40
10.	Profit before taxation	167.16
11.	Tax Expenses	46.50
12.	Profit after taxation	120.66
13.	Proposed Dividend	0.00
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1.	Names of subsidiaries which are yet to commence operations	NIL
2.	Names of subsidiaries which have been liquidated or sold during the year.	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates		The J&K Grameen Bank	Jammu & Kashmir Asset Reconstruction Limited
1.	Latest audited Balance Sheet Date	31-03-2023	NA
2.	Shares of Associate/Joint Ventures held by the Bank on the year end : Number Amount Extend of Holding % Share Capital Deposit Amount Extend of Holding %	3,40,07,050 ₹3401 (Lakhs) 35% ₹10073 (Lakhs) 35%	0 0 0
3.	Description of how there is significant influence	The J&K Bank is the sponsor Bank of the J&K Grameen Bank, holding 35 % of its Share Capital	*As per note below
4.	Reason why the associate is not consolidated		
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 5301 Lakh i.e. 35% of total net worth of ₹ 15147 (lakhs)	*As per note below
6.	Profit / (Loss) for the year	₹ (5163) lakhs	
7.	Considered in Consolidation	YES	No
8.	Not Considered in Consolidation	NO	Yes

*The Jammu & Kashmir Asset Reconstruction Limited was incorporated jointly by Government of J&K and Jammu & Kashmir Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹102 lakh. In the meantime the promoters have decided to windup the company and the Bank in turn has approached the Registrar of Companies (ROC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is under consideration with ROC.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862

CA Ashwani Aggarwal
Partner
M.No. 013833

CA. Dharam Raj
Partner
M.No. 094108

Place: Srinagar
Date: 04/05/2023



Annexure 5

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

-----Not Applicable-----

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	As per table "A" below
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e)	Date(s) of approval by the Board, if any:	NA
(f)	Amount paid as advances, if any:	NA

TABLE "A"

(₹ In Crores)

Items/Related Party		The J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1448.52	10.56	* As per note below
	Maximum Balance during the year	1448.52	10.81	
Advances	Balance as on date	11.67**	7.84	
	Maximum Balance during the year	26.68	11.47	
Investments	Balance as on date	134.74	40.00	
	Maximum Balance during the year	134.74	40.00	
Interest Paid		73.07	0.39	
Interest/Commission Received		0.04	0.61	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.49	
Deputation Staff Salary		NIL	0.43	
Transfer of Current Assets/ Liabilities(Net)		NIL	0.00	
IT Support Services		0.94	NIL	
Outstanding with Associate/Subsidiary		NIL	0.02	

Advances is shown as borrowings from the sponsor bank in shape of SOD, LAD and Perpetual Bonds.

**Rs.11.67 crore is 50 % share of Sponsor Bank for implementation of CBS by JKGB in the form of Investment in Tier II perpetual bonds.

*The Jammu & Kashmir Asset Reconstruction Limited was incorporated jointly by Government of J&K and Jammu & Kashmir Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹102 lakh. In the meantime the promoters have decided to windup the company and the Bank in turn has approached the Registrar of Companies (ROC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is under consideration with ROC.

3. Salary to Key Managerial Person (KMP)

(₹ in Lakhs)

Items/Related Party	KMP					
	Mr. Baldev Prakash (MD & CEO) *	Mr. Sudhir Gupta (Executive Director)	Mr. Balvir Singh Gandhi (CFO)	Ms. Rajni Saraf (CFO)	Mr. Pratik D Punjabi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2022-23	From 01.04.2022 to 31.03.2023	From 14.12.2022 to 31.03.2023	From 01.04.2022 to 27.04.2022	From 27.04.2022 to 30.06.2022	From 01.07.2022 to 31.03.2023.	From 01.04.2022 to 31.03.2023
Salary	102.84	12.46	2.57	7.04	22.75	25.77

*Please note that MD & CEO's Remuneration includes Approximately Rs 1100000 as Arrears @ Revised Salary credited in H1 of FY 2022-23

FOR & ON BEHALF OF THE BOARD
Baldev Prakash
Managing Director & CEO
DIN: 09421701

Place: Srinagar
Date: 04/05/2023



Annexure 6

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT SECTION A: GENERAL DISCLOSURES:

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65110JK1938SGC000048
2	Name of the Listed Entity	Jammu and Kashmir Bank Limited
3	Year of incorporation	1938
4	Registered office address	Corporate Headquarters, M. A. Road, Srinagar, Kashmir -190001
5	Corporate address	Corporate Headquarters, M. A. Road, Srinagar, Kashmir -190001
6	E-mail	board.sectt@jkbmail.com
7	Telephone	0194-248-1930-35
8	Website	www.jkbank.com
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited & The BSE Limited.
11	Paid-up Capital	Rs.10314.80 Lacs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Mohammad Shafi Mir Company Secretary & Compliance Officer 0194-2481928 board.sectt@jkbmail.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made in this report are on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
01	Banking and Financial Services (Commercial Bank)	Banking activities viz. Retail, Corporate Banking etc.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
01	J&K Bank operates in three major segments: 1. Retail 2. Corporate 3. Treasury All products and services are offered under these segments. Some flagship products are: 1. Saving Bank Deposits 2. Current Deposits 3. Term Deposits 4. Housing Loans 5. Working Capital 6. Overdraft A/Cs 7. Car Loans 8. Agriculture Loans 9. Kissan Credit Card, etc.	65191	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of Branches /Offices	Total
National	NA	1162*	1162
International	NA	Nil	NA

*includes Extension Counters, USBs and LCUs.

With a view to maximize its outreach and to achieve the financial inclusion, the Bank has in place besides the normal banking structure the Business Correspondent Model (BC Model) and Financial Literacy and Credit Counselling Centers (FLCCs) for providing basic banking services and dissemination of information thereof.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	18 States & 4 Union Territories
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Bank ordinarily doesn't directly contribute to the exports. However the Bank has customized products and services for its customers relating to their foreign exchange related requirements, viz. Exports, Imports, other overseas payments and inward remittances. Bank provides pre and post shipment credit facilities. Packing Credit Loan, both in Rupee and Foreign Currency, thereby enabling the customers for procurement of their raw materials and Post shipment credit facilities, viz. Export Bills negotiation under LC terms, advance against export bills, etc.

c. A brief on types of customers

The Bank caters to a diverse range of customers including individuals, state/UT and central governments, employees, MSMEs, corporates, artisans, farmers, start-ups etc.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	12786	9561	75%	3225	25%
2.	Other than Permanent (E)	437	370	85%	67	15%
3.	Total employees (D + E)	13223	9931	--	3292	--
WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					



b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	162	140	86.40%	22	13.50%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	162	140	86.40%	22	13.50%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	09	01	11.11
Key Management Personnel	04	00	00.00

20. Turnover rate for permanent employees and workers:
(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.92	0.86	0.90	0.82	0.80	0.81	0.47	1.04	0.60
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
01	JKB Financial Services Limited	Subsidiary	100%	No
02	The J&K Grameen Bank	Associate	35%	No
03	Jammu & Kashmir Asset Reconstruction Ltd.	Associate	*	No

*The Jammu & Kashmir Asset Reconstruction Limited was incorporated jointly by Government of J&K and Jammu & Kashmir Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹102 lakh. In the meantime the promoters have decided to windup the company and the Bank in turn has approached the Registrar of Companies (ROC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is under consideration with ROC.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
(ii) Turnover (in Rs.) 10111.92 Crores
(iii) Net worth (in Rs.) 8323.67 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	--	--	--	--	--	--	
Investors (other than shareholders)	--	--	--	--	--	--	
Shareholders	Yes	107	0	--	Nil	Nil	
Employees and workers	Yes	Nil	Nil		Nil	Nil	
Customers	Yes	1662	33		636	11	
Value Chain Partners	--	--	--		--	--	
Other (please specify)	--	--	--		--	--	

24. Overview of the entity's material responsible business conduct issues
Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	Privacy and Data Security	Opportunity & Risk	<p><u>Risk:</u> Privacy and Data Security is becoming a major risk due to increasing digitization as post pandemic the number of digital users grew many folds.</p> <p><u>Opportunity:</u> Having a robust information security structure (Software, expert manpower and operational practices) helps us reduce cyber threats and ensure privacy, data security for all our stakeholder's privileged information thereby enhancing customer confidence which fetches more business opportunities.</p>	The Bank has framed policies with respect to information technology / cyber security risk which set forth limits, mitigation strategies and internal controls. Information Security Management Policy and Cyber Security Policy are in place for protecting the bank's cyberspace against cyber-attacks, threats and vulnerabilities.	<p><u>Positive:</u> Easier business process automation, increased trust and credibility of stakeholders, improved data management and protected brand reputation.</p> <p><u>Negative:</u> Breach of Privacy and Data Security.</p>



	Human Capital	Opportunity & Risk	<p><u>Opportunity:</u> Human Capital is one of the key strategic imperative for the Bank and bank consistently invest in the growth & development of its employees.</p> <p><u>Risk:</u> Market demand for skilled talent is high.</p>	<p>Bank have a transparent and equal opportunity culture and does not differentiate on the basis of culture, religion, caste, linguistic background, age and gender. Bank provides development opportunities to employees ahead of time. Bank has established a working environment that aids in nurturing employees and contribute to their overall professional development while actively promoting a healthy work-life balance. Bank remains committed to adoption of fair employment practices and ensure diversity of workplace through efforts to recruit, develop and retain the most talented people from a diverse candidate pool. Bank has a robust grievance redressal mechanism to address employee concerns.</p>	<p><u>Positive:</u> Retention of key talent through various human resources proposition increases productivity.</p> <p><u>Negative:</u> High attrition possibilities leads to wage inflation and loss in continuity.</p>
	Community and Social Impact	Opportunity	<p><u>Opportunity:</u> Corporate Social Responsibility (CSR) has been a long-standing commitment at J&K Bank. Bank's objective is to support meaningful socio-economic sustainable development and enable a larger number of people to participate and benefit in country's economic progress. Bank has articulated its CSR philosophy and the CSR programmes are undertaken either by the Bank directly or with the aid of specialized agencies which would include reputed NGOs, Trusts, Societies, or through Collaborative Projects with Other Corporates, Academic Institutions, Self-Help Groups, Govt. /Semi-Govt./ Autonomous Organizations, etc.</p> <p>The Bank's CSR activities are aimed to showcase the Bank's continuous commitment to participate in economically, socially and environmentally sustainable activities for upliftment of the marginalized and under-privileged sections of the society to promote inclusive socio- economic wellbeing and growth, empowerment of communities, capacity building, environment protection, promotion of green environment, development of backward regions by specially focusing on the projects relating to the benefit of the marginalized sections of the society.</p>	Not applicable	<p><u>Positive:</u> Supporting the CSR activities helps us to create a meaningful impact for the communities bank interacts with.</p>



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	No*	NA	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	--	--	Yes	Yes
c. Web Link of the Policies, if available	The policies are available on the Banks website at www.jkbank.com .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	--	--	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, however in cases where the policies have been incorporated specifically in the Memorandum of Understanding executed between Bank and value chain partners same extend to them.								
4. Name of the national and international codes certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No specific National or International codes, certifications, labels, standards are applicable for the policies framed, nonetheless same comply with the applicable statutory & regulatory guidelines.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is engaged in the banking business. It is not in the business of manufacturing or activities related to manufacturing/ factories. Nonetheless Bank is committed for enhancing the business and other core activities with least bearings to environment and society. The Bank has employed digitization of its activities with a view to reduce the dependence on natural resources and lessening the carbon emissions.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Bank provides a widespread banking services/products to satisfaction of its customers through comprehensive infrastructure consisting of branches, ATMs, CDMs and through digital channels like Mobile Banking, WhatsApp Banking, Internet Banking, and Point of sale services and UPI. Use of digital channels facilitates the customers to do banking activities, without being physically present at Bank's branch/office, thereby contributing towards reducing the carbon footprints, unnecessary travel, wastage of time and energy. The Bank has also recently adopted Document Management System and e-office as part of Go Green Initiative. All such initiatives are being taken to achieve minimal usage of material resources which affects the environment and society as a whole.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	The Board of the Bank through respective Committees								



<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>Yes, the Bank has Corporate Social Responsibility & Environmental Social and Governance Committee of the Bank which is responsible for decision making on the sustainability related issues. The members of the Committee are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S. No</th> <th>Name</th> <th>DIN</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>Ms. Shahla Ayoub</td> <td>09834993</td> <td>Chairperson CSRESGC</td> </tr> <tr> <td>02</td> <td>Mr. Baldev Prakash</td> <td>09421701</td> <td>Member</td> </tr> <tr> <td>03</td> <td>Mr. Umesh Chandra Pandey</td> <td>01185085</td> <td>Member</td> </tr> <tr> <td>04</td> <td>Mr. Anil Kumar Goel</td> <td>00672755</td> <td>Member</td> </tr> <tr> <td>05</td> <td>Mr. Anand Kumar</td> <td>03041018</td> <td>Member</td> </tr> <tr> <td>06</td> <td>Mr. Sudhir Gupta</td> <td>09614492</td> <td>Member</td> </tr> </tbody> </table>	S. No	Name	DIN	Designation	01	Ms. Shahla Ayoub	09834993	Chairperson CSRESGC	02	Mr. Baldev Prakash	09421701	Member	03	Mr. Umesh Chandra Pandey	01185085	Member	04	Mr. Anil Kumar Goel	00672755	Member	05	Mr. Anand Kumar	03041018	Member	06	Mr. Sudhir Gupta	09614492	Member
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04	Mr. Anil Kumar Goel	00672755	Member																										
05	Mr. Anand Kumar	03041018	Member																										
06	Mr. Sudhir Gupta	09614492	Member																										

* The Bank has on 20.06.2023 formulated and adopted a policy namely "Environment, Social and Governance (ESG) Policy" with a view to augment the efforts of the Bank to protect the environment.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Bank complies with all the policies. The Board of the Bank and its Committees meet periodically inter alia, for evaluating the performance of the Bank and to review the policies as per the timelines stipulated in the policies.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9									
No, the assessment/evaluation of the working of the policies of the Bank is carried out by the Board of the Bank consisting of Independent Directors besides Executive Directors.																		

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	The details of trainings arranged for the Directors of the Bank are provided on the following link: https://www.jkbank.com/investor/stockExchangeIntimation/familisation.php		
Key Managerial Personnel	1	Certification in IT & Cyber Security	25%
Employees other than BoD and KMPs	50	Capacity building & skill Upgradation	31%
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format: (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	--	Reserve Bank of India	374921.00	Deficiencies observed during inspection	
Penalty/ Fine	--	Reserve Bank of India	4210000.00	Penalty imposed on ATM cash outs	
Penalty/ Fine	--	Stock Exchanges (NSE& BSE)	35400.00	For delayed filing of Related Party Disclosure	Yes
Penalty/ Fine	--	FIU-India	300000.00	Non Compliance observed in respect of transactions carried out in a particular account.	
Penalty/ Fine	--	CBIC	986.00	For delayed reporting of GST transaction.	
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	N.A.				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
<p>Fine imposed for delayed filing of Related Party Disclosure</p> <p>In the opinion of the Bank, the fine levied by the exchanges was not in conformity with the guidance note issued by the exchanges and, accordingly, the Bank had represented to the concerned Stock Exchanges for revocation of fine. The Bank has on April 05, 2023 received waiver letter from National Stock Exchange of India Limited for waiver of an amount of Rs.10,000/- and is yet to receive a response from The BSE Limited</p>	Stock Exchanges (NSE and BSE)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Bank has no such policy in place. However, the Bank has put in place the following measures to check corruption or bribery:

The Bank has a functional Vigilance Vertical which is under the Administrative control of MD & CEO and is headed by Chief Vigilance Officer (CVO) whose appointment has been made as per CVC guidelines. The CVO looks into vigilance



activities of the Bank, identifies corruption prone areas within the Bank and collects information about corruption or malpractices within the Bank.

The Bank has nominated a Departmental Vigilance Officer (DVO) who acts as Nodal Officer with law enforcement agencies and also monitors disposal of cases referred to the Bank by Anti-Corruption Bureau through a dedicated web portal.

The Bank has also in place a "Whistle-Blower Mechanism" which is compliant with regulatory requirements under Section 177 (9) of the Companies Act 2013, and Clause 49 of Equity Listing Agreement as amended by the Securities and Exchange Board of India vide its circular No. CIR/CFD/ Policy Cell/2/2014 dated April 17, 2014.

The Bank has also in place "Protected Disclosures Scheme" which is compliant with RBI directions conveyed vide Circular No. DO DBS. FrMC No. BC 5 /23.02.011 /2006-07 dated April 18, 2007.

Besides the above, rules regarding prohibition of corruption/bribery find a place in the Bank's Officers Service Manual (OSM-2022) under the title 'Conduct Rules'. The OSM is available on the Bank's Intranet for information of employees.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Not Applicable	Not Applicable

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not applicable	Nil	Not applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not applicable	Nil	Not applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Nil

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Bank has a process in place to monitor / manage conflict of interests involving members of the Board. As part of the process, the Bank obtains declaration on an annual basis from the Board of Directors. Besides the Bank has formulated and adopted working Code of Conduct for Board of Directors & Senior Management of the Bank. The Code is applicable to Board Members and senior management which includes, explaining the circumstances to avoid which May likely lead to conflict of interest.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	N.A.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) No
b. If yes, what percentage of inputs were sourced sustainably? N.A.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Bank is providing financial services, it does not engage in any manufacturing activity. Bank follows sustainable waste management for the effective disposal of generated waste.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Not Applicable

Leadership indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service Industry)? If Yes, provide details in the following format:

NIC Code	Name of Product / Service	% of Total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Service Product	Description of Risk/ Concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not applicable. Bank has deployed proper digital solutions and progressed to paperless operations wherever possible.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable. However, wastes generated out of routine operations are disposed through Local Municipal bodies. Battery Waste is returned to the supplier under buy back scheme. No hazardous waste generation due to the nature of activity.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	



PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	9561	*	--	9561**	100%	NA	NA	9561	100%	NA	NA
Female	3225	*	--	3225**	100%	3225	100%	NA	NA	NA	NA
Total	12786			12786							
Other than Permanent employees											
Male	370	--	--	--	--	--	--	--	--	--	--
Female	66	--	--	--	--	--	--	--	--	--	--
Total	436	--	--	--	--	--	--	--	--	--	--

*Active employees are covered under Medical Reimbursement Scheme of the Bank in line with IBA norms.

** Active employees are covered under Group Accidental Insurance Cover (in case of accidental death).

b. Details of measures for the well-being of workers: Not Applicable

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	37%	NA	Y	35.5%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	Not Applicable					
Others- please specify	Not Applicable					

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As per the regulatory requirements, branch/office premises are designed and provided for easy access to differently abled employees. Ramps are facilitated wherever possible in the premises of Bank branches and ATMs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Equal opportunity Policy as per the Rights of Persons with Disabilities Act, 2016 is not in place. However, the Bank ensures that employees with disabilities are provided equal opportunity within the organization.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Not Applicable	Not Applicable
Female	100%	100%	Not Applicable	Not Applicable
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, a dedicated Grievance Redressal portal has been implemented within the Banks HRMS solution wherein all employees can lodge their grievances.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	12786	61	0.47%	12953	54	0.42%
-Male	9561	58	0.60%	9728	54	1.67%
-Female	3225	3	0.09%	3225	0	
Total Permanent Workers						
-Male	N.A.					
-Female	N.A.					

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		Skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% E/D)	No.(F)	% (E/D)
Employees										
Male	9561	0	--	2941	30.70%	9728	0	--	6079	62.40%
Female	3225	0	--	1093	34.00%	3225	0	--	2158	67.00%
Total	12786			4034	--	12953			8237	--
Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	9561	9561	100%	9728	9728	100%
Female	3225	3225	100%	3225	3225	100%
Total	12786	12786		12953	12953	
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
The Bank's Premises have been provided adequate infrastructure to ensure mitigation of risks associated with



Electrical/Fire safety. We have a dedicated doctor at our Corporate Office and Zonal Office -Jammu who are on site for 3 hours daily on three working days from Monday to Friday. All employees and their dependent families are eligible for hospitalization coverage. The Bank also has enhanced the employee benefits for protection of health and well-being such as Group term Life insurance and Group term accidental Insurance.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank takes into consideration the standard Work related hazards associated with Electrical/Fire related incidents. To minimise COVID-19 pandemic -related risks, the Bank undertook several precautions at its offices, which included:

- Appropriate sanitisation measures at regular frequency within the office premises
- Thermal screening of employees
- Rostering of employees in office
- Social distancing and masking protocol
- Appropriate sanitisation measures at regular frequency within the office premises
- oxygen concentrators were arranged by the Bank for affected employees and their family members

Regular communication on sensitisation, awareness and well-being was done for employees through Bank's Intranet and Mailers.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Bank ensures the safety and health of its employees by ensuring that the workplace environment is equipped with necessary infrastructure. Especially in wake of the recent Pandemic, the Bank ensured that Employees resort to COVID related standard operating Procedures for to ensure that there is no spread of COVID or other pathogens amongst each other in the office.

The Bank also takes into consideration the standard Work related hazards associated with Electrical/Fire related incidents, and necessary infrastructure has been deployed at Offices/Branches to mitigate the associated risks.

In order to provide safety to the Female employees of the Bank, an internal committee has been formulated by the Bank in accordance with the Sexual Harassment of Women at workplace (Prevention, prohibition and Redressal) Act, 2013.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA		Nil	NA	
Health & Safety	Nil	NA		Nil	NA	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & safety practices	Nil
Working conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders
Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
The key stakeholders are promoters (Govt. of Union territories of J&K & Ladakh) shareholders, investors, employees, customers and public at large.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers & General Public	No	Connect with customers and general public maintained through regular media communications including press releases, advertisements, public notices etc. through all available platforms.	Ongoing	Following its basic analysis, feedback received through print electronic and digital/ social media platforms is forwarded to relevant departments of the bank to ensure its proper registration and resolution.
Employees	No	Email, SMS, Banks Intranet, Internal Meetings	Fortnightly/Monthly/ Half yearly/Annually	Review// Official Communication/ Seeking employee feedback.
Investors/ Shareholders/ Analyst	No	E-mail, website, newspaper releases, Analyst meets and conference calls, Annual General Meeting, publications, letters, and social media,	Ongoing	To provide the information about the financial health of the Bank and to comply the regulatory requirements
Institutions & Industry Bodies	No	Meetings, discussions, Newspaper and website	Ongoing	To appraise about the customized products and services
Governments & Regulatory Authorities	No	Letters, Emails, website, publication press release	Ongoing	In case of Bank the Govt.s of UTs of J&K Ladakh are the promoters having majority shareholding as such they are required to be updated and informed. The regulatory authorities are informed to achieve the required compliances
Communities & Civil Society/ NGOs	No	Email, Newspaper, Advertisements, publications, website and social media, Complaints and grievance redressal mechanism	Ongoing	Support CSR projects, Financial inclusion and other relevant matters affecting the public at large.
Suppliers	No	Website, Advertisements, email, letter	Ongoing	Vendor assessment and review, service and business related issues.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
Engaging with stakeholders is a primary focus for the Bank in terms of communicating its performance and strategy. One key stakeholder that the Bank actively engages with is its customers. The Bank utilizes various channels such as its mobile banking platform, website, and regular interactions through branches and bank executives to establish effective communication with customers. The objective is to keep customers informed about the Bank's key deliverables and performance. The interactions with customers are recorded by the Customer Care Division and presented to the Customer Service Committee, which is an identified committee of the Board.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.



The Board recognizes the importance of customer feedback and takes it seriously in its decision-making processes. By involving the Customer Service Committee, the Board ensures that customer perspectives and concerns are given due consideration when formulating strategies and making important decisions. This approach helps the Bank align its actions with the expectations and needs of its customers, fostering a stronger relationship and better service delivery.

Overall, the Bank places high value on stakeholder engagement, particularly with customers, and has established a structured process to capture their feedback and incorporate it into the decision-making at the Board level. This commitment reflects the Bank's dedication to maintaining open and transparent communication with stakeholders and delivering on their expectations.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Bank through Corporate Governance and disclosures is committed to being transparent to its stakeholders. The Bank on regular basis engages with its stakeholders particularly customers and responsibly deliver on various issues and concerns about the bank and its future endeavors.

The bank engages with socially vulnerable / marginalized stakeholders through bank officials at branches, CSR initiatives, employment melas, contact centre and through digital and print modes.

The actions taken for meeting the following needs and services:-

- Deliver 24x7 service
- Robust digital banking facilities viz. AEPS, etc.
- IVR services through vernacular languages
- Hassle-free customer services delivery

Besides, as a responsible corporate citizen, J&K Bank envisions to integrate its strategic intent and business goals with the needs of the society in order to achieve an inclusive, sustainable and harmonious ecosystem. This represents the core principle and forms the basis of the Bank's CSR policy.

Key areas of intervention under the CSR programme.

- Livelihood Generation
- Preventive Healthcare
- Education and sustainable livelihoods

PRINCIPLE 5 Businesses should respect and promote human rights Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of Employees/ workers covered (D)	% (D / C)
Employees						
Permanent	12786	1023	8%	12953	648	5%
Other than permanent	--	--	--	--	--	--
Total Employees	--	--	--	--	--	--
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

- Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2022-23				FY 2021-22				
		Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No.(E)	% (E / D)	No.(F)	% (F / D)
Employees										
Permanent	12786	--	--	12786	100%	12953	--	--	12953	100%

Male	9561	--	--	9561	100%	9728	--	--	9728	100%
Female	3225	--	--	3225	100%	3225	--	--	3225	100%
Other than Permanent	437	--	--	--	--	451	--	--	--	--
Male	370	--	--	--	--	380	--	--	--	--
Female	67	--	--	--	--	71	--	--	--	--
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Number	Male	Female	
		Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Please refer to Annexure 3 of Directors Report Section of this Annual Report			
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers	Not Applicable			

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)
Yes, the Head of Human Resources who is responsible for the human resources function and the Industrial Relations Officer (IRO) oversee and address any issue arising from any human rights impact or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank has deployed an "Employee grievance" portal on the Bank's intranet for employees to record and register their grievance.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	01	00		01	00	
Discrimination at workplace	00	--		00	--	
Child Labour	00	--		00	--	
Forced Labour/ Involuntary Labour	00	--		00	--	
Wages	00	--		00	--	
Other human rights related issues	00	--		00	--	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Cases related to prevention of sexual harassment at work place are treated with utmost sensitivity and confidentially



in line with the guidelines of the Sexual Harassment of Women at Work Place (prevention, prohibition and redressal) Act 2013. Further, the Bank provides protection against discrimination to employees who makes disclosure or raises a concern under the whistle blower policy.

The Company strictly prohibits any attempt of retaliation by anyone against any employee who raises a concern.

Human rights requirements form a part of the Bank's business agreements and contracts as and where relevant.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Nil
Forced/involuntary Labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others - please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1.0046x10 ¹⁴ Joules	0.8517x10 ¹⁴ Joules
Total fuel consumption (B)	0.3387x10 ¹⁴ Joules	0.3108x10 ¹⁴ Joules
Energy consumption through other sources (C)	0.0052x10 ¹⁴ Joules	0.0052x10 ¹⁴ Joules
Total energy consumption (A+B+C)	1.3485x10 ¹⁴ Joules	1.1677x10 ¹⁴ Joules
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1333 Joules	1327 Joules
Energy intensity (optional) - the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		Not Applicable
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx		Not applicable	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Being a banking company, the activities/operations carried out does not lead to emission of effluent gases.	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No



7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not applicable.	
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
Not Applicable

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type operations of	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:



Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	0.00525x10 ¹⁴ Joules	0.00525x10 ¹⁴ Joules
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)	0.00525x10 ¹⁴ Joules	0.00525x10 ¹⁴ Joules
From non-renewable sources		
Total electricity consumption (D)	1.0046x10 ¹⁴ Joules	0.8517x10 ¹⁴ Joules
Total fuel consumption (E)	0.3387x10 ¹⁴ Joules	0.3108x10 ¹⁴ Joules
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	1.3433x10 ¹⁴ Joules	1.1625x10 ¹⁴ Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitre)		
(i) To Surface water	N.A	
No treatment		
With treatment - please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment - please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment - please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment - please specify level of treatment		
(v) Others		
No treatment		
With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	N.A	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	N.A	
- No treatment		
- With treatment - please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		N.A
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	N.A		

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
The Bank is having a comprehensive Business Continuity Plan (BCP) to ensure continuity of critical business operations of the Bank identified through criticality assessment using Business impact analysis (BIA) at times of disruptions. The objective is to continue to serve customers and financial market participants, mitigate the negative effects of disruptions which can impact the institution's strategic plans, reputation, operations, liquidity, credit quality, market position, and ability to remain in compliance with applicable laws and regulations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Five (5)

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Fixed Income Money Market & Derivatives Association of India (FIMMDA).	National
2	Foreign Exchange Dealers Association of India (FEDAI)	National
3	Indian Banks Association (IBA)	National
4	KCCI (Kashmir Chamber of Commerce & Industry)	State
5	Federation of Indian Chambers of Commerce & Industry (FICCI)	National



2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No incidents of anti-competitive behavior reported during the review period		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board(Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
	The Bank does not participate in policy advocacy, but is involved in consultation/ discussion forums with the government and other bodies in the banking industry.				

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
N.A.						

3. Describe the mechanisms to receive and redress grievances of the community.
For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website, Mpay, Ebanking channels which are attended to/ disposed-off within defined TAT and the response/ reply is sent to the complainant/customer. After receiving the complaint/Service Request, acknowledgement goes to the complainant/customer instantly with unique ID for future reference/tracking of his complaint/Service Request. The customer complaints received through various channels are scrutinized at various levels for effective and satisfactory resolution. Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds. This approach has helped the Bank in making the grievance redressal mechanism more effective and responsive.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Not applicable in view of the nature of business	
Sourced directly from within the district and neighboring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N.A.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount Spent (In INR)
01	J&K-UT	Kupwara	147500
02	J&K-UT	Baramulla	147500

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
Not applicable
- (b) From which marginalized /vulnerable groups do you procure?
Not applicable
- (c) What percentage of total procurement (by value) does it constitute?
Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of calculating benefit share
N.A.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
N.A.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Ambulance to Psychiatric hospital, GMC Jammu Minimum 2500 patients annually (being 5% of 50000 - the annual footfall of the hospital)	1	100%
2	Plantation drive at STC BSF Humhama	Not Quantifiable (environment related CSR activities serve the larger purpose of environmental sustainability by reducing carbon footprint and decreasing pollution levels)	-----
3	Community support to TB patients at Kargil	Direct beneficiaries 50 for the year Indirect beneficiaries include their immediate families and then the society at large.	100%
4	Computer lab to at Vidya Mandir School, Udhampur	350 students enrolled in the School are Immediate beneficiaries on annual basis. However, given the lab's access to economically backward students of adjoining villages (who are otherwise not on the rolls of school), around 500 more students get benefitted annually.	100%
5	100 wheelchairs and 100 tricycles for SAKSHAM, Kathua	200	100
6	Two (02) E-Vehicles to University of Ladakh	Minimum 50 persons on daily basis (being 5% of 1000 - students enrolled in the University)	80% (Mostly used by specially-abled and girl students)
7	45 mobile phone charging stations to 3 state hospitals in Srinagar	Minimum 100000 people annually (being 5% of total annual footfall of the three hospitals)	Not quantifiable
8	Apheresis kits for poor patients at SKIMS Soura	90	100%



9	15KW solar power grid with storage to Voluntary Medicare Society (VMS), Bemina.	24385 Annually. (Apart from regular 385 specially-abled children on rolls of the Institute, around 24000 patients visit the facility annually for spinal and other motor-control dysfunctional injuries/ disorders).	100%
10	One E-Vehicle to University of Kashmir, South Campus, Anantnag	1200 Annually (with around 3600 students and staff in the university, a conservative figure of 20% has been taken for arriving at the probable beneficiaries)	100%
11	380 chairs to Balgran, Jammu	Around 40 children residing in the facility are immediate beneficiaries. The auditorium in which the chairs have been kept is used for various social activities and community oriented programmes and as such the annual number of beneficiaries can go up to 5000 annually.	100%
12	Construction of patient/ attendant shed at SMGS hospital Jammu	Over Two Lac beneficiaries annually (being average annual OPD patient footfall of the hospital)	90%- (OPDs of govt.-run hospitals are mostly frequented by Economically weaker sections and people belonging to other marginalized and vulnerable sections of society)
13	Electrician and plumbing kits to 12 RSETIs	450 beneficiaries annually that are being trained in these two skills (electrician and plumber) 12 RSETIs across J&K for livelihood generation and skill development	100%
14	Football kits to J&K Bank Sports Academies	40 Annually (20 trainees per academy)	Not quantifiable
15	Benches and dust bins to NIT Srinagar	5000 students, staff members and visitors are the annual beneficiaries. However, initiative being eco-friendly, has a larger significance in terms of environmental sustainability.	20%
16	Sainik Bhawan Srinagar provided with 1 AC and 1 water purifier	575 Annually (Dependents and families of martyred soldiers from Kashmir division)	100%
17	Plantation drive at NIT and Women's college Zakura	Not Quantifiable (Environment related CSR activities serve the larger purpose of environmental sustainability by reducing carbon footprint and decreasing pollution levels).	--

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner
Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website, Mpay, Ebanking channels which are attended to/ disposed-off within defined TAT and the response/ reply is sent to the complainant/customer. After receiving the complaint/Service Request, acknowledgement goes to the complainant/customer instantly with unique ID for future reference/tracking of his complaint/Service Request. The customer complaints received through various channels are scrutinized at various levels for effective and satisfactory resolution. Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds. This approach has helped the Bank in making the grievance redressal mechanism more effective and responsive.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	N.A
Safe and responsible usage	
Recycling and/or safe disposal	

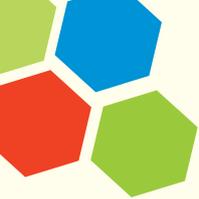
- Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	14	0		7	0	
Advertising	0	0		0	0	
Cyber Security	3	0		2	0	
Delivery of essential services	93	0		48	0	
Restrictive Trade Practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	1552	33		579	11	

4. Details of instances of product recalls on account of safety issues:
Not Applicable
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, the Bank has in place Customer Service Policy which inter-alia covers the areas like data privacy and cyber security. The policy can be accessed at <https://www.jkbank.com/others/common/policy.php>. Besides the bank has also policy on cyber security which is confidential and meant for in-house circulation.
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
The Bank always endeavours to have affable relationship with its customers and tries to have an amicable settlements of any disputes. In the ordinary course of banking business, some customers may raise disputes with Bank which could result in their filing a civil suit or a customer complaint against the Bank alleging deficiency of services. In such cases, the Bank intervenes and sorts unresolved issues amicably. But only in rare instances, where the issues cannot be settled mutually, legal recourse is resorted.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
The information about our products is available on our website www.jkbank.com or a customer can access product and service information through WhatsApp banking / Chatbot.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
The information about our products is available on our website www.jkbank.com or a customer can access product and service information through WhatsApp banking / Chatbot. Besides, information about our various products and services, advisories are prominently displayed on Bank's social media pages viz. Facebook, Instagram, YouTube, LinkedIn.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
The Bank has a Business Continuity Plan measures in place in case of any eventuality and the same is properly communicated to our customers through social media, print media and other relevant channels.
For instance, in case of system updations, proper SMS is sent to customers on their registered numbers regarding downtime of these systems which are usually carried out off-business hours. Further in case of relocation of a branch or office premise, suitable communication in advance is sent to all customers about the change.
During pandemic also, communications were sent on regular intervals to customers to use bank's digital banking services. Awareness across the enterprise about COVID-19 precautions were also disseminated in multilingual format on Bank's website for customers and our employees.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
No
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact.
No instance of data breach, hence no impact.
 - b. Percentage of data breaches involving personally identifiable information of customers.
Nil



Management Discussion and Analysis

GLOBAL ECONOMIC OUTLOOK

At the onset of FY2023-24, the initial indications of a favorable economic transition, characterized by decreasing inflation and stable growth, have diminished due to persistent high inflation and recent turbulence in the financial sector. Despite efforts by central banks to raise interest rates and the decline in food and energy prices, underlying price pressures remain challenging, exacerbated by tight labor markets in several economies. The rapid increase in policy rates has led to side effects, exposing vulnerabilities in the banking sector and raising concerns about contagion in the broader financial sector, including nonbank financial institutions. Policymakers have responded with vigorous measures to stabilize the banking system, as outlined in the Global Financial Stability Report, but financial conditions continue to fluctuate in line with shifting sentiment.

Simultaneously, the major factors that shaped the global economy in FY2022-23 are expected to persist in the current year, albeit with varying intensities. High levels of debt limit the ability of fiscal policymakers to respond effectively to new challenges. Although commodity prices, which soared following Russia's invasion of Ukraine, have moderated to some extent, the ongoing conflict and heightened geopolitical tensions persist. While infectious COVID-19 strains caused significant outbreaks last year, economies that were severely affected, particularly China, appear to be recovering, thereby alleviating some supply-chain disruptions. However, despite the positive impacts of lower food and energy prices and improved supply-chain functionality, risks remain predominantly on the downside due to increased uncertainty resulting from recent turmoil in the financial sector.

As per IMF report on global economic outlook, global growth is projected to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent. Advanced economies are expected to experience pronounced slowdown, with growth falling from 2.7 percent in 2022 to 1.3 percent in 2023. In an alternative scenario that considers further financial sector stress, global growth could decline to approximately 2.5 percent in 2023, marking the weakest expansion since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009--with advanced economies growth falling below 1 percent.

The mild economic outlook is a result of the stringent monetary policies necessary to combat inflation, the repercussions of recent financial instability, the ongoing conflict in Ukraine, and the increasing fragmentation of global economic relationships. Although global headline inflation is projected to decrease from 8.7 percent in 2022 to 7.0 percent in 2023 due to lower commodity prices, underlying or core inflation is expected to decline at a slower pace. In most cases, it is unlikely that inflation will return to target levels before 2025.

Furthermore, the fragmentation of the global economy into geopolitical blocs has the potential to generate substantial output losses. This fragmentation could affect foreign direct investment and lead to adverse consequences for economic growth and stability.

Domestic Economic Outlook:

India's recovery from the pandemic has been swift and the Indian economy continues to be resilient despite signs of moderation in growth. For 2023-24, India will continue to witness decent growth supported by robust domestic demand and increased capital investment. The government has significantly raised capital expenditure, thereby revitalizing the capital expenditure cycle and compensating for cautious private sector spending. Structural reforms like the Goods and Services Tax and the Insolvency and Bankruptcy Code have improved economic efficiency, transparency, financial discipline, and compliance. However, global growth is expected to slow, leading to lower trade growth and potential risks to India's current account balance due to high commodity prices and plateauing export growth. The persistence of inflation may result in an extended tightening cycle and higher borrowing costs. Despite these challenges, the scenario of subdued global growth offers some advantages such as lower oil prices and a relatively better current account deficit for India, indicating that the overall external situation will remain manageable.

According to the Economic Survey 2022-23, India is projected to witness GDP growth ranging from 6.0 percent to 6.8 percent in the fiscal year 2023-24, depending on global economic and political developments. The baseline projection for real GDP growth in FY24 is 6.5 percent. The economy is expected to grow at 7 percent (in real terms) for the year ended March 2023, following an 8.7 percent growth in the previous financial year. The credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, averaging over 30.5 percent during January-November 2022. The central government's capital expenditure (CAPEX) has increased by 63.4 percent in the first eight months of FY23, contributing significantly to India's economic growth. The Reserve Bank of India (RBI) projects headline inflation at 6.8 percent in FY23, which is beyond its target range. The return of migrant workers to construction activities has helped the housing market witness a significant decline in inventory overhang, reducing it from 42 months in the previous year to 33 months in Q3 of FY23. The growth surge in exports in FY22 and the first half of FY23 has stimulated a shift in the production processes from mild acceleration to cruise mode. Private consumption as a percentage of GDP reached 58.4 percent in Q2 of FY23, the highest among all the second quarters since 2013-14, supported by a rebound in contact-intensive services like trade, hotels, and transport. The World Trade Organization forecasts a lower growth rate for global trade, from 3.5 percent in 2022 to 1.0 percent in 2023.

J&K Economy

Jammu & Kashmir has always been projected as an unexplored economy loaded with huge potential across various sectors. However, never-seen-before relentless efforts in the last couple of years to tap the economic potential are proving a shot in the arm of economic development of the region.

Five major sectors are contributing to the region's economy, which include agriculture and horticulture, tourism,

handicrafts, industries and government jobs.

The economy of the UT of J&K is predominately agriculture dependent and nearly 70% of population is directly or indirectly engaged in agricultural and allied occupations which is based on Small Land Holdings. The second sector is tourism, which varies but on average employs about a million people. The third is handicrafts, or the artisanal sector, which employs around 1 million people. The handicraft sector plays an important role in the state's economic structure, and its high-quality craftsmanship, appealing designs, and functional utility have earned it international fame. Fourth is the industry sector, which is in its early stages of development. About 5 lakh people are employed by the government.

Overall, agriculture & horticulture in the primary sector, manufacturing & construction in the secondary sector and public administration in the tertiary sector are the largest contributors towards the Gross State Domestic Product (GSDP) with a contribution of 17%, 20% and 64% respectively.

Remarkably, the tourism sector has been playing a captain's role in the region's economy as it makes an enormous contribution to the region's local economies through job creation and sustainable development. It is the largest service industry in the UT and is significantly contributing to the GSDP. It earns foreign exchange, provides widespread employment, and yields tax revenue. Here it is worth mentioning that pilgrimage tourism provides an extra boost to the region's economy.

As per Economic Survey report for J&K for 2022-23, some of the major highlights are below:

A. ECONOMY

- The GSDP of UT is expected to double by the year 2027-28 with special emphasis on Agriculture, Horticulture, Tourism, Industries and Service Sector.
- At Current Prices, GSDP of J&K is expected to record a growth of 15% which is at par with National level.
- GSDP of J&K is estimated to grow at 8 per cent as against 7 per cent at National level during 2022-23 at Constant Prices.
- J&K is actively contributing to the GDP (0.8 per cent) in proportion to its population (0.98 per cent).
- 51,004 units established under various Self-employment Schemes (SEs).
- 2.03 lakh young boys and girls employed in 51004 units established under various Self-employment Schemes (SEs) upto January, 2023.
- 70,000 youth provided with livelihood generation means, directly or indirectly, by taking various initiatives under Mission Youth (MUMKIN, TEJASWANI AND PARVAZ).
- 7999 (Branches/BCS/ATMs/IPPB) of Scheduled Commercial Banks, Co-Operative Banks and other financial institutions (SFC/IPPB) are in operation in J&K.
- 5582 villages with population less than 2000 have been covered by providing Banking service outlets.
- Credit-Deposit Ratio is 61.10% ending Dec, 2022. Credit flow in priority sector is higher in MSME's with 45% followed by 44% in Agriculture.
- J&K has 27.18 lakh Bank Accounts (16.48 lakh (R) and 10.70 lakh (U)). RuPay Debit Cards issued to 67%.

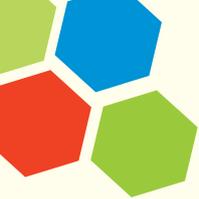
- 42,354 cases sanctioned under PMEGP, NRLM, NULM, PMWY etc.
- 9.41 lakh active Kissan Credit Cards (Crop 7.87 lacs & 1.54 AH&F) are active as on 31st Dec, 2022, 45,609 SHGs (Rs. 1209.99 crore), 1146 JLGs (Rs. 20.53 crore) brought under financial inclusion by way of providing credit-linked facility as on 31st Dec, 2022.

B. CORE SECTOR

- High Density Plantation registered a growth of 591% during 2021-22 with coverage of 6090.91 Ha and Revenue earned from export of fresh/ dry fruits recorded a growth of 27.12% during 2021-22 valuing Rs. 6369.08 Cr.
- Horticulture sector contributes about 6-7% to the GSDP and is generating about 8.50 crore man-days annually. Focused interventions has led to enhancement of area under Commercial Floriculture which reached to 191.08 Ha.
- 29 Project Proposals costing Rs. 5012.74 crores, recommended by Dr. Mangla Rai Committee, are being executed in next 5 years for development of agriculture and allied sectors. These reforms will add about Rs. 28,000 Crore Annually and create jobs substantially
- 12.24 lakh farmer families provided Rs 6000/- (per family) through DBT during 2022-23 under PM-Kisan Samman Nidhi.
- 1.89 crores tourists arrived in J&K upto December 2022, which included 19,985 foreign tourists, 3.65 lakhs pilgrims of Shri Amarnath Ji shrine and 91.2 lakhs of Shri Mata Vaishno Devi. The highest ever arrival of tourists to Kashmir during 2022 was 27 lakhs as compared to previous highest of 13 lakhs in 2016. Home stays are being encouraged to accommodate more tourists and generate employment avenues
- 42 new Industrial Estates are being developed for which 48,301 kanals of additional land earmarked.
- 5327 online applications received for allotment of land to set up industrial units with proposed investment of Rs. 65,000 crores and employment potential of 3.12 lakh persons. 3379 applications approved with proposed investment of Rs. 34,294 crores and employment potential of 1.54 lakh persons.
- Private investment of Rs. 1539.87 crore grounded during the FY 2022-23 (ending Jan 2023), out of which 552 units having investment of Rs. 949.21 crore commenced productions/ operations.
- 387 Minor Mineral Blocks e-auctioned during the Year, 2020-21. Till date the Department of Geology and Mining granted 208 Mining Leases of Minor Mineral Blocks including 08 PSUs.
- The presences of Lithium deposits in District Reasi will certainly boost the investment in electro-chemical sector, thereby enhancing scope in establishment of industries and employment opportunities.

C. SOCIAL DEVELOPMENT

- 2100 seats added in Medical Education in last couple of years which includes 600 MBBS seats and 250 DNB seats. 2966 Health and Wellness Center (HWCs) operationalized.
- Projects/works (more than Rs. 7000 Crores) taken



in hand which includes 02 New AIIMS, 07 New Government Medical Colleges, 15 Nursing Colleges, 02 State Cancer Institutes, 02 Bone & Joint Hospitals besides 140 PMDP projects.

- 55 colleges already granted NAAC accreditation, 30 colleges are in the process of starting research activities by establishing research hubs and 50 colleges have been identified to start skill courses of level-4 of NSQF. 05 autonomous degree colleges are being upgraded to the level of MERUs (Multidisciplinary Education and Research Universities) Deemed University.
- 1.14 lakh Houses under PMAY (G), 40171 IHHLs and, 694 Community Sanitary Complexes constructed.
- PM SVANidhi scheme - 14804 street vendors provided financial assistance of Rs. 26.64 Crore with interest subvention of Rs. 0.41 Crore for earning dignified livelihood.
- 4911 youth trained and 2760 placed under Himayat/Deen Dayal Upadhaya Grameen Kaushalya Yojana. 11,316 (70,576 cumulative) SHGs formed under NRLM and UMEED. 55,426 SHGs provided revolving fund up to January 2023.
- 10.46 lakh (Old Age, Widows and Physically Challenged Persons across J&K) beneficiaries covered under Pensionary benefits and achieved saturation.
- 1.03 lakh eligible beneficiaries were provided Rs. 150 Cr through DBT during 2021-22 under "LADLI BETI".
- 4.39 lakhs students provided Pre & Post matric, Merit cum Means & Minority Scholarship and 23,590 students provided Scheduled Caste Scholarships during 2021- 22.
- 24 new ST hostels are being constructed/ established besides 08 transit accommodations are also being constructed for nomadic population. A Tribal Research Institute is coming up at Khimber-Harwan (Srinagar).
- Comprehensive Flood Management Plan Phase-II of River Jhelum amounting to Rs. 1684.60 cr is under execution.
- To fill the developmental gaps in the Border Areas, a new Scheme "Samridh Seema Yojna" (SSY) launched with an allocation of Rs 50.00 crores during 2022-23.

D. INFRASTRUCTURE DEVELOPMENT

- Hydel-power generation capacity is being doubled (6647 MWs) by 2026 and tripled (9931 MWs) by 2030 from present 3633.21 MWs.
- Installed capacity of 36.4 MW rooftop solar energy being scaled upto 300 MW in a couple of years.
- 32,479 solar street lights installed and 30,186 solar home lights distributed to people living in far flung areas. 500 irrigation pump sets energized with solar power and another 4500 targeted in the next two years.
- 200 MW Grid-tied Rooftop solar energy plants under the "Jammu Solar City Mission" and 20 MW Grid Connected Rooftop Solar Power Plants will be installed on Residential Buildings across UT of J&K.
- 5000 solar pumps installed and commissioned under PM KUSUM.
- Work on 4-laning of Jammu-Srinagar National Highway in progress and likely to be completed by June 2024, travel time shall be reduced by 5 hours.

- Jammu-Udhampur-Srinagar-Baramulla Rail link likely to be completed by August 2023.
- Expansion of Jammu and Srinagar Airports under progress. 7 new helipads became functional.
- 18 ropeway projects identified - works on two ropeway projects is expected to start shortly.
- J&K emerged as flag bearer in implementation of Flagship schemes across the country. Most of the schemes saturated.
- 143 projects completed and work on 122 projects in progress under Smart City Mission Jammu/Srinagar.

As per above report, the significant developments witnessed in the previous year and anticipated in the coming years present substantial business opportunities for the bank. J&K Bank plays a crucial role in facilitating various financial activities, ensuring comprehensive coverage and support in the realm of finances.

Banking Sector Outlook

India's banking sector is well-capitalized and highly regulated, boasting superior financial and economic conditions compared to other countries worldwide. Credit, market, and liquidity risk assessments indicate that Indian banks demonstrate resilience and have successfully weathered the global economic downturn. The introduction of innovative banking models such as payments and small finance banks has recently transformed the Indian banking industry.

In recent years, India has made significant efforts to expand the reach of its banking sector through initiatives like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. These initiatives, combined with major reforms in the banking sector including digital payments, neo-banking, the rise of Indian NBFCs (Non-Banking Financial Companies), and fintech, have greatly improved financial inclusion in India and have played a pivotal role in stimulating the credit cycle. The digital payments system in India has seen remarkable progress, with India's Immediate Payment Service (IMPS) being the only system ranked at level five in the Faster Payments Innovation Index (FPII) among 25 countries. Additionally, India's Unified Payments Interface (UPI) has revolutionized real-time payments and aimed to expand its global presence.

For FY2023-24, India's banking sector outlook shall experience robust growth, driven by enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. According to India Ratings & Research (Ind-Ra), credit growth has reflected a double-digit growth in FY2022-23 and this momentum is expected to continue in FY24.

The advent of technology has brought mobile and internet banking services to the forefront, compelling the banking sector to prioritize improved customer services and technology infrastructure upgrades to enhance the overall customer experience and maintain a competitive edge.

Moreover, India has witnessed a surge in FinTech and micro financing activities. Digital lending in India reached USD 75 billion in FY18 and is projected to reach USD 1 trillion by FY23, driven by a significant increase in digital disbursements. It is anticipated that India's FinTech market will reach Rs. 6.2 trillion (USD 83.48 billion) by 2025.

Banking sector in J&K

The role of banks operating in Jammu and Kashmir (J&K) and Ladakh is of utmost importance as they play a crucial role in uplifting the region from economic backwardness and driving prosperity across all sectors of the economy.

Over time, the region Jammu & Kashmir including Ladakh has established a strong banking network with 2205 branches as of March 31, 2023, spread across its entire geography.

An overview of the advances and deposits position of the banks as of March 31, 2023 reveals interesting and distinctive behavioral patterns. Collectively, the banks have extended loans amounting to the tune of ₹13261.97 Cr. during the year. The deposit base stands at ₹167984.47 Crores with a growth of 6.5%. The credit-deposit (CD) ratio is reported at 60%.

J&K Bank -Business Strategy

Based on the economic outlook, the principal goal of the Bank over the 5-year business strategy is to build a strong balance sheet reflecting growth, better asset quality, good prospects of maximization of returns and better capital structure. During the period, bank shall focus on the following:

Reputation, brand recognition and goodwill.

The bank intends to continue to capitalize and build on the strong market presence, brand image in the UTs of Jammu and Kashmir & Ladakh. The bank has a unique competitive position within Jammu and Kashmir limiting the vulnerability to certain competitive pressures that typically afflict commercial banks, such as deposit pricing pressures, customer attrition etc.

Business Process Reengineering initiatives (BPR)

Bank has continuously endeavored to align its operations with contemporary business environment and adapt latest technologies and standards with regards to various business aspects. In this direction, bank shall undertake initiatives under BPR to streamline the processes and banking operations by way of adoption of best in class technologies and standards.

Sustain profitable growth and value creation

Bank has put in place comprehensive corporate governance policy delineating standard practices in corporate governance in line with regulatory guidelines.

High standards of compliance culture

Bank intends to strengthen the existing systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Besides, bank is also following fair practice code for lending.

Focus on retail lending as well as corporate lending

The risk associated with corporate lending outside the UTs of J&K and Ladakh has been mitigated by shifting the focus to AAA rated PSUs and high rated corporate borrowers (small & mid segment) and retail lending with targets being allocated for corporate sector in alignment with the risk profile and risk appetite of the Bank. Bank is also strategizing to build retail portfolio outside the UTs of J&K and Ladakh through engagement of DSAs, tie-ups with builders, tie-ups with housing finance companies etc.

To focus on Low-cost retail deposit base and high CASA deposit ratio.

The CASA ratio of the bank is at 54.09% at the end of FY 2023 and is one of the best in the industry. Bank ranks 4th in industry in respect of CASA ratio. In order to maintain the higher CASA ratio, the bank shall focus on acquiring higher CASA ratio. The improved CASA base of the bank is expected to positively impact the Net Interest Margin (NIM) and Cost of deposits (CoD).

Organizational Structure

In current highly competitive environment organizational structuring has become dynamic exercise in order to re-align the structure with regard to various internal and external variables. Bank has currently 14 verticals created for better follow up/functioning and better productivity. Bank has initiated various measures to attain greater efficiency and productivity in operations. Bank has currently four layer structure comprising of Branches, Cluster Offices, Zonal Offices & Corporate Headquarters. Review of organizational structure in line with internal and external business variables is an ongoing process. The recent initiatives taken in respect of organizational restructuring includes placement of General Managers across divisions for better management, monitoring & follow-up of business, management of NPAs etc., opening of new clusters, creation of Marketing teams in each zone for new business opportunities and creations of Large Credit Units (LCU)/Branches to handle large credits.

Focus on digital channels

Banking industry is fast transforming from a system driven by conservative delivery channels to a system hugely supplemented by IT enabled alternate delivery channels

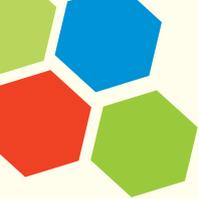
J&K Bank - Financial Performance with respect to Operational Performance

During the fiscal 2022-23, the total income was recorded at Rs. 10,111.92 Crore compared to Rs. 8,757.49 Crore for the previous FY2021-22 in line with the interest rate scenario and showing an increase of 15.47%. Interest income stood at Rs.9,355.11 Crore for the FY 2022-23 as against Rs. 8,013.48 Crore for the previous FY recording a YoY increase of 16.74%. The non-interest income was at Rs. 756.81 Crore for the year ended 31.03.2023 as against Rs.744.01 Crore for the year ended 31.03.2022. Interest expended increased to Rs. 4,609.83 Crore in the fiscal 2022-23 from Rs. 4,102.25 Crore in the previous fiscal 2021-22 recording a YoY increase of 12.37%.

The Bank's operating expenses stood at Rs. 3,643.60 Crore for FY 2022-23 as compared to Rs. 3,592.78 Crore for FY 2021-22. Operating Profit stood at Rs. 1,858.49 Crore for FY 2022-23 as compared to Rs 1,062.46 Crore for FY 2021-22, growth of 74.92% YoY.

NPA Coverage Ratio of the Bank stood at 86.20% as on March 31, 2023 as compared to 84.26% as on March 31, 2022. Gross NPA Ratio stood at 6.04% as on March 31, 2023 as compared to 8.67% as on March 31, 2022. Net NPA Ratio has reduced from 2.49 % as on March 31, 2022 to 1.62% on March 31, 2023.

The Bank posted a Net Profit of Rs.1,197.38 Crore for the financial year ended Mar, 2023 as compared to Net Profit of



Rs. 501.56 Crore during the financial year ended Mar, 2022.

The aggregate business of the bank stood at Rs. 2,04,323.19 Crore at the end of the financial year 2022-23.

The Bank recorded deposit growth of 6.39% and advances growth of 16.88% during the year.

Cost of deposits has increased to 3.79% for FY 2022-23 from 3.65% for FY 2021-22, while, CASA stood at 54.10% for FY 2022-23. The loan-book of UTs of J&K and Ladakh have witnessed 18% growth thereby re-orienting the lending composition of the bank with J&K and Ladakh getting 72% of total advances of the Bank.

Segment-wise and Product-wise performance of the Bank

The segment wise and product wise performance both in the Deposits and Credit is furnished below:-

Deposits	Amount (in Cr.)	Advances	Amount (in Cr.)
Demand	13993.23	Cash Credits, Overdrafts & Demand Loans	25229.83
Savings	52024.75	Bills Purchased & discounted	212.32
Term	56019.76	Term Loans	56843.3
Total	122037.74	Total	82285.45

- The total deposits of the Bank grew by Rs. 7327.36 Crore from Rs. 1,14,710.38 Crore as on March 31, 2022 to Rs.1,22,037.74 Crore as on March 31, 2023, a growth of 6.39% percent. CASA deposits of the bank at Rs.66017.98 Crore constituted 54.10% percent of total deposits of the Bank.
- Average deposits stood at Rs.114743.60 Crore during FY 2022-23, compared to Rs.107001.83 Crore during FY 2021-22 recording a growth rate of 7.24%. Cost of Deposits for the financial year ended March 31, 2023 stood at 3.79% compared to 3.65% recorded for the last financial year.
- During the year, Gross Credit increased from Rs.75,242.46 Crore (FY 2021-22) to Rs. 86,155.64 Crore (FY 2022-23), registering a growth of 14.50%.
- Average advances increased by Rs. 6212.53 Crore at Rs.78498.99 Crore during FY 2022-23 compared to Rs.72286.46 Crore during FY 2021-22. The average yield on advances was 8.91% for the current fiscal against 8.32% during the previous fiscal.

The Bank has the following business segments viz. Treasury, Corporate/wholesale banking, Retail banking and other banking operations. The segment-wise results of the Bank are furnished elsewhere in the report.

Opportunities and Threats

The banking sector plays a pivotal role in fostering the overall economic growth of a country. Banks are instrumental in driving the development and progress of the nation. In the past

decade, the government has implemented several measures to enhance access to credit, such as industry-friendly policies, entrepreneurship-driven schemes and initiatives, etc. These efforts have resulted in improved availability of credit, facilitating economic growth. Opportunities and threats for the Indian banking sector have been influenced by several factors and the specific economic and regulatory environment.

Going ahead, one of the challenges for banks is to survive the rapid digital disruptions. Banks cannot compete with the evolving technology and the scalability which these fin-techs are bringing-in. Banks need to put in place Business Intelligence and Research Development through data scientists to create an ecosystem which is data-driven to arrive at various decision making models providing a competitive advantage to the Banks. Banks need to put in place Business Intelligence and Research Development through data scientists to create an ecosystem which is data-driven to arrive at various decision making models providing a competitive advantage to the Banks.

Here are some potential opportunities and threats that the Bank may face for the FY2023-24:

1. Digital Transformation: The ongoing push for digitalization and the adoption of technology in banking provide ample opportunities for Indian banks to enhance customer experience, improve operational efficiency, and offer innovative digital services. The digital payments system in India has evolved the fastest amongst the countries. The opportunities and potential to grow digitally are virtually unlimited
2. Financial Inclusion: The government's continued focus on financial inclusion provides an opportunity for banks to expand their reach to the unbanked and under-banked segments of the population, especially in rural and remote areas
3. Credit Growth: With the revival of economic activities and the recovery from the COVID-19 pandemic, there may be increased demand for credit, creating opportunities for banks to expand their loan portfolios and support economic growth.
4. Infrastructure Financing: The Indian government's focus on infrastructure development and investment provides opportunities for banks to participate in financing large-scale infrastructure projects, such as transportation, energy, and urban development

Threats

1. Non-Performing Assets (NPAs): The banking sector in India continues to face challenges related to high levels of NPAs. Economic uncertainty or industry-specific challenges can impact asset quality and profitability, posing a threat to banks' stability
2. Regulatory Changes: Frequent changes in regulations, including capital adequacy requirements, lending norms, and compliance standards, can pose challenges for banks as they need to adapt and ensure compliance, potentially affecting their profitability and operation
3. Cybersecurity Risks: The increasing threat of cyberattacks and data breaches poses a significant

risk to Indian banks' reputation, customer trust, and financial stability. Banks need to invest in robust cybersecurity measures to protect sensitive customer data and maintain trust

4. Competition from Neo-Banks: The rise of fintech companies and payments banks (neo-banks) in India present a competitive threat to traditional banks. These new players offer innovative and customer-centric financial services, challenging traditional banks to adapt and differentiate themselves.

Banks, including our Bank are learning and participating in the digitizing of all aspects of banking. Every form of traditional banking is exploring digitization and significant headways have been made in payments, mobile banking, online banking, digital lending, e-KYC, remote customer servicing etc. Data security is, however a critical component in this revolution, and it is a key risk to manage. The financial regulators in India are working towards building a fundamentally strong system that can manage such risks and have been very successful at it.

Risks and Concerns

Risk management is an integral part of the Bank's organizational structure and plays pivotal part in formulating business strategy. The Bank has a well-charted risk management policy for managing credit, operational and market risks based on accepting various risks, controlled risk assessment, measurement and monitoring of these risks. The Board sets the overall risk appetite and philosophy for the Bank.

The Integrated Risk Management Committee of the Board (IRMC), which is a committee of the Board, reviews various aspects of risk arising from the businesses of the Bank & frames, monitors and reviews the risk management framework. The Integrated Risk Management Committee (IRMC) of the Board reviews risk management policies of the Bank pertaining to credit, market, liquidity, operational & Pillar II risks that includes strategic risk and reputational risk, stress testing, Business continuity planning & information security. The Committee reviews implementation of Basel III, risk return profile of the Bank, compliance with RBI guidelines pertaining to credit, market, operational and residuary risks faced by the Bank, including actions taken by Asset Liability Management Committee (ALCO). The Chief Risk Officer (CRO) oversees the development and implementation of Bank's risk management functions. Further details in this regard are available in Directors' Report and Corporate Functions Report.

Internal Control and Systems Adequacy

To strengthen effective controls for compliance to systems & procedures and policy decisions on various operational aspects of day-to-day banking, the bank has well defined internal control measures in place which are commensurate to its size as also the complexity of operations.

Audit Committee of Board provide directions / oversees the audit function of the bank including the statutory / external audit of the bank and inspections of RBI. It reviews the internal inspections / audit functions of the bank - systems, its quality and effectiveness in terms of follow up. Supervision, Control & Audit Division, Corporate Headquarters examines, identifies and finalizes the Branches/ other Operational

Offices for the purpose of various Audits from time to time. As per the approved Audit Policies, this annual exercise is conducted every year so that there is smooth conduct of various Audits like RBIA, Concurrent Audit, Credit Audit, Legal audit, I.S Audit etc. In compliance to RBI guidelines, the Bank has already put in place Audit system to strengthen various measures for effective controls for compliance to systems & procedures and policy decisions on various operational aspects of day-to-day banking.

Audits serve as one of the effective tools/modes of (i) early-warning system for detection of irregularities and lapses in daily operations of bank's branches; and (ii) checking recurrence of irregularities, infirmities and deficiencies in banking operations thereby facilitating their detection, diagnosis and initiating desired steps for their rectification, improvement of systems & procedures besides compliance to internal and regulatory guidelines and controlling risks/preventing frauds. The S, C & Audit Division handles the staff accountability cases other than those having a vigilance angle. The staff accountability cases are investigated by the field level functionaries located at three S&C Divisions viz. S&C Kashmir, S&C Jammu and S&C Delhi.

The cases are then analysed and put to hierarchy for referring to Disciplinary Department or for closure as the case may be. In the light of the fast changing dynamics of today's banking environment and in tune with the extant guidelines the bank has adopted Risk Based Internal Audit, which includes, in addition to selective transaction testing, an evaluation of the risk management systems and control procedures prevailing in various areas of the bank's operations. The implementation of risk-based internal audit means that greater emphasis is placed on the internal auditor's role in mitigating risks. While focusing on effective risk management and controls, in addition to appropriate transaction testing, the risk-based internal audit not only offers suggestions for mitigating current risks but also anticipates areas of potential risks and plays an important role in protecting the bank from various risks. The Branches and other offices of the bank are also subjected to other audits viz Concurrent Audit, IS Audit, Credit Audit, Legal Audit, Stock Audit, Forex Audit, Snap Inspection, Management Audit and Forensic Audit which form part of the internal control mechanism. These audits are effective tools/modes of early-warning system for detection of irregularities and lapses in daily operations of bank's branches, checking recurrence of irregularities, infirmities and deficiencies in banking operations.

Vigilance cases emanate from two sources i.e. external and internal sources. The external sources include the complaints from customers as well as non-customers, State & Central government agencies, print media, CAG and RBI. The internal sources consist of mainly inputs from inspections and audits (snap, concurrent, RBIA, information system (IS) audit, off-site surveillance reports etc.). On receipt of any communication from these sources, the fraud angle is investigated from the concerned S & C Division of the bank and further examined and analysed by the investigating officer at Vigilance Department who scrutinize its various aspects and propose suitable action depending on the severity of the findings ranging from issuance of caution / displeasure letters to termination and dismissal. In case it is deemed that further disciplinary action is needed the case is referred to the Disciplinary Department, Corporate Headquarters for completion of disciplinary proceedings as



per the extant rules of the bank.

Besides, keeping pace with rapid digitalization in your bank, technology-based audit system has been introduced for enhanced efficiency and effectiveness through system driven audits. The modules which uses technology for audit purpose are:-

1. Concurrent Audit
2. Risk based Internal Audit
3. Long Form Audit Report
4. Information Systems Audit
5. Credit Audit

All the critical operations of the Bank such as Treasury Operations, Centralized Processing Units, Data Centres, Contact Centre, Government Business Department, KYC/AML Department, Terminal Benefits Department, Payments & Settlement Department, etc. are subjected to Concurrent Audit. Core Banking Solution (CBS) and all other major information technology assets / applications, besides concurrent audit, are also subjected to I.S Audit while as departments at controlling offices are covered under Management Audit.

Branch Audit

S&C and Audit Department undertakes review of the operations of Branches through Risk Based Internal Audit (RBIA), an adjunct to Risk Based Supervision, as per RBI directives. Your Bank has initiated a system driven process through a software eThic for conducting the audit of all Branches of the Bank covering the business operations.

Credit Audit

Your Bank undertakes Credit Audit to review large value standard borrowal accounts, evaluate portfolio quality including audit of appraisals, sanction and follow-up process on an ongoing basis. The loan review mechanism under credit audit has been designed to provide, inter alia, early warning signals in eligible borrowal accounts.

Management Audit

Management audit is an independent and systematic appraisal of how effectively and efficiently an organization is accomplishing its objectives and performing the management functions of planning, organizing, directing, coordinating and controlling. Management audit is a total audit system encompassing the entire gamut of management functions and tools including the internal audit/inspection functions.

Foreign Exchange (Forex) Audit

Foreign Exchange business of the Bank being conducted across the country borders is exposed to a number of risks. Foreign currency prices are subject to change on account of monetary policies of the Reserve Bank and by domestic, international and overall global economic factors. Since the Forex market is a 24-hour global market with numerous players involving vast sum of money, rates can move considerably on account of any overseas developments and expectation of any change in monetary flows triggering speculation. Moreover, Forex market is information technology driven and as such, decision-making has to be instantaneous

Information system audit

Information system audit is a part of the overall audit process, which is one of the facilitators for good corporate

governance. Information System (IS) auditing is a systematic independent examination of the information systems and the environment to ascertain whether the objectives, set out to be met, have been achieved. IS Audit is the process of collecting and evaluating evidence to determine whether a computer system (information system) is safeguarding the assets, maintaining data integrity and operating effectively to achieve organizational goals.

Concurrent Audit

Your Bank has put in place concurrent audit system carried out round the year at BUs on an ongoing basis. Concurrent audit is an independent appraisal activity conceived as a systematic examination of all financial transactions at a BU to ensure accuracy and compliance of internal systems and procedures as laid down by the bank. It aims at minimizing the incidence of serious errors and fraudulent manipulations as it is intended to be undertaken concurrently. Your Bank has engaged Chartered Accountant Firms in addition to the retired experienced bank officers and regular officers for audits. Additionally, Concurrent Auditors are placed at Central Processing Centers to identify shortcomings in underwriting at a very early stage of the client relationship.

Legal Audit

Legal Audit in your Bank covers scrutiny of the loan and security related documents of loan accounts with credit exposure of Rs.5 crore and above. The legal audit is a control function, carried out by in-house team of internal auditors or through panel advocates to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank.

Management Audit

Management Audit covers identified departments controlling offices covering the strategy, processes, job roles and risk management are covered under the audit.

Human Resources and Industrial relations

Bank believes that its greatest assets are its people and training is an investment in long term people development for organizational excellence. Bank has updated all policies related to HR as part of transformation journey.

In the top Management Cadre, 16 Assistant General Managers were promoted to the post of Deputy General Managers, 6 Deputy General Managers were promoted to the post of General Manger and in Senior Management cadre, 277 Senior Managers were promoted to the post of Chief Manager.

Business per Employee and Net Profit per Employee were at Rs 15.57 crore and Rs 9.06 lakh respectively for the financial year ended Mar, 2023 compared to Rs 13.87 crore and Rs 3.70 lakh pertaining to the financial year ended Mar, 2022.

Training:

Human Resource plays an important role in organizational development and its profitability. In order to keep the employees updated and relevant in the market, besides sharpening their skill set and knowledge, new techniques, procedures and technologies are introduced in the Organization. In line with organizational vision & goals and in order to develop leadership qualities and inculcate the sense of motivation and responsibility among its staff, trainings (both on job as well as off job) are imparted to the staff for which services of various Institutes are being utilized.

Bank's own Staff Training Colleges at Srinagar and Jammu also cater to the sizeable training needs of the organization. In FY 2022-23, around 4000 officials have been imparted training in different banking related fields.

Offline trainings were conducted both in-house as well as officials were nominated for training programmes conducted by outside bank institutes.

Further, RBI has made it mandatory for Senior Management & Board Members to be "certified in IT & Cyber Security". In line with the regulatory direction, six Board Members and twelve Top executives from the Bank have been certified from the Institute for Development and Research in Banking Technology (IDRBT).

J&K Bank, apart from being among the four banks having stake in National Institute of Banking Studies & Corporate Management (NIBSCOM), is also an Associate Member of following reputed institutes:

- i. National Institute of Banking Management (NIBM).
- ii. Federation of Indian Chambers of Commerce & Industry of India (FICCI).
- iii. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- iv. Indian Institute of Banking & Finance (IIBF).
- v. Confederation of Indian Industry (CII)

Capacity Building:

In order to encourage and groom its staff to acquire further knowledge and skill sets for disposal of assignments diligently and in a professional way, the Bank has taken a step ahead and enlisted courses contemporary to banking landscape as per RBI's guidelines. The officials successfully completing these courses are being reimbursed actual course fee and honorarium in case of Diplomas and MBA (B&F). As many as seven Diploma courses and eight Certificate courses offered by IIBF, besides certification/re-certification courses in IT conducted by Cisco/Solaris/Oracle/Microsoft/Sun Java have been enlisted.

Under RBI's Capacity Building Programme, following seven courses have been enlisted in order to develop a resource pool in critical areas viz Risk, Forex, Treasury etc.

- Certified Credit Professional Course.
- Treasury Dealer Course.
- Risk in Financial Services.

- Diploma in IFRS by ACCA by KPMG.
- The Chartered Financial Analyst Programme offered by American Based CFA (USA).
- Financial Risk Management by GARP USA.
- Certification in Foreign Exchange

A good number of officials of the Bank have been enrolling for these courses and subsequent to completion of any of these courses, actual fee is reimbursed in favour of successful officials, besides travelling allowance and classroom/training fee is also borne by the Bank wherever applicable.

Manpower Planning

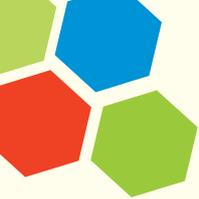
Manpower planning encompasses the process that identifies the number of employees that is required in terms of high quality and quantity, hence it is seen as an ongoing process of regular and structured planning.

HR always takes into consideration the growth of the Bank by transforming the current manpower position into desired manpower position through planning and management to have the right employee at the right position to ensure effective utilization of manpower, thereby to achieve the long term objectives/targets.

The Man power Planning is resorted to in a professional manner to ensure proper staffing, that is placing the right person at the right position. In order to adopt industry best practices, the Bank hired the services of a consultant (KPMG) for conducting an organization wide manpower assessment in the Financial Year 2022-23.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous FY) in key financial ratios:-

- Return on Assets is 0.89% for the Financial Year ended 31st March, 2023 as compared to 0.42% for the previous Financial Year.
- Return on Average Net Worth is 15.23% for the Financial Year ended 31st March, 2023 as compared to 7.77% for the previous Financial Year.
- Gross NPA Ratio stood at 6.04% as on March 31, 2023 as compared to 8.67% as on March 31, 2022.
- Net NPA Ratio stood at 1.62% as on March 31, 2023 as compared to 2.49% as on March 31, 2022.
- Earnings per Share is Rs.12.43 for the Financial Year ended 31st March, 2023 as compared to Rs.6.04 for the previous Financial Year.



Corporate Functions Report

As a responsible corporate citizen, J&K Bank envisions to integrate its strategic intent and business goals with the needs of the society in order to achieve an inclusive, sustainable and harmonious environment. This represents the core principle and forms the basis of the Bank's CSR policy.

The Bank, guided by the founding principles of its CSR policy, takes and encourages initiatives aimed at improving the lives and living conditions of the vulnerable sections of the society besides lending support to the society's endeavors aimed at making the world a better place to live in.

In line with the same, the bank continued its 'social investment' by undertaking projects of varied nature to alleviate the hardships of different sections of the society and address issues of environmental sustainability. In turn, the bank reaped benefits in the form of increased emotional equity, brand-connect and goodwill.

During the financial year FY2022-23, the bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. While CSR initiatives undertaken during FY2022-23 have, directly or indirectly, benefitted hundreds and thousands of people across UTs of J&K and Ladakh, some eco-centric activities have contributed towards reducing carbon footprint and encouraging green energy solutions. The statutory disclosures with respect to the CSR&ESG Committee of the Board, including a report on the CSR, forms part of this report at Annexure 1 followed by the responsibility statement of the CSR&ESG Committee (Annexure 2) bearing the project-wise details of CSR expenditure mentioned in the Annual Report.

Key areas of intervention under the CSR programme

- a) Healthcare
- b) Education
- c) Community Development
- d) Ecology & Environment
- e) Employment Generation & Skill Development
- f) Promotion of Sports

CSR & ESG Committee of the Board

- | | |
|---------------------------|-------------|
| • Ms Shahla Ayoub | Chairperson |
| • Mr Baldev Prakash | Member |
| • Mr Umesh Chandra Pandey | Member |
| • Mr Anil Kumar Goel | Member |
| • Mr Anand Kumar | Member |
| • Mr Sudhir Gupta | Member |

Responsibility statement of the CSR&ESG Committee

Being a premier financial institution that is interwoven with the social fabric of the region, J&K Bank goes beyond commercial considerations to implement its CSR policy. Through the prism of the policy, J&K Bank envisions an inclusive and sustainable socio-economic betterment for Union Territories of J&K and Ladakh and even beyond, and endeavors to achieve a healthy society which is socially emancipated and environmentally conscious. The objective of the Bank's CSR

policy remains de-marginalizing the marginalized, uplifting the downtrodden, preserving the ecology & environment and nurturing skill and entrepreneurship.

Details of activities undertaken under CSR during the FY 2022-23

Healthcare

Ambulance to Government Psychiatric Hospital Jammu

Realizing the indispensable role of ambulance services in emergency pre-hospital medical care, patient transfer, ease of access to health services particularly to underprivileged, the initiative of providing ambulance to the Psychiatric Hospital, Jammu under Corporate Social Responsibility (CSR) was taken up by the Bank.

The Govt. Psychiatric Diseases Hospital (GPDH) Jammu, a tertiary care hospital of psychiatric diseases catering to the whole Jammu division, had just one ambulance (8-year old) to cater to a huge rush of patients. Notably, the Hospital also provides 24-hour psychiatric emergency services on all days.

The Ambulance provided under Bank's CSR will go a long way in bettering the existing infrastructure of the hospital in so far as 'ferrying the patients and attend to the emergencies in the hospital and also to shift patients to GMC Jammu and associated hospitals round the clock' is concerned.

Mobile Charging Stations in premier hospitals

In an attempt to ease the sufferings of general public, the Bank installed 45 Mobile Charging stations at three prominent government- run hospitals (SMHS Hospital Karan Nagar, Children's Hospital Bemina and Lal Ded Maternity Hospital) of Srinagar city for convenience and facilitation of patients/ attendants visiting the Hospital's OPD or those admitted in IPDs.

Installing phone-charging stations inside these hospitals will provide much needed relief and support to patients and attendants alike especially in desperate times of health emergencies. Besides, the three premier health facilities apart from treating hundreds of admitted patients on daily basis, cater to a monthly OPD footfall of over Two lakh people in a month, which further adds to the utility of such stations in these facilities.

Apheresis kits to children suffering from blood cancer and other blood dysfunctional diseases

The incidence of Blood Cancer has seen alarming rise in Kashmir valley over the years thereby necessitating the need for Apheresis Kits (Platelet/ Therapeutic kits with ACD and saline) to ensure treatment of the diagnosed patients. Pertinently, the poor and the under-privileged find it hard to mobilize finances for procurement of these kits, especially considering the fact that the treatment/expenditure for this disease is not covered under "Ayushman Bharat/Golden Card Scheme".

The Bank Understanding the need collaborated with SK Institute of Medical Sciences Srinagar (SKIMSS), Srinagar,

and provided apheresis kits to 90 deserving child patients suffering from cancer and other blood dysfunctional diseases so as to make a difference in the lives of these underprivileged patients.

Pertinently, SKIMSS is the only hospital in J&K that caters exclusively to the pediatric oncology patients from Jammu, Kashmir & Ladakh and treats around 350 pediatric cancer patients every year.

Sponsoring 50 TB patients from Kargil, Ladakh under Pradhan Mantri TB Mukht Bharat Abhiyan

The government of India under The Pradhan Mantri TB Mukht Bharat Abhiyan is committed to eliminate TB in India by 2025. Struggling to achieve its TB elimination target, the Union Health Ministry launched a campaign inviting citizens, non-governmental organizations and the corporate sector to sponsor monthly food baskets for TB patients who require good quality nutrition to tame the infection in the month of September 2022. There are identified food baskets for adults and parents, which the sponsor can fund through the district-level officials managing the TB programme.

The Bank realizing the importance of this mission and in consonance with the Ministry of Health and Family Welfare, GOI's directive for corporates and other organizations, collaborated with Kargil Health Authorities to provide such support to 50 TB patients for one year.

Construction of fabricated structure for convenience of patients and their attendants at ENT OPD of SMGS Hospital

Considering the Bank's commitment towards community development and improving allied infrastructure related to healthcare with a larger objective of contributing our bit to add convenience to people, Bank undertook the project of constructing a fabricated structure on modern lines fitted with turbo ventilators to bring relief to the poor patients and their attendants waiting for their turn at the waiting area of ENT-OPD at SMGS Hospital, a leading government healthcare facility in Jammu city that caters to the health assistance needs of tens of thousands of patients annually.

Education

Setting up of Computer Laboratory at Bhartiya Vidya Mandir, High School Udhampur

To compliment the efforts of Bhartiya Shiksha Samiti J&K in the field of education, Bank, after assessing the need, set up a computer lab for the benefit of underprivileged students receiving education from its Udhampur based Bhartiya Vidya Mandir High School, located on the banks of holy Devika River in Nianso village.

In place to mention that Bhartiya Vidya Mandir High School Udhampur is one of the 36 schools run by Bhartiya Shiksha Samiti across the UTs of J&K and Ladakh (most of these schools are located in remote areas like Kishtwar, Doda, Leh & Kargil districts). A reputed NGO, registered with Ministry of Corporate Affairs for undertaking CSR activities, Bhartiya Shiksha Samiti is working in the field of education and is running a chain of schools for the students belonging to poor and weaker sections of society. Samiti provides basic infrastructure in most of these schools like transport facility, furniture, science laboratories, computer labs, libraries,

meeting halls etc. These schools called as 'Bhartiya Vidya Mandirs' provide quality education to the students by creating a healthy educational and cultural atmosphere.

The students of the said school, right from pre-primary to tenth class, were found to be in dire need of computer lab as the school has only four old computers for the use of students. Moreover, the computer lab will help students of 30 villages living in and around Udhampur town to connect with digital teaching-learning process along with other government & private school students.

Pertinently, the computer lab will have 20 - 25 PCs, one UPS for uninterrupted power supply to meet the lab requirements, one 3-in-1 color-printer and two 3-in-1 black and white printers.

Community Development

100 Wheelchairs and 100 Tricycles to the specially-abled persons

Jammu and Kashmir Bank has always contributed to the development of local communities in different capacities and varied ways. On these lines, Bank collaborated with SAKSHAM, a leading national level not-for-profit organization to provide 100 wheelchairs and 100 special tricycles to the specially-abled persons belonging to various districts of Jammu region and beyond. The initiative is primarily aimed at contributing Bank's bit towards the welfare and development of specially-abled community and to ensure their physical, social and psychological rehabilitation.

Upgrading of facilities at Sainik Bhawan Srinagar

Conscious of the sacrifices rendered by the armed forces for the security of the nation, Bank considers itself duty bound to contribute its bit in complimenting Government and society's efforts towards looking after the families of the martyred soldiers. It was towards this end that Bank provided one 1.5 ton Air Conditioner (Hot and Cold) and one Water Purifier to Sainik Bhawan Srinagar, the organization engaged in welfare activities carried out for the families of 115 forces Martyrs of the Valley.

Upgrading of facilities at Balgran Jammu

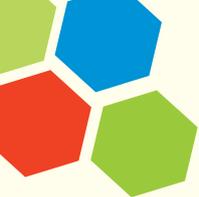
Contributing towards the welfare of lesser privileged children, Bank collaborated with Balgran, Jammu (a charitable home for destitute children), which provides boarding/lodging, education, healthcare, vocational training etc to orphan and destitute children.

Bank provided 380 sitting chairs to Balgran for upgrading their furniture-infrastructure as a humble contribution of Bank towards the noble cause of Child welfare.

Ecology & Environment

Plantation drives

As part of enhancing environment sustainability, Bank collaborated with Border Security Force (BSF) in undertaking a plantation drive at its Subsidiary Training Center (STC) at Humhama Srinagar that encompasses an area of over 300 acres. The Bank provided plant stems of apple, almond, walnut, cherry and pear with an aim to improving green cover in this ecologically sensitive area. The initiative assumes greater importance as the green cover through plantation will go a long way in protecting not only the campus residents from the ill effects of pollution but also the people living in the adjoining areas.



A similar plantation drive was carried out in collaboration with Rahim Greens Srinagar and pine & apple trees were planted at different educational institution in Srinagar which included NIT Srinagar, Women's Degree College Zakura, etc

Installation of 15KW Solar Grid at Voluntary Medicare Society's Srinagar facility

Bank installed a 15KW solar power grid at Voluntary Medicare Society, Srinagar, a Srinagar based medico-social voluntary organization (registered with Ministry of Corporate Affairs for mobilizing CSR funds), dedicated to the care, treatment, education, rehabilitation and empowerment of physically and mentally challenged persons of all the factions of the society. For over 50 years, VMS is providing its services in all the districts of J&K and Ladakh UTs. VMS provides institutional and community based rehabilitation services to the needy persons with disabilities with focus on children and women. Apart from attending to 85 on-roll and over 300 off-roll specially-abled students per month, VMS provides medical treatment to almost 2000 patients per month, including children with special needs, in their Srinagar based facility.

As most of the equipment-oriented services provided at their facility run on electricity and given the frequent interruptions in the power supply, along with huge energy cost involved to run these machines and equipment, providing undisturbed services to the patients and students becomes really difficult. As such, the Bank keeping in view long-term viability, utility and also sustainability issues into consideration, installed the solar grid at its Srinagar facility spanned over 46 Kanals of land.

The initiative while ensuring support to the specially-abled people especially children and women serves the larger purpose of encouraging and promoting clean and green energy resources.

E-Rickshaws to the University of Ladakh and Kashmir University's South Campus

Sensitive to the value and importance of protection of environment for sustenance of the economic and social progress of a country, J&K Bank, notwithstanding meagre budget, invested in an environmental friendly endeavor of providing two e-rickshaws to University of Ladakh (UOL) and one to Kashmir University's South campus under CSR.

The two campuses are situated in ecologically sensitive areas and Bank's endeavor aims at encouraging eco-friendly transportation facilities within these campuses while considerably reducing the pollution levels.

Collaboration with NIT Srinagar for its Green/Clean Campus initiative under Swachh Bharat Abhiyaan

Situated in vast campus spread over 67 acres of land on the banks of the world famous Dal Lake, with Nigeen Lake too being in its close vicinity, National Institute of Technology (NIT) Srinagar is located in a highly ecologically sensitive environment.

NIT Srinagar is taking concrete steps to become one-of-its-kind green campuses with a focus on reduction of carbon emissions, encouragement of green energy initiatives and preservation of ecology and environment. It was with this understanding that J&K Bank collaborated with NIT Srinagar

in its Green & Clean campus initiatives under Swachh Bharat Abhiyan by providing dust-bins and garden benches which have been placed across their vast campus.

Employment Generation & Skill Development Up-gradation of infrastructure of Rural Self Employment Training Institutes (RSETIs)

An initiative of Ministry of Rural Development Government of India, RSETIs act as dedicated institutions designed to ensure necessary skill training and skill up-gradation of the rural youth especially those belonging to BPL category to mitigate the problem of unemployment by encouraging and nourishing the culture of entrepreneurship. J&K Bank, with the support of Central and UT government, runs 12 RSETIs across J&K, making it a key member of the RSETI network of the nation.

In order to compliment the efforts of RSETIs in imparting quality and practical trainings to the aspiring entrepreneurs, Bank provided dozens of plumbing/sanitation kits and electric fitting kits, to these RSETIs. The initiative will help RSETIs (run by J&K Bank) across J&K to further enhance the level of practicality/ demonstration in their trainings to ensure better quality and well trained output.

Promotion of Sports

J&K Bank has a long history of encouraging nationally recognized sports and in this context promotion and propagation of football assumes special significance. Apart from having its own football team, Bank is running two football academies, one each in Jammu and Srinagar. These initiatives have, over the years, helped scores of youth to polish and nourish their sporting talent and emerge as professional footballers, with many of them having carved their place in prestigious teams and clubs across country.

Under the instant project, the Bank provided match uniforms, practice uniforms, tracksuits and footballs to the two academies to meet the immediate needs of the budding footballers receiving training through these academies.

AWARDS AND CERTIFICATION RECEIVED BY THE BANK DURING 2022-23

J&K Bank's illustrious history of more than eight decades is decorated with awards and accolades. Over the years, the bank has collected numerous honors in various categories. During the FY 2022-23, the bank outshone its competitors to grab the headlines in following categories:-

1. Award from Housing and Urban Development Corporation Ltd (HUDCO) for its outstanding contribution towards housing sector under PM Awas Yojana for FY 2022-23.
2. Awarded as Best MSME Bank by Chamber of Indian Micro, Small and Medium Enterprises (CIMSME) at MSME Banking Excellence Awards
3. MSME Friendly Bank Award by CIMSME at MSME Banking Excellence Awards
4. Award for Government Schemes Implementing Bank by CIMSME at MSME Banking Excellence Awards

5. Best Branding Bank Award by CIMSME at MSME Banking Excellence Awards
6. Best Bank for Implementing COVID Schemes at MSME Banking Excellence Awards - 2022 organized by CIMSME
7. Award for outstanding performance in promoting digital payments at Digital Payments Utsav organized by Ministry of Electronics and Information Technology, Government of India at India New Delhi
8. CSO 100 Award - 2022 at CSO100 Awards & Symposium - 2022 from Foundry India, an Indian chapter of Foundry - an IDG Inc.
9. Special Cyber Security Award 2022 on Access and Identity Management for its Privilege and Customer Authentication Framework from Foundry India.
10. Certification of prestigious ISO 27001:2013 from Intertek - a reputed London-based Total Quality Assurance provider - for being compliant with the best industry standard in terms of privacy and security protocols.

HR initiatives for the Financial Year 2022-23

In today's dynamic business environment, human assets differentiate an organization from its competitors. Understanding the vital role played by the motivated manpower in nurturing the organisation, it has remained our major priority to continuously improve employee efficiency, performance and strive to institutionalise globally competitive HR practices in the Bank.

As employees' are our first customers, we constantly strive to improve overall processes, systems and infrastructure. Ensuring the highest degree of ease and transparency, the HR processes are mainly managed through the technology. To use HR data proactively and assure lucidity, HR system is managed through a robust HRMS viz., Peoples' system, a centrally occupied tool for managing internal HR functions. Another HRMS tool SOLUS is in place to manage Centralized Attendance system.

The Bank has rolled out a KPI Based Performance Management System (PMS) across the Organization as one of the HR Transformation Initiatives launched in Financial Year 2022-23. The new KPI based appraisal System is envisaged to quantify and measure the organizational goals and establish the bar in terms of the specific deliverables employees will produce and provide a means to measure the effectiveness and outcomes of their efforts. The HRMS solution of the Bank has also been upgraded, which has resulted in end to end automation of major HR Processes. The Bank has also implemented a cloud based 'Learning Management System' which has substantially strengthened the 'e-learning' infrastructure of the Bank.

In the top Management Cadre, 16 Assistant General Managers were promoted to the post of Deputy General Managers, 6 Deputy General Managers were promoted to the post of General Manger and in Senior Management cadre, 277

Senior Managers were promoted to the post of Chief Manager. Under the Bank's Compassionate appointment policy, 1 Banking Attendant, 3 Assistant Banking Associates & 5 Banking Associates were appointed in the services of the Bank.

In the FY 2022-23, Policy for Recruitment of sports Persons was formulated by the Bank besides revised policies for 'Job Rotation', 'Promotion of Workmen' and 'Engagement of personnel on contractual basis' have also been approved by the Board.

During the period, the Bank has conducted training modules through online/offline training classes/ sessions/workshops etc. Around 4000 officials have been imparted training in different banking related fields.

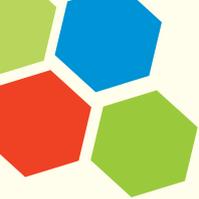
Further, in compliance with RBI directives on "certifications in IT & Cyber Security" 6 Board Members and 12 top Executives from the Bank have been certified as of date from the Institute for Development and Research in Banking Technology (IDRBT).

Under RBI's Capacity Building Programme, several courses have been enlisted in order to develop a resource pool in critical areas viz. Risk, Forex, Treasury etc. A good number of officials of the Bank have been enrolling for these courses and subsequent to completion of any of these courses, actual fee is reimbursed in favour of successful officials, besides travelling allowance and classroom/training fee is also borne by the Bank wherever applicable.

Risk Management

Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent risk management function ensures that risk is managed through a risk management architecture as well as through policies and processes approved by Board of Directors. The key risks that the Bank is exposed to are Credit Risk, Market Risk, Liquidity Risk and Operational Risk. These risks not only have a bearing on the Bank's financial strength and operations but also on its reputation. Bank has in place Board approved Risk Strategy / Policies whose implementation is overseen by Board of Directors of the bank. The Board of Directors has oversight on all the risks assumed by the Bank and approves the risk policies and strategies to establish an integrated risk management framework and control system in the Bank. The Integrated Risk Management Committee (IRMC), a board level committee entrusted with the overall responsibility of ensuring that the adequate structures, policies and procedures are in place for risk management in the bank. The day-to-day assessment, measurement and monitoring of various risks is managed by the Risk Management Vertical, which is headed by the Chief Risk Officer (CRO). The CRO reports to the IRMC of the Board. The CRO is responsible for ensuring an effective implementation of an enterprise-wide risk management framework through various risk policies, processes and limits.

The risk management function in the Bank strives to proactively anticipate vulnerabilities in the business operations through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on



improving its risk measurement systems including automation of the processes wherever feasible to ensure compliance of regulatory requirements as well as bringing efficiency in the risk management framework. The risk management policies and procedures established are updated on continuous basis and benchmarked to best practices. The Bank has successfully implemented Basel norms since its introduction. Under this, it has adopted the 'Standardized Approach' for measurement of Credit Risk, 'Basic Indicator Approach' for Operational Risk and 'The Standardized Duration Approach' for Market Risk. The Bank has thus evolved a robust risk management framework, which is geared to support the strategic objectives and business plans of the Bank.

The Integrated Risk Management Committee (IRMC) of the Board reviews risk management policies of the Bank pertaining to credit, market, liquidity, operational & Pillar II risks that includes strategic risk and reputational risk, and stress testing. The IRMC of Board is assisted by the Executive Committees (CRMC, ORMC, MRMC & ALCO) by review of policies for different risk categories that have a material bearing on the bank. These committees anticipate vulnerabilities in business & embedded risks for management, monitoring & control of various risks.

Credit Risk Management:

Credit Risk "defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties, losses that stem from outright default or reduction in portfolio value" is comprehensively managed by the Bank with distinct credit risk architecture, policies, procedures and systems in place. Bank has been able to ensure strong asset quality through volatile times in the lending environment by stringently adhering to prudent norms and institutionalized processes.

The credit risk management policy of the Bank provides framework for credit risk management and embodies in itself the areas of risk identification, risk measurement, risk grading techniques adopted by the Bank, documentation practice and the system adopted for management of problem loans. The credit risk policy deals with short term implementation as well as long term approach to credit risk management to achieve desired business goals. The credit policy provides clear and well defined delegation of loan sanctioning which links risk and exposure amount to level of approval. Segment-wise and borrower category-wise exposure limits are fixed and monitored by the bank to address the risk of concentration. The Bank's credit risk management structure with Integrated Risk Management Committee (IRMC) of Board at the apex level and Credit Risk Management Committee (CRMC) at the executive level is responsible for overall credit risk management in the Bank. The committees periodically review the credit risk profile, evaluate the overall risk faced by the Bank and develop policies and strategies for identifying and managing credit risk at individual exposure level as well as portfolio level in sync with the bank's credit risk policy designed in accordance with regulatory guidelines.

The appraisal process encompasses a detailed risk assessment and rating of obligors, using the Bank's rating models to measure credit risk that forms core of the credit risk management process. Comprehensive credit approval

processes followed by post-sanction monitoring processes and remedial measures are proactive measures to minimize delinquencies. For managing legal risks Bank has standard documents for various types of credit products for ensuring legal compliance of applicable laws and ensuring that the documentation entered into by the Bank is legally valid and enforceable.

Credit audit system and loan review mechanism function independently of the credit processing and credit approval system and ensure effective loan monitoring and management of credit risk and operational risk in the loan portfolio.

Capital requirements for Credit risk are derived using Standardized Approach as per Basel guidelines.

Operational Risk Management:

The Operational Risk Management process of J&K Bank is driven by a strong organizational culture and sound operating procedures that involves corporate values, competencies, comprehensive system of internal controls and contingency planning. The Bank has implemented a robust and comprehensive Operational Risk Framework defined as part of the Board-approved Operational Risk Management Policy to identify, assess and monitor risks, strengthen controls and minimize Operational Risk losses. The Bank has constituted the Operational Risk Management Committee (ORMC), consisting of Senior Management of the Bank for implementation and monitoring of the Operational Risk Framework throughout the Bank.

Integrated Risk Management Committee (IRMC) of Board at the apex level and Operational Risk Management Committee (ORMC) at executive level are responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank. Policies have been put in place for effective management of Operational Risk in the Bank, which aim to ensure clear accountability, responsibility and mitigation of operational risks. The Bank follows self-assessment programs for risk analysis and risk reducing measures. The Integrated Risk Management Committee (IRMC) approves the major aspects of the Bank's Operational Risks while the Operational Risk Management Committee (ORMC) periodically reviews the Operational Risk Management (ORM) Policy and associated frameworks that include Loss data management, Key Risk Indicators, Risk Control & Self-Assessment.

The Bank has a robust Business Continuity plan that ensures uninterrupted operations in case of disruption and is periodically tested to ensure that it can meet any operational contingencies. Bank's Board has the ultimate responsibility and oversight over BCP activity. The Board approves the Business Continuity Policy of bank. Senior Management is responsible for overseeing the BCP process. Bank's Board and Senior Management ensures BCP is independently reviewed and approved at least annually.

There is an independent Information Security department headed by Chief Information Security officer (CISO) that addresses information security related risks and ensures employee sensitization exercises, CISO reports to the Chief Risk Officer (CRO) of the Bank.

The Bank has Whistle Blower mechanism in place which inter alia defines the governance, roles & responsibilities of various officials/ officers from branch to the Board level, besides putting in place various controls for preventing fraud incidents and detecting frauds in an effective way. The central vigilance team oversees implementation of fraud prevention measures. Frauds are investigated to identify the root cause and relevant corrective steps are taken to prevent recurrence. Fraud prevention committees at the senior management and Board level also deliberate on material fraud events and initiate preventive action. Periodic reports are submitted to the Board and senior management committees.

Capital requirements for Operational risk are derived using Basic Indicator Approach.

Liquidity Risk:

Asset-Liability Management (ALM) is a comprehensive and dynamic framework for measuring, monitoring and managing the financial risks associated with changing interest rates, foreign exchange rates and other factors that can affect the organization's liquidity. Proper Asset Liability Management is necessary for a bank for managing balance sheet risk, especially liquidity risk and interest rate risk, so as to maximize its net interest earnings. Bank's framework for liquidity and interest rate risk management is spelt out in its Asset Liability Management Policy that is implemented, monitored and periodically reviewed by the Asset Liability Committee (ALCO). The Asset-Liability Management Committee (ALCO) is a decision making unit consisting of the bank's top management, responsible for ensuring adherence to the risk tolerance / limits set by the Board as well as implementing the liquidity risk management strategy of the bank in line with bank's risk management objectives and risk tolerance.

As a part of ALM process, the Bank has established various Board approved limits to mitigate both liquidity and interest risks. While the maturity gap and stock ratio limits help manage liquidity risk, the net interest income and market value impacts help mitigate interest rate risk. This is reinforced by a comprehensive Board approved stress testing programme covering both liquidity and interest rate risk. Bank conducts various studies to assess the behavioral pattern of non-contractual assets and liabilities and embedded options available to customers, which are used while managing maturity gaps. Further, the Bank also has necessary framework in place to manage intraday liquidity risk.

The Liquidity Coverage Ratio (LCR), a global standard, is used to measure a bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30day calendar liquidity stress scenario.

Net Stable Funding Ratio (NSFR) supplements the LCR and has a time horizon of one year. It has been developed to provide a sustainable maturity structure of assets and liabilities. NSFR would ensure that bank has a stable funding profile vis-a-vis its assets and off-balance sheet activities.

Market Risk Management:

The market risk management is governed by Market risk policy of the Bank. A well-defined Market risk management framework is in place to assess and minimize risks inherent in treasury operations through various risk management tools. In addition to various regulatory limits, Bank has defined various internal limits like Net Overnight Open Position, Modified Duration, Stop Loss, VaR Limits, PVO1 Limit, and Concentration & Exposure Limits and ensures adherence thereof on continuous basis for managing market risk in trading book of the Bank. These limits are stipulated in Market Risk Policy, Investment & Trading Policy, Asset Liability Management Policy, etc. All these policies are reviewed and approved by the Bank's Board of Directors. For the Market Risk Management of the Bank, there is a functional separation between the Treasury Front Office, Mid office and Treasury Back Office.

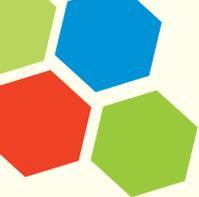
The Bank currently follows the standardised approach for computation of market risk capital on interest rate related instruments in the trading book, equities in the trading book and foreign exchange risk for its trading portfolio.

Pillar II Risks:

The Bank has a structured framework in the form of Internal Capital Adequacy Assessment Process (ICAAP) to assess capital position vis-a-vis identified risks and also the future capital requirement of the Bank. ICAAP is to identify, assess and manage all risks that may have a material adverse impact on business / financial position / capital adequacy and ensure that a bank is aware of its risk profile and has systems in place to assess, quantify and monitor these risks. One of the objectives is to determine the economic capital required to cover all risks faced. While Regulatory Capital is the capital that the regulator requires a bank to maintain, Economic Capital is the capital that a bank needs to maintain and is, in general, estimated using internal assessment of all the risks including residual risks. Additionally, the Board approved Stress Testing Policy entails the use of regulatory specified & internal scenarios to assess potential vulnerability to extreme but plausible stressed business conditions. The ICAAP document addresses the following issues:

- a) Capital Planning and Management considering the material risks faced by the Bank and future capital requirement of the Bank basis growth strategies, macroeconomic environment and market share of the Bank.
- b) Changes in the Bank's risk levels based on on/ off balance sheet positions assessed under assumed scenarios using sensitivity factors that generally relate to their impact on profitability and capital adequacy.
- c) Identification and assessment of all types of material risks, capital requirement thereof and capital position under stress scenarios.

The Bank has a stress testing policy in place to measure impact of adverse stress scenarios on the adequacy of capital. Periodic stress testing is undertaken on various portfolios to gauge the impact of stress situations on the health of portfolio, profitability and capital adequacy. The stress scenarios are idiosyncratic, market wide and a



combination of both. Stress testing enables a Bank in forward looking assessment of risks, which overcomes the limitations of statistical risk measures or models based mainly on historical data and assumptions. It also facilitates internal and external communication and helps senior management understand the condition of the Bank in the stressed time. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires

banks to undertake rigorous, forward-looking stress testing that identifies severe events or changes in market conditions that could adversely impact the Bank.

Ratings:

Bank's rating for its fixed deposits and Tier II Bonds (Basel III Compliant) assigned by RBI accredited rating entities is as follows:

Instruments	Rating	Rating Agency	Comments
Certificate of Deposit Programme	CRISIL A1+	CRISIL	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Short Term Fixed Deposit Programme	CRISIL A1+	CRISIL	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Fixed Deposit Programme	AA-	CRISIL	This rating indicates that the degree of safety regarding timely payment of interest and principal is strong.
Tier II Bonds (under Basel III)	IND A+	India Ratings	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	BWR AA-	Brickwork	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	Care A+	Care Rating	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Additional Tier 1 Bonds (under Basel III)	BWR A	Brickwork	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instrument carry low credit risk.

Marketing & Product Development

The banking industry operates in a dynamic environment that poses a variety of challenges, compelling it to remain proactive in redesigning and re-engineering itself to remain relevant and competitive. Thus the banks need to constantly update their existing offerings as well as come up with new products to suit the existing market segments as well as to penetrate new markets. In this backdrop, new product development and updation of existing products assumes utmost importance in the banking sector. Keeping abreast with the evolving trends in banking industry, Bank has put in place a Board approved Product Development and Approval Policy which delineates the framework for introduction of new products & review of existing ones in order to make them inclusive, responsive and market oriented.

The banking industry, like any other service industry has to focus more on service delivery, as it heavily contributes to service quality. Thus product development, in addition to routine product features, focuses on ease of processing of service requests, simplicity of processing, promptness of delivery, safety, security and likewise. Customer centric and customer friendly behavior of staff assumes paramount importance to customer satisfaction and customer delight, thus training and development of staff to improve their core competencies in this direction needs added emphasis.

J&K Bank has a vast bouquet of specially customized products under MSME, Trade, Personal Loan Segment, Industry, Handicrafts, Tourism, Agriculture, Micro Finance, Education and other Service Sectors with enhanced focus on UT's of J&K and Ladakh.

The personal consumption loan scheme is a flagship product of the bank having wide acceptance in UT's of J & K and Ladakh. The product has been comprehensively reviewed to suit the needs of almost all the sections of society so as to make it more inclusive, and the Bank has so far been successful in covering a vast segment of customers under the product. During the year 2022-2023, Consumption loan & Festival advance to Govt employees has been made available through STP mode, thus reducing the TAT to ten (10) seconds, the facility is available 24*7. Housing Loan, Car Loan, Solar Finance, Loan for Consumer Durables, and Festival Advance are other key products under personal segment. Majority of the vehicle loan schemes like Car Loan Scheme, Commercial Vehicle Finance Scheme, Two wheeler finance schemes have been reviewed to make them more competitive and marketable.

Under the Agriculture Sector, Bank has continued its endeavor to launch special campaigns for 100% coverage of PM-Kisan Beneficiaries' under Kisan Credit Card (KCC) and a vast section of population has benefitted from the

scheme. Bank is committed in supporting the creation of Agri-infrastructure such as CA Stores and other food processing units and establishment of sheep, dairy and poultry units. Bank is whole heartedly implementing various Govt Sponsored Schemes like Integrated Diary Development Scheme (IDDS), Integrated Sheep Development Scheme (ISDS), Integrated Poultry Development Scheme (IPDS), PMFME, Agri-Infra Fund Scheme etc. During the year, Bank has introduced "Asset Based Easy Agri Loan Scheme" to provide hassle free finance to farmers for traditional as well as modern farm related activities.

In order to mitigate the problems faced by people in general and business community in particular due to country wide Covid induced Lock down, Union Govt has announced certain rehabilitation packages and the bank has been prompt in implementing these packages and extending their benefits to its customers. Besides the bank has also implemented Emergency Credit Line Guarantee Scheme (ECLGS)/GECL Scheme of NCGTC for providing additional funding to businesses impacted by Covid induced lockdown.

Bank is playing vital role in ensuring credit flow to MSME Sector in the UTs of J&K and Ladakh; and special attention is being paid to handholding of the sector in line within the regulatory framework. The bank's schemes for business community are regularly updated to align them with the market demands. Besides, the Bank also implements various flagship schemes of Govt like PMEGP, JKREGP, PM SVANidhi, Mission Youth Schemes. Under Mission Youth scheme, the Bank during FY 2022-2023 has introduced "Rise Together" for Community Entrepreneurship & "Spurring Entrepreneurship Initiative" for innovative & new businesses for youth.

As a part of marketing and in order to provide customers with special discounts on occasions of festivities, the Bank launched many Business Promotion campaigns/ Festive offers like "Greh Tara", "Iss Eid Ghar Ghar Khushiyan" & "Diwali Dhamaka- Aao Jalayein Khushiyon Ke Deep" during the FY 2022-23 which have considerably improved our retail credit portfolio.

The global pandemic caused by Covid-19 has re-emphasized the importance of availability and availment of financial services through digital channels. Bank is imparting added focus on providing innovative digital financial services through Interactive and secure Technology to its customers which shall enable virtual interaction with them without losing human touch. Besides bank has already migrated the retail credit operations partially to digital platform and steps are being initiated to widen the scope of technology utilization in credit appraisal and dispensation by transferring more customer segments and credit products to digital platform.

Bank has initiated steps to augment fee based income by increasing non-fund business by raising awareness among the staff and Bank's Clientele to avail the benefits of non - fund business. Besides cross selling of 3rd party products is being emphasized to improve the non-interest income of the bank.

Advertising and Publicity

During the FY 2022-23, we have been successful in strengthening the bond of trust with all our stakeholders

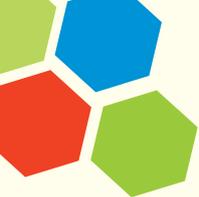
by leveraging all the means and channels available for uninterrupted communication throughout the financial year. The Bank's products, services and facilities were successfully advertised and publicized in the form of mass-media campaigns across the operational geographies of the Bank. Also, the advertising campaigns initiated by the Bank to increase in the overall business, while meeting the set targets, were duly publicized with proper follow-up communications.

Also, the functioning and accomplishments of the Bank were effectively communicated to relevant target audiences including major stake-holders, customers, shareowners, other stakeholders and general public through customized and efficiently packaged messages/hand-outs using mass media within J&K and Ladakh, besides rest of the country to earn high credibility and enhance our brand image.

To leverage the power of internet for reaching out to a wider audience, we successfully increased our presence in the social-media universe further by strengthening and streamlining our online presence through highly popular mediums of social connectivity platforms especially Facebook, Twitter, Instagram, YouTube and LinkedIn.

IT Initiatives during FY 2022-23

- **Straight Through Processing(STP) of Loan under Phone-pe-Loan:**
Straight through Processing (STP), an upgrade to Phone Pe Loan facility, is an end to end automation. This is a self-service offering for customers aimed at providing them with the best experience of banking services. The customer requests received through Mpay or web portal, are auto processed in the system for pre-processing checks and the disbursement is done to customers saving account within 10 secs.
- **Introduction of Chatbot (JIA) and WhatsApp Banking:**
Our Bank has taken a new technological initiative by embracing Chatbot Technology with an aim to provide the customers with prompt & personalized service available round the clock. Our Bank's Bot "JIA" acts as a Conversational Intelligent Virtual Assistant to support customer queries & help them avail different Banking Services in a self-assisted mode. The Chatbot is accessible through our corporate website and has also been extended over WhatsApp Application as well. The Chatbot features will be enhanced to include Transactional and Non-Transactional features like balance enquiry, cheque stop in the ensuing financial year.
- **Aadhaar Vault:**
In order to safeguard and secure the Aadhaar Numbers provided by customers, our bank has implemented the centralized storage vault for storing all Aadhaar Numbers, as per the protocols identified by Unique Identification Authority of India (UIDAI).
- **Straight Through Processing(STP) of Pensioner Payments:**
This process innovation is aimed at automated disbursement and reconciliation of approx. 3 Lakh Pension Payments processed by our bank which is otherwise disbursed through Manual file based



process. In order to automate and thereby eliminate the manual intervention and comply with the regulatory directions, STP (Straight through Process) was developed which would process the transactions directly at Core Banking System from the Pension Application. The team successfully implemented the solution and managed to reduce the process time to under 2 hours through STP process using parallelism in ISO 8583 process combined with an asynchronous feature of Office Accounts in our Core Banking System.

▪ **Migration to state of art New Disaster Recovery Setup:**

The bank successfully relocated its Disaster Recovery Center to CtrlS, a state-of-the-art co-location site in Mumbai. This new site is recognized as Asia's largest rated LEED Platinum V4 O+M Certified Rated 4 Hyperscale Datacenter, ensuring top-notch environmental sustainability and operational efficiency. This new facility is USGBC LEED Platinum Certified Rated4 Datacenter and is World's 1st DC to Win Golden Peacock Eco-Innovation Award.

▪ **Setup of 3 Way Disaster Recovery with Zero Data Loss for Core Banking Application post migration:**

Our bank has implemented the 3 Way Zero Data Loss using Oracle Active Data Guard Technology for CBS post migration. This technology is the most comprehensive solution available to eliminate single points of failure for mission critical Oracle Databases and is the only Oracle Database replication solution that can provide both zero data loss protection and near-immediate restoration of service in case production database become unrecoverable for any reason.

Achievements in Digital Banking FY2022-23

Digital transformation is the process of using digital technologies to modify existing or create new business processes and enhance customer experiences to meet changing business and market requirements. Today's demand of banking is anytime & anywhere banking (Digital Banking) & our Bank has been taking several measures to encourage digital payments and has embarked on digital transformation journey to promote banks digital products besides upgrading the existing products to the best standards and adding new digital products to keep up with the latest technological innovations in the banking industry and has remained successful in increasing the digital users of the popular modes of digital payments. With regard to awareness & security of digital payments, Bank has promoted Safe Banking practices through Social Media Platforms, Print Media, Radio diary, Awareness SMS etc. To achieve digitization goals, Bank initiated promotion campaigns on social media, website, radio, newspaper and other media to promote use of digital channels: mobile banking, Internet banking, UPI-QR, Debit Cards, Credit Cards, POS, BHIM UPI, Easy Collect etc.

The details of "Achievements in Digital Banking FY 2022-23" are as below:-

a) The Bank has bagged Utkarsh Puraskar of DigiDhan Award 2021-22 for achieving 2nd highest percentage of digital payment transactions from Ministry of Electronics & Information Technology (Meity), GOI. (Category: Small & Micro Banks - Private Sector Bank).

- b) With the view to expanding and deepening the digital payment ecosystem in the country, Bank has successfully completed the 100% digitization project for District Leh as per the directions of RBI.
- c) To further expand digital transformation and in line with the directions of RBI, Bank has opened two digital banking units in District Jammu and District Srinagar respectively.
- d) Bank has launched loyalty management program for credit cards wherein a customer can earn reward points for every transaction done.
- e) Bank has launched its own chatbot named 'JIA' which acts as a Conversational Intelligent Virtual Assistant to support customer queries & help them avail different Banking Services in a self-assisted mode.
- f) Revenue Department (Govt. of J&K) has been on boarded on Bank's IPG platform.
- g) Bank introduced a new Credit Card Product (Platinum Variant) for Govt. Employees of J&K State with various features.
- h) 100 % Traffic Police Challan System has been completely digitized through J&K Bank POS & IPG systems.
- i) In order to increase QR penetration a drive named "Mission: One Lac UPI QR Codes in One Month" was launched wherein one lac accounts (CC / CD accounts) of business establishments were identified centrally and were issued QR codes. After this drive the QR users were increased from 36 thousand to 1.2 Lakh.
- j) Some of the other Top Govt Departments that have been moved to online mode of collection during the Financial year are as below:
 - i. Shri Amarnathji Shrine Board
 - ii. Jammu Power Development Corporation Ltd
 - iii. IG Registration
 - iv. Department of Horticulture Planning & Marketing
 - v. Custodian Evacuee Property Department Kashmir
 - vi. Govt. Boys Degree College Sopore
 - vii. Govt. Polytechnic College for Women, Srinagar
 - viii. Srinagar Municipal Corporation
 - ix. Govt. Girls Degree College Sopore
 - x. District Health Services
 - xi. Govt. Degree College Shopian/Doda/Kulgam
 - xii. Jammu & Kashmir Legal Services

Digital User/Transaction Summary report for the FY 2022-23:-

Digital Channels	Q4 FY 2021-22	Q1 FY 2022-23	Q2 FY 2022-23	Q3 FY 2022-23	Q4 FY 2022-23
Debit Card Users	3462126	3548937	3662294	3750886	3858499
m-Pay Users	1537926	1636923	1732772	1845667	1958831
UPI Users	998298	1125380	1306535	1385672	1587660
Internet Banking Users	508677	526814	539570	547661	560116
KIOSK Users	267929	273566	275174	279993	288262
QR Merchants	32064	36761	119705	116441	135368
Credit Card Users	82327	81252	83022	86286	78050
POS Users	10948	11463	11593	11625	11619
Total Digital Transactions (in '000)	107548.77	122241.57	135590.81	154578.05	164117.16
Total Transactions (in '000)	136906.24	146396.66	163396.55	183161.77	195570.06
% age Digital Transactions	78.55%	83.50%	82.98%	84.39%	83.92%

Financial Inclusion:

Financial Inclusion can be defined as the process of ensuring that vulnerable groups, such as the weaker sections and low-income groups, have affordable access to the necessary financial services and products. It aims to provide universal access to a broad range of financial services at reasonable costs, including reaching out to the unbanked and underbanked populations. The objective is to unlock the growth potential by extending financial services to these populations. JK Bank has consistently adhered to the plans and directives of regulators since the launch of the program by the Government of India, ensuring timely compliance. The following are some of the steps taken by the Bank to achieve this goal:

- During the period 2013-16, on the basis of allocation made by UTLBC J&K, Bank has covered 5464 unbanked villages/wards under the Financial Inclusion Plan. In addition, Bank has covered 4 villages outside the UT J&K allocated by RBI. The said villages stand covered by opening of Branches and providing of BC coverage which facilitate ICT based financial services to the public.
- Subsequently Department of Financial Services, Govt. of India, advised that Banks must have a Banking touch point within a range of 5 Kms to cover all allotted villages for Banking and Financial services. Further, Reserve Bank of India vide their communication No.FIDD.CO.LBS. NO.1488/02.01.001/2019-20 dated 13.01.2020 has advised Banks for opening of Banking touch point in every allotted village within 5 kms radius/hamlet of 500 households in hilly areas. In this regard Bank has taken necessary steps to cover the allotted villages by a Banking touch point.

RBI selected Villages (Progress/ Achievements)

RBI selected 15 model villages and allocated them to J&K Bank for 100% financial inclusion in UT of J&K. All the said 15 sites have been made functional for Kiosk (online FI solution). BCs and Branches catering these 15 RBI adopted villages have been provided with Biometric Devices /PIN PADs.

Achievements under FIP

- With the objective to integrate the under-banked and unbanked population with financial system, Bank has in addition to its branch network, engaged 1067 Business Correspondents (BCs) up to 31.03.2023 for providing banking and financial services in remote and other areas which is also facilitating the financial inclusion in UT of J&K & UT of Ladakh.
- During the FY 2022-23, 61 additional BCs (including women SHG members) were engaged by the Bank for providing Banking and Financial services in remote and unbanked areas of UT of J&K and UT of Ladakh. Out of 61 additional BCs, the Bank engaged 55 women SHG members as Business Correspondents as part of the "Azadi ka Amrit Mahotsav" in different districts of the UT of J&K.
- It is pertinent to mention here that pursuant to RBI directives, Bank has in place a policy, approved by Board of Directors, for engagement of fresh Business Correspondents (BCs) as and when required. The year on year growth in engagement of BCs up to 31st March 2023 is as under:

S. No	Particulars	No. of BCs	Growth in %
1	Position as on March 2011	218	NA
2	Position as on March 2012	440	102
3	Position as on March 2013	629	43
4	Position as on March 2014	695	10
5	Position as on March 2015	858	23
6	Position as on March 2016	929	8
7	Position as on March 2017	942	1.4
8	Position as on March 2018	972	3.09
9	Position as on March 2019	981	1
10	Position as on March 2020	985	0.40
11	Position as on March 2021	993	0.81
12	Position as on March 2022	1006	1.3
13	Position as on March 2023	1067	6.06

- During the FY ended 31st March 2023, Business Correspondents have executed 19.08 lakh number of financial transactions involving an amount of Rs.797.71 crore.

Financial Literacy cum Credit counseling Centre's (FLCCs)

In compliance to RBI directive vide circular No. RPCD.FLC. No.12452/12.01.018/2011-12 dated 06.06.2012, J&K Bank has already set up FLCs in its 12 lead districts during 2012. The need for financial literacy and its importance for financial inclusion has become widely recognized. To promote financial education, digital literacy, creation of awareness among the people living in the unbanked and under-banked areas and to achieve the targets stipulated by RBI, Bank has organized 1508 number of Financial Literacy Camps (FLCs) during Financial Year ended 31st March, 2023 against the 1125 camps conducted during Financial Year ended 31st March 2022. Various financial literacy programmes were customized to suit the requirements of school/college students, microfinance clients, SHGs, rural women, bank clients etc. The Bank would continue with its efforts to enhance financial literacy by providing guidance and support to the targeted groups. Further, available technology is being leveraged to create more awareness about the benefits of three Social Security Schemes i.e. PMSBY, PMJJBY & APY. The consolidated position of Financial Literacy Camps conducted by the 12 FLC facilitators during the financial year (April 2022-March 2023) is appended below:

Progress report regarding Financial Literacy camps conducted by Financial Literacy Facilitators in 12 Lead Districts during the financial year (April 2022-March 2023)		
S. No	Type of Camps conducted as per RBI guidelines	Progress FY 2021-2022
1	Number of Special Camps	355
2	Number of Target Specific Camps	1153
	Total	1508

Financial Literacy Camps through Rural Branches

In compliance to revised RBI guidelines, J&K UTLBC has advised the Banks to conduct one special camp per month for newly included people in the financial system including PMJDY A/C holders and target specific groups of farmers, SHGs, MSEs, senior citizens and school children through their rural branches. Our bank has organized 4948 financial literacy camps through Rural Branches during financial year ended 31st March 2023 to create awareness among the people of unbanked areas particularly deprived sections of society. The quarter-wise position of financial literacy camps conducted by rural Branches of the bank during the financial year ended 31st March 2023 is appended below:

Progress report of Financial Literacy camps conducted through rural Branches of Bank for the financial year (April 2022-March 2023)		
S.No.	Quarter	Cumulative Position
		No. of Camps conducted by Rural B/Us Bank
1	Quarter-1	916
2	Quarter-2	1249

3	Quarter-3	1247
4	Quarter-4	1536
	Total	4948

Centres for Financial Literacy (CFL)

The Bank has Lead Bank responsibility in 12 districts of J&K. The Reserve Bank of India has asked the Lead Banks to establish CFLs in their districts in collaboration with Non-Government Organisations nominated by the Reserve Bank of India.

Accordingly the Bank has established 27 CFLs in association with CRISIL Foundation in 12 districts of J&K as per following details:

S.No.	CFL Location	District
1	Hajin	Bandipora
2	Tulail	Bandipora
3	Khanmoh	Srinagar
4	Uri	Baramulla
5	Kunzer	Baramulla
6	Zaingeer	Baramulla
7	Reddi Chowkibal	Kupwara
8	Sogam	Kupwara
9	Vilgam	Kupwara
10	Dk Marg	Kulgam
11	Kund	Kulgam
12	Newa	Pulwama
13	Dadsara	Pulwama
14	Kangan	Ganderbal
15	Safapora	Ganderbal
16	Beerwah	Budgam
17	Chadoora	Budgam
18	Soibugh	Budgam
19	Chittargul	Anantnag
20	Hiller	Anantnag
21	Dachnipora	Anantnag
22	Kalakote	Rajouri
23	Dharal	Rajouri
24	Poonch	Poonch
25	Surankote	Poonch
26	Ramnagri	Shopian
27	Kellar	Shopian

Pradhan Mantri Jan Dhan Yojna (PMJDY)

- Pradhan Mantri Jan Dhan Yojna (PMJDY) has been launched on 28th of August 2014 under comprehensive financial inclusion plan, with an objective to bring the entire unbanked population particularly living below poverty line within the ambit of banking fold, by extending the facility of financial services at their door step at an affordable cost.

- Under the scheme, 18.90 lakh PMJDY accounts have been opened up to 31st March 2023 with deposit of Rs.1296.87 crore. Further during the year 2022-23, 68828 PMJDY accounts have been opened by various Branches of the Bank.

Status of Inbuilt RuPay Card Insurance

RuPay Card scheme is a domestic network set up to provide secured, robust, scalable, simple, transparent, inclusive, user friendly and affordable solutions to entities eligible to issue cards in India. As a value added service, the insurance cover of Rs.2 Lakh (accidental death or permanent disability only) is available to eligible PMJDY Rupay Card holders. The status of said claims is given hereunder:

Status as on 31.03.2023

Insurance scheme	Claims Received	Claims Settled	Claims In Process	Claims Rejected
Accidental Insurance	19	13	2	4

Implementation of Social Security Schemes (PMSBY, PMJJBY & APY)

The Social Security Schemes - Pradhan Mantri Suraksha Bima Yojna (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY) and Atal Pension Yojna (APY), were launched by the Honourable Prime Minister on 9th May 2015 to move towards creating a universal social security system, targeted especially at the poor and the underprivileged.

i) PMSBY:

The scheme is a one year cover, renewable from year to year, Accidental Insurance Scheme offering accidental death and disability cover of Rs.2 lakhs for death or permanent disability and cover of Rs.1.00 lakh for partial disability as per criteria defined in the scheme. All savings bank account holders in the age group of 18 to 70 years in participating banks are entitled to join. The premium of Rs.20/- per annum per member is deducted from the account holder's savings bank account through 'auto debit' facility in one instalment, on or before 31st May of each annual coverage period under the scheme.

ii) PMJJBY:

The scheme is a one year cover, renewable from year to year, Insurance Scheme offering life insurance cover of Rs.2 lakhs for death due to any reason. All savings bank account holders in the age group of 18 to 50 years in participating banks are entitled to join. The premium of Rs.436/- per annum per member is deducted from the account holder's savings bank account through 'auto debit' facility in one instalment, on or before 31st May of each annual coverage period under the scheme.

iii) APY:

Atal Pension Yojna (APY) is a government-backed pension scheme in India targeted at the unorganized sector. APY has been launched with a noble cause of providing Old Age income security for target age group of 18-40 years. Under the APY, guaranteed pension of Rs.1000.00, Rs 2000.00, Rs 3000.00, Rs 4000.00 and Rs 5000.00- per month will be given at the age of 60 years

depending on the contributions by the subscribers. The progress of the Bank under the aforementioned social security schemes is given hereunder:

Progress in Social Security Schemes during FY 2022-23

Name of Pension / Insurance scheme	Name of Pension/ Insurance partner	Fresh Applications sourced	Premium Debited (in Rs)
PMSBY	New India Assurance Co	63755	10333700.00
PMJJBY	LIC OF INDIA	32271	107433500.00
APY	PFRDA	6654	89212101.00

Cumulative position of PMSBY & PMJJBY claims as on 31.03.2023

S. No.	Name Of Insurance Scheme	Name Of Insurance Company	Claims Received during the year	Claims Settled (including pending)	Claims Rejected	Claims Pending
1	PMSBY	New India Assurance Co.	105	111	2	57
2	PMJJBY	LIC OF INDIA	284	130	47	107

Micro Overdraft facility under PMJDY

As per DFS, MoF, GoI guidelines, overdraft facility from Rs.2000 to Rs.10,000/- is available to the eligible account holders under PMJDY. The status of the OD facility granted by the Bank under the said scheme is as under:

Status as on 31.03.2023

No. of Accounts	Amount (in lacs)
8505	190.74

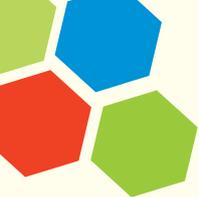
Status of displaying names/locations of all the Bank Correspondents/Bank Mitras on the website of the bank.

As a part for implementation of Financial Inclusion programme, Bank has engaged 1067 BCs the complete details whereof are available at website (www.jkbank.com) of the Bank.

Technology readiness for FI Programme

Online FI Solution (Kiosk Solution)

Bank decided to implement Online FI Solution prior to launching of PMJDY by Prime Minister in August 2014. Basic requirement for implementing technology platform for PMJDY is to have an online FI system in place which is integrated with Banks Core Banking Solution. Bank has engaged M/S TCS as technology service provider for the implementation of web based online FI solution. Financial Inclusion Solution (KIOSK BANKING Model) integrates Biometric and ICT technologies to deliver mainstream banking services like account opening, deposits, withdrawal, remittance, Balance Inquiry etc., to the marginalized sections of unbanked and under-banked population in rural areas in a cost effective and secure manner. These services are being provided to the customer's door step.



In a KIOSK based Model:

- Biometric devices serve the purpose of Finger print grabbing and Verification of account holders to make them enable to transact at BC location.
- PIN PAD devices serve the purpose of making transaction via RuPay/Debit cards (ONUS/ OFFUS), thus making interoperable transactions enable at BC KIOSK.

BC is eligible for the following KIOSK Banking Services:

1. **Account Based Transaction Module:** The transaction can be made via account Verification Process in which finger print of Customer is captured for the authorization purpose to let the transaction happen. In this module below mentioned Services are available :

- Balance Inquiry
- Deposit
- Withdrawal
- Fund Transfer
- Mini Statement

2. **AEPS Transaction Module:** For AEPS based transaction, Customer finger print is first authorized from UID Server and then the transaction is made via application. In this module below mentioned Services are available :

- Balance Inquiry
- Deposit
- Withdrawal
- Fund Transfer
- Mini Statement

3. **RuPay Application Module:** Transactions are made via RuPay / Debit Cards through PIN PAD Device. Both Intra and Interbank transactions are made through it. In this module below mentioned Services are available :

- Balance Inquiry
- Withdrawal
- Mini statement (ONUS Only)

4. **e-KYC Module:** BCs can provide e-KYC receipt to Customer after proper verification of Customer's Aadhaar No. and Finger Print from UID server.

5. **Account Opening:** BC has an access to enroll the Customer for opening of Saving Bank accounts using e-KYC facility.

The OD limit for each BC is generally Rs. 100,000/- and the limit on transaction is Rs.10,000/- per account per day.

Transactions through Online FI Solution (Kiosk Solution)

Progress of financial transactions during FY2022-23

S No.	Transaction Type	No. of Transactions	Amount of Transactions
1	AEPS OFFUS Deposit	43	98100
2	AEPS OFFUS Funds transfer	323	1507900
3	AEPS OFFUS Withdrawal	1455	2881470
4	AEPS ONUS Deposit	35	126595

5	AEPS ONUS Funds transfer	7600	29017465
6	AEPS ONUS Withdrawal	50498	260648298
7	Deposit	15834	98243467
8	Funds transfer	261776	859493720
9	RUPAY OFFUS Withdrawal	8368	29345861
10	RUPAY ONUS Withdrawal	3571	13719001
11	Withdrawal	261769	1424499245
12	AEPS IMPS Transactions	1274743	5202303558
Grand Total		1886015	7921884680

Progress of non-financial transactions during FY 2022-2023

S.No.	Transaction Type	No. of Transactions
1	CIF Balance Enquiry	50349
2	CIF Mini Statement	6836
3	Off-Us Balance Enquiry	3492
4	Off-us Mini-statement	1428
5	On-Us Balance Enquiry	90159
6	Issuer Balance Enquiry	63887
7	Issuer Mini-statement	67524
8	On-Us Mini-statement	119827
9	RuPay Balance Enquiry	61108
10	RuPay Mini Statement	234994
Grand Total		699604

Status of E-KYC & AEPS

For AEPS (Aadhaar enabled Payment System) and E-KYC, bank has entered into the agreement with UIDIA. AEPS & E-KYC functionality is a part of the exiting ONLINE FI SOLUTION from M/S TCS and has been implemented in the bank and is used by the Business Correspondents as on date.

Progress of E-KYC during FY2022-23

S No.	Transaction Status	No. of Transactions
1	Success	73720
2	Failure	66131
Grand Total		139851

Progress of AEPS during FY 2021-22

S No.	Transaction Type	No. of Transactions	Amount of Transactions
1	AEPS OFFUS Deposit	43	98100
2	AEPS OFFUS Funds Transfer	323	1507900
3	AEPS OFFUS Withdrawal	7600	29017465

AEPS ONUS Deposit		50498	260648298
4	AEPS ONUS Funds Transfer	15834	98243467
5	AEPS ONUS Withdrawal	261776	859493720
6	AEPS IMPS Transactions	581	2141414
Grand Total		336655	1251150364

Customer Service

Customer service and customer delight is the prime focus area of the Bank and we are constantly striving to meet the customer demand for on-the-go services while staying in compliance with regulator.

Bank has adopted the policy of holding regular training programmes for the staff in line with Customer Service orientation & rewarding the Best Branches from Customer Service point of view.

For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website, Mpay, eBanking, email and landline telephone numbers.

Bank also has 24x7 Contact Centre Service in place to respond to the queries/grievances of customers. We have recently revamped our Contact Centre and presently there is zero waiting time for reaching to Contact Centre Executive for any assistance.

The customer complaints received through various channels are scrutinized at multiple levels for effective and satisfactory resolution. Root cause analysis is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds. This approach has helped the Bank in making the grievance redressal mechanism more effective and responsive.

In order to ensure timely resolution of customer complaints and avoid further escalation, special emphasis is laid on adherence to TAT (Turn Around Time) as prescribed in our Board approved policies. The customer is kept updated with the progress of resolution of his request/grievance. Moreover, the customer is able to confirm the status of his/

her request with the help of a unique ID, which is generated and delivered to the complainant when a complaint is lodged through online mode.

The Bank has in place an Internal Ombudsman, which is an independent authority to review complaints that are partially or wholly rejected by the Bank. With the implementation of level of Internal Ombudsman in the Grievance Redressal Matrix, Bank has improved the customer satisfaction level, besides reducing escalation of grievances to other fora.

The Bank also conducts Customer Advisory Forum (CAF) meetings at all Branches at monthly intervals. The meetings are held Bank-wide on 15th of every month and in case 15th is a holiday, the meeting is held on next working day. These meetings help us obtain first hand feedback about our products and services and in turn facilitate necessary changes/improvements as per customer expectations. Bank has various policies on customer service approved by the Board which have been conspicuously displayed on Bank's website for awareness of general public.

Prompting Compliance

The bank has implemented robust compliance processes in accordance with guidelines set by the Reserve Bank of India (RBI) and the bank's internal governance standards. Our commitment to accountability, transparency, and business ethics is evident in our adoption of industry best practices. We have established a comprehensive Group compliance policy to identify and mitigate compliance risks effectively.

To ensure compliance, the bank strictly adheres to all statutory provisions outlined in various legislations, including the Banking Regulation Act, RBI Act, FEMA, and other regulatory guidelines. Furthermore, we have implemented internal policies that align with these requirements, continually updated to reflect changes as necessary. Our enterprise-wide compliance framework establishes clear roles and responsibilities to maintain adherence.

In order to foster a strong compliance culture, we have established a dedicated "Compliance" Department at the apex level. Additionally, we have implemented the CERMO+ and TasC applications, which enable us to monitor regulatory guidelines and ensure compliance accordingly. These measures strengthen our overall compliance efforts and demonstrate our commitment to regulatory compliance.

Independent Auditors Report

To
The Members of
Jammu & Kashmir Bank Limited,

Report on Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Jammu & Kashmir Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. In which are included the Returns of 47 branches/offices audited by us and 972 branches audited by Statutory Branch Auditors for the year ended on that date. The Branches/offices audited by us and those audited by other auditors have been selected by the Comptroller & Auditor General of India in accordance with the guidelines issued to the Bank by the Reserve Bank of India.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2023, and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

2. We draw attention to the matter described below, the possible effects of undetected misstatements on the financial statements due to the inability to obtain sufficient and appropriate audit evidence which is material but, not pervasive either individually or in aggregate.

- a) Refer to Note No. 15 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).

The Compensation Committee of the Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount

for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the management, it seems that there is violation of:

- Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme;
- Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/2015-16 /95 DBR.No.Dir.BC.10/13.03.00/2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares;
- Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21st March 2023 and payment was realised on 22.03.2023 and 23.03.2023 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank;

- b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we can not comment on those transactions.

c) The possible impact of such misstatement referred to in Points 'a' & 'b' above are as follows If the Regulating Authority declare this issue as illegal & irregular allotment of shares in violation of various statutory provisions aforementioned,;

- (1) Refer to Note No. 1 of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of Rs. 1 each (i.e. Rs. 5,17,62,954/- of FY 2021-22 & Rs. 7,00,00,000/- of FY 2022-23). the Share Capital will be overstated by Rs. 12,17,62,954/- i.e. 11.80% of the total paid-up share capital of the bank.
- (2) Refer to Note No.2. of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 218.41 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.
- (3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier I & Capital conservation buffer), the financial ratios/prudent limits concerning net worth/capital funds have been adjusted due to observations made above at Sno. 1 and 2 in regard to such overstated Share capital 7-00 crores , Share Premium 331.31 crore due to prohibited advances to the employees for the purchase of shares.
- (4) Refer to Note No.9 of the financial statement regarding Advances, a factual position of the Loan and Advances availed by the employees for the purchase of shares is not properly & separately disclosed. In the absence of complete information provided by the management, we are unable to quantify.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements

under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

3. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

4. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to



cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

6. We did not audit the financial statements / information of 972 branches and processing centres included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs 66031.33 crores as at 31st March 2023 and total revenue of Rs. 6503. for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 91.03 % of advances, 93.51 % of deposits and 93.84 % of Non-performing assets as at 31st March 2023 and 64.31 % of revenue for the year ended 31st March 2023. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
7. The annual financial results include the results for the quarter ended 31st March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 .
 9. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-A" to this Report.
 10. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations except for the matter described in the Basis for Qualified Opinion which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank except for the matter described in the Basis for Qualified Opinion, which have come to our notice, have been within the powers of the Bank;
 - (c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
 - (d) the profit and loss account shows a true balance [of profit or loss] for the year then ended.
 11. Further, as required by section 143(3) of the Act, we report that:
 - a) we have sought and except for the matter described in the Basis for Qualified Opinion obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) except for the matter described in the Basis for Qualified Opinion, in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) the reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
 - d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us
- e) except for the matter described in the Basis for Qualified Opinion in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - f) As per Notification No. GSR 463(E) sated 05.06.2015 Section 164(2) of Companies Act, 2013 is not applicable to Jammu & Kashmir Bank Limited being a Government Company.
 - g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - h) as per the Notification No.GSR 463(E) dated 05.06.2015 Section 197 of Companies Act, 2013 is not applicable to The Jammu & Kashmir Bank Limited, being a Government Company;
 - i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12., to the financial statements;
 - ii. the Bank has made Nil provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts -
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented,



that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing

has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.

- v. The Bank has not declared or paid any dividend during the year 2022-23.
- vi. The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention. (This Clause is applicable from the financial 2023-2024).

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023

Annexure-A to Para 14 of independent auditor's report of even date on the standalone Financial Results of Jammu & Kashmir Bank Limited.
Directions/sub-directions of Comptroller and Auditor General of India under Section 143(5) of Companies Act 2013 for the Financial Year 2022-2023

S. No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any may be stated.	As per information and explanation given to us the bank has system in place to process all the accounting transactions through IT.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	Refer Schedule 18 Note 4(b) and 4(g)
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There are no deviations. The loans received are utilized for the intended purpose. However, during the FY 2022-23 grants/subsidy received has been utilized in accordance with the stipulated guidelines.	Nil

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023



**Annexure B to the independent auditor's report of even date on the standalone financial statements of Jammu & Kashmir Bank Limited
(Referred to in paragraph 10(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of The Jammu & Kashmir Bank Limited ('the Bank') as at 31 March 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI').] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023



Standalone Balance Sheet

as at 31st March, 2023

CAPITAL AND LIABILITIES	Schedule	As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
Capital	1	1,031,623	933,030
Share Application Money		-	935,000
Reserves and Surplus	2	98,400,757	79,203,630
Deposits	3	1,220,377,383	1,147,103,799
Borrowings	4	28,923,058	23,708,173
Other Liabilities and Provisions	5	110,889,767	54,140,492
TOTAL		1,459,622,588	1,306,024,124
ASSETS			
Cash and Balance with Reserve Bank of India	6	77,940,577	77,502,028
Balance with Banks & Money at Call & Short Notice	7	10,846,044	10,348,444
Investments	8	348,291,521	338,349,883
Advances	9	822,854,513	704,006,750
Fixed Assets	10	22,715,388	19,536,800
Other Assets	11	176,974,545	156,280,219
TOTAL		1,459,622,588	1,306,024,124
Contingent Liabilities	12	52,337,681	55,249,390
Bills for Collection		17,054,071	15,380,639
Principal Accounting Policies	17		
Notes on Accounts	18		
The schedules referred to above form an integral part of the Balance Sheet.			

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023

Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 1 - CAPITAL			
Authorised Capital			
1,850,000,000 (P.Y. 1,850,000,000)			
Equity Shares of Rs.1/- each		1,850,000	1,850,000
Issued			
1,031,697,861 (P.Y. 933,104,594) Equity Shares of Rs.1/= each		1,031,698	933,105
Subscribed and Paid-up Capital			
1,031,479,861 (P.Y. 932,886,594)			
Equity Shares of Rs. 1/- each		1,031,479	932,886
Add Forfeited Equity Shares (218,000) (P.Y. 218,000)		144	144
TOTAL *		1,031,623	933,030
Share Application Money Received (Pending Allotment)		-	935,000
SCHEDULE 2 - RESERVES & SURPLUS			
I.	Statutory Reserves		
	Opening Balance	24,037,433	22,783,528
	Additions during the year	2,993,450	1,253,905
	Deductions during the year	-	-
	Closing Balance	27,030,883	24,037,433
II.	Capital Reserves		
a)	Revaluation Reserve Fixed Assets		
	Opening Balance	9,498,454	9,726,180
	Additions during the year on account of Revaluation Reserve	3,519,560	-
	Deduction during the year (depreciation)	(205,389)	(227,726)
	Closing Balance	12,812,625	9,498,454
b)	Others		
	Opening Balance	2,888,472	2,553,327
	Additions during the year	-	335,145
	Deductions during the year		
	Closing Balance	2,888,472	2,888,472
III.	Share Premium		
	Opening Balance	17,604,651	10,959,119
	Additions during the year	4,219,506	6,645,532
	Deductions during the year		
	Closing Balance *	21,824,157	17,604,651



Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
IV)	Revenue and other Reserves		
a)	Investment Fluctuation Reserve		
	Opening Balance	377,800	377,800
	Additions during the year	1,718,000	-
	Deductions during the year	-	-
	Closing Balance	2,095,800	377,800
b)	Special Reserve (u/s 36 (i) (viii) of i.tax act, 1961)		
	Opening Balance	1,231,600	1,231,600
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	1,231,600	1,231,600
c)	Other Reserve		
	Opening Balance	23,565,220	19,910,924
	Additions during the year	8,670,000	3,654,296
	Deductions during the year	(1,718,000)	-
	Closing Balance	30,517,220	23,565,220
	TOTAL (I,II,III & IV) *	98,400,757	79,203,630

* The amount of Rs. 338.31 crore (7.00 Crore in paid up capital and 331.31 crore in share premium account) mobilized on account of JKBESPS 2023 though included here, has not been reckoned as capital for the purpose of financial ratios involving net worth/capital. (Refer Note No. 15 notes to accounts.)

SCHEDULE 3 - DEPOSITS			
A I.	Demand Deposits		
	i) From Banks	1,331,995	1,496,306
	ii) From Others	138,600,300	142,480,572
	TOTAL (I & ii)	139,932,295	143,976,878
II.	Saving Bank Deposits	520,247,496	504,769,219
III.	Term Deposits		
	i) From Banks	21,387,369	15,118,741
	ii) From Others	538,810,223	483,238,961
	TOTAL (I & ii)	560,197,592	498,357,702
	TOTAL A (I+II+III)	1,220,377,383	1,147,103,799
B. I.	Deposits of branches in India	1,220,377,383	1,147,103,799
	II. Deposits of branches outside India	-	-
	TOTAL B (I+II)	1,220,377,383	1,147,103,799

Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 4 - BORROWINGS			
I.	Borrowings in India		
	a) Reserve Bank of India	-	-
	b) Other Banks	-	-
	c) Unsecured Redeemable Debentures/Bonds (BASEL III for Tier I & Tier II Capital)	28,810,000	23,600,000
	d) Other Institutions & Agencies	113,058	108,173
	TOTAL (a to d)	28,923,058	23,708,173
II.	Borrowings outside India	-	-
	GRAND TOTAL (I & II)	28,923,058	23,708,173
	Secured borrowings included in I & II above	Nil	Nil
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS			
i)	Bills Payable	2,985,297	2,710,593
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued	289,481	180,428
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	5,460,829	4,828,477
vi)	Other (Including Provisions)	102,154,160	46,420,994
	TOTAL (i to vi)	110,889,767	54,140,492
SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in Hand (Including Foreign Currency Notes)	6,373,076	6,160,287
II.	Balance with Reserve Bank of India		
	a) In Current Account	54,567,501	7,791,741
	b) In Other Accounts	17,000,000	63,550,000
	TOTAL (I & II)	77,940,577	77,502,028
SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	i) Balance with Banks		
	a) In Current Accounts	416,670	341,548
	b) In Other Deposit Accounts	10	10
	TOTAL (i)	416,680	341,558
	ii) Money At Call and Short Notice		



Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
	a) With Banks	1,000,000	-
	b) With Other Institutions	8,708,708	9,745,959
	TOTAL (ii)	9,708,708	9,745,959
	TOTAL (i & ii)	10,125,388	10,087,517
II.	Outside India		
	i) In Current Accounts	227,636	260,927
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	493,020	-
	TOTAL II of (i, ii & iii)	720,656	260,927
	GRAND TOTAL (I&II)	10,846,044	10,348,444
SCHEDULE 8 - INVESTMENTS			
I.	Investments in India in		
	i) Government Securities	291,558,271	304,126,187
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,018,560	1,094,172
	iv) Debentures and Bonds	7,145,437	2,077,460
	v) Subsidiaries and/or Joint Ventures	400,000	200,000
	vi) Sponsored Institutions	87,508	87,508
	vi) Others :	-	-
	a) Certificate of Deposit	47,754,843	30,385,902
	b) Suitfile	-	-
	c) Venture Capital	239	-
	d) Commercial Paper	-	-
	e) Security Receipts	326,663	378,654
	TOTAL (I)	348,291,521	338,349,883
II.	Investments Outside India in		
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others investments	Nil	Nil
	TOTAL (II)	-	-
	TOTAL (I & II)	348,291,521	338,349,883
III.	Investments Category-Wise		
	i) Held to Maturity	268,010,374	233,558,568
	ii) Held for Trading	11,726	298,950

Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
	iii) Available for Sale	80,269,421	104,492,365
	TOTAL (III)	348,291,521	338,349,883
SCHEDULE 9 - ADVANCES			
A	i) Bills Purchased and Discounted	2,123,234	2,418,979
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	252,298,285	238,597,472
	iii) Term Loans	568,432,994	462,990,299
	TOTAL (i to iii)	822,854,513	704,006,750
B	i) Secured by Tangible Assets (includes advances against book debts)	566,150,949	487,601,750
	ii) Covered by Bank/Govt. Guarantees	3,602,502	4,270,737
	iii) Unsecured	253,101,062	212,134,263
	TOTAL (i to iii)	822,854,513	704,006,750
C	I. Advances in India		
	i) Priority Sector	253,934,033	288,029,477
	ii) Public Sector	6,416,170	7,544,369
	iii) Banks	39	151
	iv) Others	562,504,271	408,432,753
	TOTAL (i to iv)	822,854,513	704,006,750
	II. Advances Outside India		
	i) Due from Banks	-	-
	ii) Due from Others	-	-
	GRAND TOTAL (I & II)	822,854,513	704,006,750
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	a) At cost/revalued as at 31 st March of the preceding year	17,807,006	17,793,568
	Additions during the year	3,759,443	13,438
		21,566,449	17,807,006
	Deductions during the year	117,024	-
		21,449,425	17,807,006
	Depreciation to date	2,934,324	2,849,779
	Total (a)	18,515,101	14,957,227
	b) Constructions work in progress	441,257	430,769
	TOTAL (I) [a+b]	18,956,358	15,387,996
II.	Other Fixed Assets (Including Furniture & Fixtures)		



Schedules to Standalone Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
	a) At cost/revalued as at 31st March of the preceding year	15,199,548	14,451,027
	Additions during the year	1,101,660	798,941
		16,301,208	15,249,968
	Deductions during the year	16,330	56,096
		16,284,878	15,193,872
	Depreciation to date	12,557,812	11,078,587
	TOTAL (II)	3,727,066	4,115,285
	b) Constructions work in progress	31,964	33,519
	TOTAL (II) [a+b]	3,759,030	4,148,804
	GRAND TOTAL (I & II)	22,715,388	19,536,800
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	6,992,882	5,904,195
II.	Inter Office Adjustment (Net)	702,481	703,103
III.	Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	1,864,986	2,620,210
IV.	Stationery and Stamps	42,769	45,325
V.	Deferred Tax Asset (Net)	1,828,499	2,392,815
VI.	Non-Banking Assets acquired in satisfaction of claims	-	92,792
VII.	Others *	165,542,928	144,521,779
	TOTAL (I to VII)	176,974,545	156,280,219
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 68072650 thousand (Previous year Rs. 56912877 thousand)			
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	2,446,709	7,082,854
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	19,013,257	17,044,620
IV.	Guarantees given on behalf of constituents:-		
	a) In India	21,964,418	22,162,782
	b) Outside India	247,358	225,339
V.	Acceptances, Endorsements & Other Obligations	5,926,586	6,289,224
VI.	Other items for which the Bank is Contingently liable	-	-
VII.	Liability on a/c of Depositors Education Awareness Fund (DEAF)	2,739,353	2,444,571
	TOTAL (I to VII)	52,337,681	55,249,390

Standalone Profit & Loss Account

for the year ended at 31st March, 2023

	SCHEDULE	YEAR ENDED 31.03.2023 ₹ '000' Omitted	YEAR ENDED 31.03.2022 ₹ '000' Omitted
I INCOME			
Interest Earned	13	93,551,062	80,134,754
Other Income	14	7,568,107	7,440,074
TOTAL		101,119,169	87,574,828
II EXPENDITURE			
Interest Expended	15	46,098,253	41,022,458
Operating Expenses	16	36,436,014	35,927,774
Provisions and Contingencies		6,611,102	5,608,975
TOTAL		89,145,369	82,559,207
III NET PROFIT / (LOSS)		11,973,800	5,015,621
TOTAL		101,119,169	87,574,828
IV APPROPRIATIONS			
TRANSFERRED TO			
i) Statutory Reserve		2,993,450	1,253,905
ii) Capital Reserve		-	335,145
iii) Revenue and Other Reserve		8,464,610	3,426,571
iv) Investment Fluctuation Reserve		-	-
v) Special Reserve		-	-
vi) Proposed Dividend		515,740	-
TOTAL		11,973,800	5,015,621
Principal Accounting Policies	17		
Notes on Accounts	18		
Earnings per Share (in Rs.) (Basic/Diluted)		12.43	6.04

The schedules referred to above form an integral part of the Profit & Loss Account.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
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CA. Om Prakash Aggarwal
Partner
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UDIN:23013833BGXIBM2873

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023



Schedules to Standalone Profit & Loss Account

for the year ended at 31st March, 2023

		YEAR ENDED 31.03.2023 ₹ '000' Omitted	YEAR ENDED 31.03.2022 ₹ '000' Omitted
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/Discount on Advances/Bills	69,975,540	60,153,801
II.	Income on Investments (Net of Amortization)	20,709,235	16,768,541
III.	Interest on Balances with R.B.I and other Inter Bank Funds	946,813	1,686,911
IV.	Others	1,919,474	1,525,501
	TOTAL (I to IV)	93,551,062	80,134,754
SCHEDULE 14 - OTHER INCOME			
I.	Commission, Exchange & Brokerage	1,586,530	1,945,332
II.	Profit /(Loss) on Sale of Investments (Net)	516,668	1,230,962
	Profit on Sale of Investments	562,506	1,248,437
	Less: Loss on sale of investments	(45,838)	(17,475)
III.	Profit /(Loss) on revaluation of Investments (Net)	(125,277)	(354,132)
	Profit on revaluation of Investments	-	8,122
	Less: loss on revaluation of investments	(125,277)	(362,254)
IV.	Profit/(Loss) on Sale of Land, Buildings & Other Assets (Net)	11,932	2,768
	Profit on Sale of Land, Buildings & Other Assets	12,721	8,236
	Less: Loss on Sale of Land, Buildings & Other Assets	(789)	(5,468)
V.	Profit /(Loss) on Exchange Transactions (Net)	142,024	163,664
	Profit on Exchange Transactions	143,195	163,695
	Less: Loss on E/Transactions	(1,171)	(31)
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/in India	-	-
VII.	Miscellaneous Income	5,436,230	4,451,480
	TOTAL (I to VII)	7,568,107	7,440,074
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on Deposits	43,516,295	39,018,726
II.	Interest on RBI/Inter-Bank Borrowings	364,795	14,358
III.	Others	2,217,163	1,989,374
	TOTAL (I to III)	46,098,253	41,022,458

Schedules to Standalone Profit & Loss Account

for the year ended at 31st March, 2023

		YEAR ENDED 31.03.2023 ₹ '000' Omitted	YEAR ENDED 31.03.2022 ₹ '000' Omitted
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for Employees	27,036,554	26,719,314
II.	Rent, Taxes and Lighting	1,047,628	975,976
III.	Printing and Stationery	97,637	86,772
IV.	Advertisement and Publicity	51,323	13,471
V.	Depreciation on Bank's Property	1,575,629	1,438,746
VI.	Directors Fees, Allowances and Expenses	27,257	20,895
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	130,780	221,015
VIII.	Law Charges	186,138	127,250
IX.	Postage, Telegrams, Telephones etc.	49,391	40,569
X.	Repairs and Maintenance	308,182	339,711
XI.	Insurance	1,441,397	1,293,741
XII.	Other Expenditure	4,484,098	4,650,314
	TOTAL (I to XII)	36,436,014	35,927,774

Schedule 17

"Principal Accounting Policies"

A. Overview

Jammu and Kashmir Bank (J&K Bank) is a Scheduled Commercial Bank and one of the oldest private sector banks in India, incorporated in 1938. J&K Bank is listed on both NSE and BSE and has its Corporate Headquarters at Srinagar. The Bank functions as a leading bank in the Union Territories of Jammu & Kashmir and Ladakh and is designated by Reserve Bank of India as agency bank for carrying out banking business for the Government of Jammu & Kashmir and Ladakh. J&K Bank caters to banking requirements of various customer segments which includes Business enterprises, employees of government, semi-government and autonomous bodies, farmers, artisans, public sector organizations and corporate clients. Group companies of the J&K Bank include JKBFSL (wholly owned subsidiary) and JK Grameen Bank (Associate RRB). The Bank offers a wide range of retail credit products, including home finance, personal loans, education loan, agriculture lending, trade credit and consumer credit and a number of unique financial products tailored to the needs of various customer segments.

B. Basis of preparation of Financial Statements

The accompanying financial statements are prepared on historical cost basis, except as otherwise stated, following the "Going Concern" concept and conform to the Generally Accepted Accounting Principles (GAAP) in India, applicable statutory provisions and regulatory norms prescribed by the Reserve Bank of India (RBI), statutory guidelines of the Banking Regulation Act, 1949, applicable mandatory Accounting Standards (AS)/Guidance Notes/pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

D. Significant Accounting Policies

1. Revenue Recognition

- 1.1 Income and expenditure are accounted on accrual basis, unless otherwise stated.
- 1.2 Interest / Discount income from Non-Performing Assets (NPAs) including investments is recognized in the Profit and Loss Account on realization basis, as per the prudential norms prescribed by RBI.
- 1.3 Partial recovery in Non-Performing Assets is appropriated first towards principal and thereafter towards interest.
- 1.4 Fee, commission (other than insurance commission & Government business), exchange income, locker rent, insurance claims, dividend on shares and units in Mutual Fund and interest on refund of income tax are accounted for on receipt basis.
- 1.5 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Deposits.
- 1.6 Unforeseen income/ expenses are accounted for in the year of receipt/ payment.
- 1.7 Stationery issued to branches has been considered as consumed.

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

2.1 Classification:

Investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, in accordance with the guidelines issued by Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Bonds and Debentures
- v. Subsidiaries and Joint Ventures
- vi. Others

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorized as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorized as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".

Schedule 17

"Principal Accounting Policies"

- iv. An investment is classified as HTM, HFT or AFS at the time of its acquisition. Subsequent shifting amongst categories is done with the approval of the Board normally once in a year and in conformity with regulatory guidelines.
- v. Investments in subsidiaries and associates are classified as HTM.

2.3 Valuation:

- i. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless such costs are higher than the face value, in which case, the premium is amortised over the term to maturity using straight line method.
- ii. The individual scrip's in the "Available-for-Sale" category are marked to market at quarterly intervals. The net depreciation under each of six classifications under which investments are presented in the balance sheet is fully provided for, whereas the net appreciation under any of the aforesaid classifications is ignored.
- iii. The individual scrip in the "held-for-trading" category is marked to market at weekly intervals and the net depreciation under each of the six classifications under which investments are presented in the Balance Sheet is accounted for in the Profit and Loss account and appreciation is ignored.
- iv. The market value for the purpose of periodical valuation of investments, in case of quoted securities included in "Available for Sale" and "Held for trading" categories is based on the prices declared by the Financial Benchmarks India Pvt. Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. For securities whose prices are not published by FBIL, securities are revalued at market prices available from the trades/quotes on the stock exchanges and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

Category of Securities	Value
Government of India Securities and State Government Securities	At rates put out by FIMMDA/PDAI/ Financial Benchmarks India Pvt. Ltd. (FBIL)
Other Approved Securities, Preference Shares, Debentures and PSU Bonds	On yield to maturity (YTM) basis at the rate prescribed by FIMMDA/PDAI/FBIL with such mark ups as laid down by RBI or FIMMDA/PDAI/FBIL
Equity Shares	At Break-up value (without considering revaluation reserves) to be ascertained from the company's latest balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case, the latest balance sheet is not available, the shares shall be valued at Re.1 per company.
Mutual Fund Units	At latest re-purchase price declared by the Mutual Fund in respect of each scheme. In case of funds with a lock-in period or any other fund, where repurchase price is not available, units shall be value at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.
Treasury Bills and Commercial Papers	At carrying cost
Certificate of deposits	At carrying cost

- v. Transfer of securities amongst categories is effected at the lower of acquisition cost/ book value/ market value on the date of transfer and the depreciation, if any, on such shifting is fully provided for and the book value of securities is changed accordingly.
- vi. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method.
- vii. Investments in subsidiary are valued at acquisition cost.
- viii. Investments in J&K Grameen Bank/Sponsored Institutions are valued at carrying cost.
- ix. The investment in security receipts obtained by way of sale of NPA to Asset Reconstruction Companies (ARCs) is recognized at lower of Net Book Value (NBV) (i.e. Book value less provisions held), of the financial asset and redemption value of the Security Receipt.



Schedule 17

"Principal Accounting Policies"

- 2.4 The depreciation in value of investments where interest/principal is in arrears is not set-off against the appreciation in respect of other performing securities. Such investments including Non-performing Non-SLR investments are treated applying RBI prudential norms on NPA Classification and appropriate provisions are made as per RBI norms and no income on such investments is recognized.
- 2.5 Profit or loss on sale of investments is taken to the Profit and Loss account. However, in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount of profit, net of taxes and the amount required to be transferred to Statutory reserve, is appropriated to the "Capital Reserve Account".
- 2.6 Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
- 2.7 Brokerage paid on securities purchased is charged to revenue account except for equity investment operations where the same is added to the cost of purchase of investment.
- 2.8 Repurchase & Reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- 2.9 In accordance with RBI circular No. FMRD.DIRD.01/14.03.038/2018-19 dated July 24, 2018, the Bank has made changes in accounting for Repo/ Reverse Repo transactions including Triparty Repo (Other than transactions under the liquidity adjustment facility (LAF) with the RBI). Accordingly, the securities sold and purchased under Repo/ Reverse Repo are accounted for as collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities are reflected using Repo/Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Cost and revenue are accounted as interest expenditure/Income as the case may be. Balance in Repo account is classified under schedule 4 (Borrowing) and balance in Reverse Repo account is classified under schedule 7 (Balance with Banks & money at call & short notice).
- 2.10 In respect of Non-Performing Securities, income is not recognized and appropriate provision is made for depreciation in the value of such securities as per Reserve Bank of India guidelines.

3. Advances

3.1 Classification of Advances and Provisions thereof have been made as per the Income Recognition, Asset Classification and Provisioning Norms formulated by the RBI viz., Standard, Sub-Standard, Doubtful and Loss Assets. Bank has made provisions on Non-Performing Assets as per the prudential norms prescribed by the RBI as under:

Category of Assets	Provision norms
Sub-Standard	15% on Secured Exposure 25% on Unsecured Exposure 20% on Unsecured Exposure in respect of Infrastructure loan accounts where certain safeguards such as escrow accounts are available
Doubtful-I	25% on Secured 100% on Unsecured
Doubtful-II	40% on Secured 100% on Unsecured
Doubtful-III	100% on Secured 100% on Unsecured
Loss	100%

- 3.2 Advances are shown net of unrealized interest and provisions/ Technical write offs made in respect of non-performing advances. Provisions on standard advances are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions - Others" and are not considered for arriving at the Net NPAs.
- 3.3 Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.
- 3.4 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.
- 3.5 The Bank also makes additional provisions on specific non-performing assets.
- 3.6 Appropriation of recoveries in NPAs are made in order of priority as under:
 - i. Principal Due
 - ii. Charges, Costs, Commission etc.
 - iii. Unrealized Interest/ Interest

4. Floating Provisions

In accordance with the RBI guidelines, the Bank has an approved policy for creation and utilization of floating provisions for advances. The quantum of floating provisions to be created is assessed at the end of each quarter. These provisions are utilized only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

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5. Fixed Assets and Depreciation

- 5.1 Fixed Assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Freehold premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation.
- 5.2 Cost includes cost of purchase, freight, duties, taxes and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalized only when it increases the future benefits from such assets or their functioning capability. The fixed assets are depreciated as per straight line method, considering residual value at 5% of original cost, as per the provisions of Companies Act 2013 based on the useful life of the assets prescribed in Part C of the Schedule II of the Companies Act 2013 as given hereunder:

Description of Fixed Assets	Useful Life (Years)
Buildings (With RCC Frame Structure)	60
Buildings (Other than RCC Frame Structure)	30
Boundary Wall	5
Plant and Machinery	15
Furniture and Fixtures	10
Vehicles	8
Others (Including temporary structures etc.)	3

Depreciation on computers (including ATMs/CDMs) along with software, forming integral part of the computers is computed at 33.33% on straight line method in terms of RBI guidelines issued vide letter no BP.1660/21.04.018/2001 dated 01.02.2001, taking residual value as Nil.

However, in compliance with Section 15(1) of Banking Regulation Act, 1949, the Bank has written off the entire amount of intangible assets amounting to Rs.35.72 crores as on March 31, 2023.

Useful life of the mobile phones is considered to be 2 years and the depreciation is charged in straight line method as per provisions of Companies Act 2013 with no residual value.

- 5.3 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 5.4 Premium paid for leasehold properties is amortized over the period of lease.
- 5.5 The Bank revalues freehold immovable assets every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. However, where such an increase is a reversal of any previous decrease arising on revaluation which has been charged to profit and loss account, such increase is credited to profit and loss account to the extent that it offsets the previously recorded decrease. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss account except that, to the extent such a decrease is related to a previous increase on revaluation that is included in Revaluation Reserve, it is charged against that earlier increase. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.
- 5.6 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

6. Employee Benefits

6.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.

6.2 Long Term Employee Benefits:

i. Defined Contribution Plan:

Provident Fund: Provident Fund is a defined contribution scheme as the bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to profit and loss account. The Bank is paying matching contribution towards those employees who have not opted for the pension.

ii. Defined Benefit Plan

Gratuity

The Bank pays gratuity, a defined benefit plan, to vested employees on retirement or resignation or on death while in employment or on termination of employment. The Bank makes contribution to recognized trust which administers the funds on its own account or through insurance companies. Actuarial valuation of the gratuity

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liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account.

Pension

The Bank provides for pension to all eligible employees. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees based on the respective employee's years of service with the Bank and applicable salary. Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account. Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The Bank also operates a New Pension Scheme (NPS) for all employees joining the Bank on or after 1st August, 2010 (Such new joiners not being entitled to become members of the existing pension scheme). As per the scheme, these employees contribute 10% of their salary and the Bank contributes 14% of the employee's salary. The amount contributed by the Bank to NPS during the year is recognized in the profit and loss account.

Leave Salary

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary, appointed by the Bank.

7. Transactions involving Foreign Exchange

- 7.1 Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- 7.2 Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- 7.3 Monetary Assets and Liabilities as on balance sheet date have been translated using closing rate as at year-end announced by FEDAI.
- 7.4 Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as an expense in the period in which they arise.
- 7.5 Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities and the resulting Profit or Loss is recognized in the Profit and Loss Account.

8. Segment Reporting

The Bank recognizes the business segment as the primary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

9. Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22- "Accounting for taxes on Income" respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets

- 10.1 In conformity with AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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10.2 No provision is recognized for

- I. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- II. Any present obligation that arises from past events but is not recognized because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

10.3 The Bank has made 100% provision for redemption against the accumulated reward points in respect of standard credit card holders.

10.4 Contingent Assets are not recognized in the financial statements.

11. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

12. Share Issue Expenses

Share issue expenses are charged to the Profit and Loss Account.

13. Earnings per Share

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 - "Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.



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"Notes on Standalone Accounts"

1. Regulatory Capital

1.1 a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	8549.38	7498.58*
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	9549.38	8498.58
iv)	Tier 2 capital	2352.40	1084.99
v)	Total capital (Tier 1+Tier 2)	11901.78	9583.57
vi)	Total Risk Weighted Assets (RWAs)	77373.33	72457.73
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	11.05%	10.35%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.34%	11.73%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.04%	1.50%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.38%	13.23%
xi)	Leverage Ratio	6.35%	6.27%
xii)	Percentage of the shareholding of a) Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year Share application money (Pending allotment)	9.85	21.94 2.85*
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year: Basel III Compliant Unsecured, Subordinated, Non-Convertible, Redeemable, Fully Paid- Up Debentures	1021	360

Revaluation Reserve has been reckoned as CET1 capital at a discount of 55% in line with RBI guidelines.

b) Drawdown from Reserves

(Amount in ₹ crore)

S No.	Reserves	Amount Drawn	Purpose
1	Revaluation Reserve	20.54	Depreciation on revalued portion of fixed assets amounting to ₹ 20.54 crore has been transferred to General Reserve.
2	General Reserve	171.80	Transferred to Investment Fluctuation Reserve

1.2 The J&K Govt. General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020. As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd. consisting of 4,58,29,445 shares which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 shall be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The UT of Jammu and Kashmir has completed the transfer of the said 4,58,29,445 shares to UT of Ladakh on February 10, 2023.

1.3 On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crores Eighty Five Lacs Ninety Three Thousand Two Hundred and Sixty Seven) equity shares at a price of ₹ 32.70 (Rupees Thirty Two and Seventy Paise Only) which was at a discount of 4.97% (i.e. ₹ 1,71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹ 93,49,99,830.90 (Rupees Ninety Three Crores Forty Nine Lacs Ninety Nine Thousand Eight Hundred Thirty and Ninety Paise Only). The issue opened on March 28, 2022 and closed on March 31, 2022. As on 31st March, 2022 the said amount was received in share application money account (Escrow Account) and was pending appropriation subject to allotment of equity shares to the subscribers.

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1.4 During the FY 2022-23, the Bank raised its equity capital through Employee Stock Purchase Scheme, 2023 (JKBESPS-2023) by allotting 7,00,00,000 (Seven Crore) equity shares to the eligible employees. The issue opened on 14th March 2023 and closed on 21st March 2023.

The scheme was voluntary in nature and the Bank received the subscription amount from the employees in a manner similar to ASBA by placing a lien on the subscription amount in the personal saving bank accounts of the subscribing employees. The Bank did not sanction any loan facility to its employees specifically for subscribing to the issue as prescribed in the scheme itself. Some employees subscribing to the issue had transferred some amounts from their pre-existing general purpose loan facilities (salary overdraft and personal consumption loans) to their savings bank accounts and used the same for subscribing to the share issue. The Bank has additionally taken an independent legal opinion from a reputed law firm confirming that the scheme has been implemented in conformity with all the governing regulations including compliance with RBI Circular no RBI/2015-16/95 DBR.No.Dir.BC.10/13.03.00/2015-16 on "Loans and Advances - Statutory and Other Restrictions" dated July 01, 2015.

On 21st March 2023, the Compensation Committee of Board of Directors approved the allotment of 700,00,000 (Seven Crore) equity shares with face value of ₹ 1.00 each to the eligible employees of the Bank under JKB ESPS 2023.

The Bank had accounted for this transaction in line with the 'Guidance Note on Accounting for Share-based Payments' issued by Institute of Chartered Accountants of India in September 2020, taking the fair value of the share as ₹ 48.33, face value of ₹ 1.00 per share and a premium of ₹ 47.33 per share (including discount of ₹ 9.08 per share). The total amount received by the Bank on this account is ₹ 338.31 crores which includes ₹ 7.00 crores as equity capital and ₹ 331.31 crores as share premium.

However, owing to the observations of the Statutory Auditors regarding transfer of amounts by some employees from their general purpose pre-existing personal loans (Salary Overdraft and Consumption Loan) to their Savings Bank account used for subscribing to the issue, we, as a matter of adopting prudent Corporate Governance Standards, have not reckoned the amount in the financial ratios/prudential limits concerning networth/capital funds and a decision in this regard shall be taken after getting the clarifications/clearance.

2. Asset Liability Management:

a) Maturity pattern of certain items of assets and liabilities

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	445.78	1926.48	1999.91	2388.11	1284.67	1656.30	4370.12	6744.92	49726.65	35887.37	15607.42	122037.74
Advances	421.48	1349.54	1538.06	1186.46	932.92	868.58	3662.88	5428.33	38494.02	14586.15	13817.04	82285.45
Investments	3726.34	1.89	333.76	338.19	5517.17	54.75	2145.38	6115.88	5601.83	3975.22	7018.73	34829.15
Borrowings	5.15	0.00	0.00	0.00	0.00	1000.00	0.00	0.00	500.00	1387.16	0.00	2892.31
Foreign Currency assets	19.37	68.69	13.15	253.68	0.00	283.18	252.45	194.82	20.66	0.00	0.00	1106.00
Foreign Currency Liabilities	7.16	55.47	0.00	276.45	0.00	250.86	258.80	202.47	1.74	0.00	0.00	1052.95

Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the bank for compiling the Liquidity Report submitted to the RBI.



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"Notes on Standalone Accounts"

b) Liquidity Coverage Ratio (LCR)

(Amount in ₹ crore)

		Quarter March 2023		Quarter December 2022		Quarter September 2022		Quarter June 2022	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	30280.73	30259.92	30102.74	29632.62	30131.40	30131.07	35335.83	35332.85
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	85082.06	6267.89	80874.26	5932.56	82182.59	5977.37	83092.82	6045.23
(i)	Stable deposits	46278.27	2313.95	43871.79	2193.60	44744.77	2237.24	45287.60	2264.71
(ii)	Less stable deposits	38803.78	3953.95	37002.47	3738.96	37437.81	3740.13	37805.23	3780.52
3	Unsecured wholesale funding ,of which	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non Operational deposits (all counterparties)	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0	0	0	0
4	Secured Wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements of which	1.25	1.25	0.00	0.00	0.00	0.00	41.67	41.67
(i)	Outflows related to derivative exposure and other collateral requirements	0.86	0.86	0.00	0.00	0.00	0.00	41.67	41.67
(ii)	outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0	0	0	0
(iii)	credit and liquidity facilities	0.00	0.00	0.00	0.00	0	0	0	0
6	Other contractual funding Obligations	6957.00	598.56	9529.39	742.31	7039.83	643.30	7593.50	869.36
7	Other contingent funding Obligations	3628.74	137.65	3530.68	161.25	3776.89	132.32	3854.92	141.22
8	Total cash outflows		16501.99		17660.60		18309.89		20902.84
Cash Inflows									
9	Secured Lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	2397.04	1227.17	2520.01	1323.87	2186.84	1230.76	5882.22	0
11	Other cash inflows	655.49	326.66	0.00	0.00	0	0	1866.19	1003.07
12	Total cash inflows	3052.52	1553.83	2520.01	1323.87	2186.84	1230.76	7748.41	1003.07
13	TOTAL HQLA		30259.92		29632.62		30131.07		35332.85
14	Total Net Cash Outflows		14948.17		16336.73		17079.12		19899.77
15	Liquidity Coverage Ratio (%)		202.43		181.39		176.42		177.55

In accordance with RBI guidelines vide circular no. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. We have considered 46 data points for the quarter March 2023.

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2023

Qualitative disclosure for LCR:

Liquidity Coverage Ratio (LCR) guidelines were implemented by the Banks with an objective to maintain adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet liquidity needs for a time-horizon up to 30 calendar days under a significantly severe liquidity stress scenario.

$$LCR = \frac{\text{Stock of High-Quality Liquid Assets (HQLAs)}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

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HQLA comprise of liquid assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The Total Net Cash Outflows are the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

Bank's LCR was at 202.43% based on daily average of past three months (Q4 FY22-23). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs 30259.92 Cr which were mostly in the form of level 1 assets. The weighted average total net cash outflows were to the tune of Rs 16501.99 Cr.

Liquidity Management in the Bank is driven by RBI guidelines and Bank's ALM Policy. ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. In addition to daily / monthly LCR reporting, Bank also prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis.

c) Net Stable Funding Ratio (NSFR)

NSFR Disclosure Template						
		Unweighted value by residual maturity				Weighted Value
		(₹ in Crore) No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	9420.77	1000.00	0.00	15664.70	26085.48
2	Regulatory capital	9420.77	1000.00	0.00	1481.00	12388.14
3	Other capital instruments	0	0	0	14183.70	14183.70
4	Retail deposits and deposits from small business customers: (5+6)	66016.40	14686.10	18029.94	0.00	91627.76
5	Stable deposits	35028.25	9724.65	10618.36	0	52602.70
6	Less stable deposits	30988.16	4961.45	7411.58	0	39025.07
7	Wholesale funding: (8+9)	0.00	5806.56	3721.19	0.00	4697.88
8	Operational deposits	0.00	0.00	0.00	0	0.00
9	Other wholesale funding	0.00	5806.56	3721.19	0.00	4697.88
10	Other liabilities: (11+12)	0.00	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0	0	0	0	0
13	Total ASF (1+4+7+10)					122897.48
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1388.00
15	Deposits held at other financial institutions for operational purposes	111.51	0.00	0.00	0.00	55.75
16	Performing loans and securities: (17+18+19+21+23)	333.61	14748.80	14453.57	54600.92	58358.00
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	970.87	0	0	145.63



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19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	12497.58	9668.31	46601.21	49030.06
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	9633.80	6261.97
21	Performing residential mortgages, of which:	0	0	0	7382.98	5454.84
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	4103.45	2667.24
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	333.61	1280.35	4785.26	616.73	3727.47
24	Other assets: (sum of rows 25 to 29)	2438.22	0.00	0.00	9237.63	11655.88
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	28.96	0.00	0.00	104.16	113.15
27	NSFR derivative assets		0	0	1.66	1.66
28	NSFR derivative liabilities before deduction of variation margin posted		0	0	1.55	1.55
29	All other assets not included in the above categories	2409.26	0.00	0.00	9130.26	11539.52
30	Off-balance sheet items	0.00	0.00	2817.41	0.00	140.87
31	Total RSF (14+15+16+24+30)					71598.50
32	Net Stable Funding Ratio (%)					170.95%

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

Bank's NSFR comes to 170.95% as at the end of the quarter Q4 (FY 2022-23) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.3.2023 stood at Rs. 122897.48 crores and amount for Required Stable Funding (RSF) as on 31.03.2023 was Rs 71598.50 crores.

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF) the primary drivers are unencumbered performing loans with residual maturities of one year or more.

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"Notes on Standalone Accounts"

3. Investments

a) Composition of Investment Portfolio
As at 31st March 2023
(Amount in ₹ crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	26752.29	0	0	0	85.67	0	26837.96	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	36.92	0	36.92	0	0	0	0	0
Net	26752.29	0	0	0	48.75	0	26801.04	0	0	0	0	0
Available for Sale												
Gross	2403.54	0	573.46	1013.96	0	4986.13	8977.09	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.78	299.42	0	177.95	950.15	0	0	0	0	0
Net	2403.54	0	100.68	714.54	0	4808.18	8026.94	0	0	0	0	0
Held for Trading												
Gross	0	0	1.20	0	0	0	1.20	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0.03	0	0	0	0.03	0	0	0	0	0
Net	0	0	1.17	0	0	0	1.17	0	0	0	0	0
Total Investments	29155.83	0	574.66	1013.96	85.67	4986.13	35816.25	0	0	0	0	0
Less: Provision for non-performing investments	0	0	467.05	294.98	0	48.24	810.27	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.81	299.42	36.92	177.95	987.10	0	0	0	0	0
Net	29155.83	0	101.85	714.54	48.75	4808.18	34829.15	0	0	0	0	0



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"Notes on Standalone Accounts"

As at 31st March 2022

(Amount in ₹ crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	23303.48	0.00	0.00	23.63	65.67	0.00	23392.78	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	36.92	0.00	36.92	0	0	0	0	0
Net	23303.48	0.00	0.00	23.63	28.75	0.00	23355.86	0	0	0	0	0
Available for Sale												
Gross	7109.14	0.00	558.80	306.63	0.00	3169.05	11143.62	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	0	0	0	0	0
Net	7109.14	0.00	109.40	154.24	0.00	3076.46	10449.24	0	0	0	0	0
Held for Trading												
Gross	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Net	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Total Investments	30412.62	0.00	558.82	360.13	65.67	3169.05	34566.29	0	0	0	0	0
Less: Provision for non-performing investments	0.00	0.00	446.56	152.39	0.00	48.24	647.19	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	36.92	92.59	731.30	0	0	0	0	0
Net	30412.62	0.00	109.42	207.74	28.75	3076.46	33834.99	0	0	0	0	0

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	84.12	48.71
b) Add: Provisions made during the year	97.63	60.61
c) Less: Write off / write back of excess provisions during the year	4.92	25.20
d) Closing balance	176.83	84.12
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance	37.78	37.78
b) Add: Amount transferred during the year	171.80	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	209.58	37.78

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"Notes on Standalone Accounts"

iii)	Closing balance in IFR as a percentage of closing balance of investments in Available for Sale (AFS) and Held for Trade (HFT)/Current category	2.61	0.36
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c) Sale and Transfers to/from Held to Maturity (HTM) Category

The value of sale and transfer of securities to/from HTM Category (excluding permitted transfers) has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR Investment Portfolio

i) Non-performing non-SLR investments (Amount in ₹ crore)

S. No.	Particulars	Current Year	Previous Year
a)	Opening balance	722.07	817.58
b)	Additions during the year since 1 st April	172.34	18.53
c)	Reductions during the above period	24.02	114.04
d)	Closing balance	870.39	722.07
e)	Total provisions held (including floating provision of ₹ 2.76 Crores and ₹ 29.57 crore of interest capitalized)	810.27	649.94

ii) Issuer composition of non-SLR investments (Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities*		Extent of 'Unrated' Securities*		Extent of 'Unlisted' Securities*	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)	(3)	(4)	(4)	(5)	(5)	(6)	(6)	(7)	(7)
a)	PSUs	69.31	19.85	69.31	19.85	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	1423.84	173.63	712.95	163.63	115.00	115.00	0.00	0.00	0.00	0.00
c)	Banks	4094.34	3096.74	0.00	53.50	0.00	23.50	0.00	0.00	0.00	0.00
d)	Private Corporates	824.89	715.56	279.93	123.15	0.00	0.00	23.03	24.18	23.03	24.18
e)	Subsidiaries/ Joint Ventures**	85.67	65.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	162.38	82.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Less: Provision held towards depreciation/ NPI***	987.10	731.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total ***	5673.33	3422.37	1062.19	360.13	115.00	138.50	23.03	24.18	23.03	24.18

*Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities are not segregated under these categories as these are exempt from rating/listing guidelines.

**Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

*** Excludes floating provision of ₹2.76 Crores



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"Notes on Standalone Accounts"

e) Repo transactions (in face value terms)

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	1182.00	1182.00	9.71	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1600.00	8825.00	1030.15	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

f) Investments include ₹45.67 Crores in Sponsored institution J&K Grameen Bank. Net worth of J&K Grameen Bank has eroded due to continuing losses and since there is a permanent diminution in carrying cost of investment, the Bank has made prudential provision of ₹36.92 Crore. Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.

g) Floating Provisions (Investments)

Particulars	Current Year	Previous Year
Opening balance	2.76	2.76
Additions made during the year	0.00	0.00
Utilization made during the year	0.00	0.00
Closing Balance	2.76	2.76

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"Notes on Standalone Accounts"

4. Asset Quality

a) Classification of advances and provisions held

	Current Year					Previous Year							
	Standard	Non-Performing			Total	Standard	Non-Performing			Total			
		Sub-standard	Doubtful	Loss			Total Non-Performing Advances	Sub-standard	Doubtful		Loss Advances	Total Non-Performing	
Gross Standard Advances and NPAs													
Opening Balance	68721.92	879.77	4206.68	1434.08	6520.54	64961.87	967.44	4876.28	1111.03	6954.75	71916.62		
Add: Additions during the year					7446.61					3130.87			
Less: Reductions during the year*					8762.72					3565.08			
Closing balance	80951.21	734.52	3291.30	979.82	5204.43	68721.92	879.77	4206.68	1434.08	6520.54	75242.46		
*Reductions in Gross NPAs due to:					8762.71					3565.08			
i) Upgradation					6448.58					2257.45			
ii) Recoveries (excluding recoveries from upgraded accounts)					1276.98					544.23			
iii) Technical/ Prudential Write-offs					453.22					758.01			
iv) Write-offs other than those under (iii) above					583.93					5.39			
Provisions (excluding Floating Provisions)													
Opening balance of provisions held	482.85	142.40	3108.85	1434.08	4685.33	432.74	171.23	3565.88	1108.18	4845.29	5278.03		
Add: Fresh provisions made during the year					(12.52)					588.96**			
Less: Excess provision reversed/ Write-off loans					914.82					748.92			
Closing balance of provisions held	546.08	134.15	2642.06	981.78	3757.99	482.85	142.40	3108.85	1434.08	4685.33	5168.18		

** ₹ 588.96 crores includes ₹ 335.61 crores utilized from Floating Provision as per RBI Circular No RBI/2021-22/28 DOR.STR.REC.10/21.04.04/2021-22 dt May 05 2021

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"Notes on Standalone Accounts"

Note: In accordance with the Board approved policy, the Bank has created additional floating provisions of ₹ 111.37 crores for advances during FY 2022-23, thereby taking the closing balance of floating provision for advances as on March 31, 2023 to ₹ 124.48 crores

Ratios	Current Year	Previous Year
Gross NPA to Gross Advances	6.04%	8.67%
Net NPA to Net Advances	1.62%	2.49%
Provision coverage ratio	86.20%	84.26%

b) Sector-wise Advances and Gross NPAs		(Amounts in ₹ crore)					
Sr.No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
i)	Priority Sector						
1	Agriculture & Allied Activities	9183.74	672.39	7.32	8636.61	623.59	7.22%
2	Advances to Industries sector eligible as priority sector lending	2769.80	265.26	9.58	3469.21	308.29	8.89%
3	Services	9001.79	366.91	4.08	12955.26	757.76	5.85%
4	Personal Loans	5070.84	40.76	0.80	4546.77	42.10	0.93%
	Sub-Total (i)	26026.17	1345.32	5.17	29607.85	1731.74	5.85%
ii)	Non-Priority Sector						
1	Agriculture & Allied Activities	686.81	0.03	0.00	19.13	0.04	0.21%
2	Industry	11206.84	1162.25	10.37	9108.90	2000.54	21.96%
3	Services	19925.56	2416.48	12.13	11767.85	2510.24	21.33%
4	Personal loans	28310.34	280.35	0.99	24738.73	277.97	1.12%
	Sub-Total (ii)	60129.54	3859.11	6.42	45634.61	4788.80	10.49%
	Total (i + ii)	86155.72	5204.43	6.04	75242.46	6520.54	8.67%

- c) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019
In terms of RBI Circular DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Bank has made additional provisions during previous quarters as per prescribed rates under the framework without any requirement for further provisions for the quarter ended March 31, 2023. The total provision as on March 31, 2023 is ₹ 61.24 crore as detailed below:



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"Notes on Standalone Accounts"

Amount of loans impacted by RBI Circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2023 out of (b) classified as NPA (c)	Provisions held as on 31.03.2022 (d)	Additional provision made during the year ended 31.03.2023 (e)	Provision held as on 31.03.2023 (f)
61.24	61.24	61.24	425.14	0.00	61.24

It is in place to mention that:

- Account of Hindustan Construction Company Ltd. Of ₹ 114.13 crore has been adjusted as per the resolution plan on 30.09.2022.
 - In the account of Reliance Commercial Finance Ltd., the Bank has received an amount of ₹ 35.03 crores and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 30.09.2022.
 - In the account of Reliance Finance Home Ltd., the Bank has received an amount of ₹ 30.42 crore and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 29.03.2023.
 - In the account of Reliance Infrastructure Ltd., the Bank has effected a recovery of ₹ 10 crore during the year.
- d) Divergence in asset classification and provisioning:
No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. DBR. BP.BC.No.31/21.04.018/2018-19 dated 1st April, 2019.
- e) Disclosure of transfer of loan accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021

i) The details of the Non-Performing Assets transferred during the year ended March 31, 2023 is given below:

S No	Particulars	Current Year			Previous Year		
		To ARCs	To permitted transferees	To other transferees	To ARCs	To permitted transferees	To other transferees
a.	No of accounts	3	Nil	1	Nil	Nil	Nil
b.	Aggregate principal outstanding of loans transferred (₹ in crore)	562.76	NA	188.11	NA	NA	NA
c.	Weighted average residual tenor of the loans transferred (Years)	2.68	NA	0	NA	NA	NA
d.	Net book value of loans transferred (at the time of transfer) (₹ in crore)	142.84	NA	0	NA	NA	NA
e.	Aggregate consideration (₹ in crore)	305.12	NA	94.33	NA	NA	NA
f.	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)	1.23	NA	0	NA	NA	NA

Excess Provision amounting to ₹ 176.43 crore (Previous year Nil) on sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC) has been accounted for in the Profit & Loss Account.

- ii) The Bank has not transferred any Special Mention Account and loan not in default.
- iii) The Bank has not acquired any stressed loan or NPA during the year.
- iv) Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2023:

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"Notes on Standalone Accounts"

(In ₹ Crore)

Recovery Rating Band	Book Value as on 31.03.2023	Book Value as on 31.03.2022
RR1+	13.39	0.00
RR1	0.00	13.39
RR3	0.00	26.00
RR4	64.26	38.27
NA*	4.55	4.55
Rating not assigned**	80.18	0.00
Total	162.38	82.20

*100% provisions made against the SRs

**SRs received in Q4 of FY 2022-23, as per ARC rating shall be assigned within 180 days

f) Fraud accounts

Particulars	Current year	Previous Year
Number of frauds reported	20	19
Amount involved in fraud (₹ Crore)	380.04	246.16
Amount of provision made for such frauds (₹ Crore)	375.32	244.61
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	Nil	Nil

g) Resolution Framework for COVID-19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID 19 related stress as per RBI Circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below: (Credit Monitoring)

(₹ in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	75.61	1.43	0.00	2.21	71.97
Corporate persons*	721.38	72.28	0.00	230.37	418.73
Of which MSMEs	105.64	17.74	0.00	3.78	84.12
Others	229.00	11.69	0.00	16.16	201.16
Total	1025.99	85.40	0.00	248.74	691.85
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					



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"Notes on Standalone Accounts"

5. Exposures

a) Exposure to real estate sector

S.No	Particulars	Current Year	Previous Year
1.	Direct Exposure		
	(i) Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	11650.95	9614.35
	Of which individual housing loans eligible for inclusion in priority sector advances	4541.64	3802.99
	(ii) Commercial Real Estate	2177.29	2613.12
	Landings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0	0
	(iii) Investment in Mortgage-Backed Securities (MBS) and other securitized exposures:	0	0
	(a) Residential	0	0
	(b) Commercial real estate	0	0
2.	Indirect Exposure		
	Fund based and non-fund-based exposures on National housing Bank and Housing Finance Corporation	3025.03	1981.11
	Total Exposure to Real Estate Sector	16853.27	14208.58

b) Exposure to capital market

Particulars	₹ in Crores	
	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	74.42	77.88
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.04	0.04
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15.00	15.03
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.02	0.02
Total exposure to capital market	89.48	92.97

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"Notes on Standalone Accounts"

c) Risk category-wise country exposure

(₹ in Crores)

Risk Category	Exposure (net) as at 31 st March 2023	Provisions held as at 31 st March 2023	Exposure (net) as at 31 st March 2022	Provisions held as at 31 st March 2022
Insignificant	118.98	0.00	169.82	0.00
Low	18.03	0.00	9.12	0.00
Moderately Low	1.98	0.00	0.00	0.00
Moderate	0.00	0.00	8.59	0.00
Moderately High	0.10	0.00	0.00	0.00
High	0.00	0.00	0.32	0.00
Very high	0.00	0.00	0.29	0.00
Total	139.09	0.00	188.13	0.00

d) Unsecured Advances

(₹ in Crores)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	25310.11	21213.43
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	NA	NA

e) Factoring exposures

The Banks factoring exposure as at 31.03.2023 is (Previous Year - Nil)

f) Intra-group exposures

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Amount of intra-group Exposure	15.00	15.00
Total Amount of top-20 intra group exposures	15.00	15.00
Percentage of intra -group exposures to total exposures of the bank on borrowers/customers	0.01%	0.02%
Details of breach of limit on intra-group exposures and regulatory action thereon, if any	NIL	NIL

g) Unhedged foreign currency exposure

In accordance with RBI circular no DBOD .BP.BC.85/21.06.200/2013-14 dated 15th January, 2014 and circular no DBOD.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, banks are required to make an additional provision in respect of borrowers with Un-hedged Foreign Currency Exposures (UFCE) from April 1, 2014 onwards. Accordingly, our bank has made the necessary provisions.

(₹ in Crores)

Particulars	Provision Held	
	Current Year 31.03.2023	Previous Year 31.03.2022
Opening balance	2.70	1.96
Additions during the Year	1.16	2.32
Deductions during the Year	0.10	1.58
Closing balance	3.76	2.70

The capital held by the Bank towards the foreign currency exposure amounts to ₹ 1.13 crores (previous year ₹ 3.03 crores)



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"Notes on Standalone Accounts"

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Deposits of 20 largest depositors	10984.00	9899.72
Percentage of 20 largest deposits to total Deposits of the Bank	9.00	8.63%

b) Concentration of Advances

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Advances to the twenty largest borrowers	11819.29	9396.12
Percentage of advances to twenty largest borrowers to total advances of the bank	13.28%	12.49%

c) Concentration of Exposures

(₹ in Crores)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	12440.52	11044.73
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers/customers	11.89%	11.96%

d) Concentration of NPAs

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	2400.18	3613.22
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	46.12%	55.41%

7. Derivatives

a) Forward rate agreement/Interest rate swap

(₹ in Crores)

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	0.00	0.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	0.00
iii) Collateral required by the bank upon entering into swaps	0.00	0.00
iv) Concentration of credit risk arising from the swaps	0.00	0.00
v) The fair value of the swap book	0.00	0.00

b) Exchange traded interest rate derivatives

(₹ in Crores)

Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	0.00	0.00
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument wise)	0.00	0.00
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00

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"Notes on Standalone Accounts"

c) Disclosures on risk exposures in derivatives

i) Qualitative disclosures

The only derivatives traded by the Bank in the foreign exchange market are forward contracts. Forward contracts are being used to hedge /cover the exposure in foreign exchange arising out of Merchant transactions and trading positions.

To cover the risks arising out of above derivatives, various limits like AGL, IGL and stop loss have been prescribed in the trading policy of the bank which are monitored through VaR.

Outstanding forward exchange contracts held for trading are revalued at the exchange rates for appropriate maturity rates as announced by FEDAI at the year-end exchange rates and the resultant gain/ loss is taken to revenue.

ii) Quantitative Disclosures

(₹ in Crores)

Sr. No	Particulars		Current Year		Previous Year	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)					
	a)	For Hedging	NIL	NIL	NIL	NIL
	b)	For Trading	NIL	NIL	NIL	NIL
(ii)	Marked to Market Position					
	a)	Asset (+)	NIL	NIL	NIL	NIL
	b)	Liability (-)	NIL	NIL	NIL	NIL
(iii)	Credit Exposure (2)		NIL	NIL	NIL	NIL
(iv)	Likely Impact of 1% change in interest rate (100*PV01)					
	a)	On hedging derivatives	NIL	NIL	NIL	NIL
	b)	On Trading derivatives	NIL	NIL	NIL	NIL
(v)	Maximum & minimum of 100*PV01 observed during the year					
	a)	On hedging	NIL	NIL	NIL	NIL
	b)	On Trading	NIL	NIL	NIL	NIL

d) Credit default swaps

Bank did not enter in any credit default swap.

8. Disclosures relating to securitisation

Sl.No	Particulars	Mar 31 (Current Year)	Mar 31 (Previous Year)
1.	No of SPEs holding assets for securitisation transactions originated by the originator	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others		
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others		



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"Notes on Standalone Accounts"

4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others	Nil	Nil
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	Nil	Nil
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	Nil	Nil
	(b) Repayment received		
	(c) Outstanding amount		
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints		
	(a) Directly/Indirectly received and;	Nil	Nil
	(b) Complaints outstanding		

9. Off balance sheet SPVs sponsored

The bank has not floated any off Balance Sheet SPV.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in Crores)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	244.30	200.50
Add: Amounts transferred to DEA Fund during the year	34.28	48.38
Less: Amounts reimbursed by DEA Fund towards claims	4.65	4.42
Closing balance of amounts transferred to DEA Fund	273.93	244.46

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	Previous year	Current year
	Complaints received by the bank from its customers		
1.	Number of complaints pending at beginning of the year	20	11
2.	Number of complaints received during the year	636	1662

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3.	Number of complaints disposed during the year		645	1640
	3.1	Of which, number of complaints rejected by the bank	0	0
4.	Number of complaints pending at the end of the year		11	33
Maintainable complaints received by the bank from Office of Ombudsman				
5.	Number of maintainable complaints received by the bank from Office of Ombudsman		944	530
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	866	514
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	71	10
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)		0	0
Note : Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme				

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Account opening/ difficulty in operation of accounts	2	120	2900	1	0
Staff Behavior	1	95	313	5	0
Loans and Advances	2	612	353	8	1
Credit Cards	0	99	27	1	0
Pension and facilities for senior citizens/differently abled	0	66	266	0	0
Others	6	670	50	18	0
Total	11	1662	161	33	1
Previous Year					
Levy of charges without prior notice/ excessive charges / foreclosure charges	0	2	100	0	0
Staff Behavior	1	23	-75	1	0
Loans and Advances	0	135	-13	2	0
Internet/ Mobile/ Electronic Banking	0	2	-86	0	0
ATM/ Debit Cards	0	27	-3	0	0
Others	19	447	-7	8	0
Total	20	636	-17	11	0



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12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2023, Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 has levied following monetary penalties on the Bank:

S No.	Nature of Penalty	Number of Instances	Cumulative Amount (In ₹ lacs)
1.	Penalty imposed by RBI on Currency Chests	26	3.75*
2.	Penalty imposed by RBI on ATM Cash Outs	421	42.10*
	Total	447	45.85

*This amount has been recovered from the concerned employees.

13. Disclosures on remuneration

Type of disclosure	Information	
Qualitative	a) Information relating to the composition and mandate of the Remuneration Committee.	Bank has constituted the Nomination and Remuneration Committee of the Board pursuant to the requirement of the Reserve Bank of India and the Companies Act, 2013, which constituted of following members of the Board as on 31.03.2023. Mr. Anand Kumar (Chairman N&RC) Mr. R K Chhibber Dr. Rajeev Lochan Bishnoi Mr. Naba Kishore Sahoo
	b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<ul style="list-style-type: none"> • Ensure effective governance of compensation, alignment of compensation with prudent risk taking. • Ensure effective supervisory oversight and engagement with stakeholders. • Comply with the regulatory directives whereby all Private Sector Banks are required to formulate and adopt a comprehensive compensation policy covering all their employees and conduct annual review thereof. • Identify persons who are qualified and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. • Recommend to the Board a policy, relating to the remuneration for Directors, the Key Managerial Personnel and other employees. • Formulate the policy which inter alia shall ensure that: <ul style="list-style-type: none"> (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Key Management Personnel and other employees of the company; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) Remuneration to Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Nomination & Remuneration Committee of the Board undertakes risk evaluation based on industry standards and risk profile of the Bank, guided by the Performance Management System (PMS) model for Top Executives. The compensation of Top executives would be aligned with prudent risk taking. There shall be clear linkage between the Banks annual business targets with the Key Responsibility Areas (KRAs) of the Top executives along with risk boundaries within which the business targets are required to be achieved through KRAs. The compensation outcome shall be symmetric with the risk outcomes.
	d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The performance of the Bank as a whole is linked to the performance of its employees and management. Guided by the Banks PMS model for the Top Executives, Nomination & Remuneration Committee of the Board shall take into consideration both the quantitative and qualitative 'Key Performance Indicators' while assessing remuneration of Executives covered under the Compensation Policy of the Bank. On the basis of these key determinants, the overall budget, a payout matrix would be developed taking into account the risk element associated with each role/post and on basis of performance in relation to KRAs/KPIs for the reference year.
	e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	Bank has a Compensation Policy with due incorporation of all such covenants
	f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	Bank has a Compensation Policy with due incorporation of all such covenants

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"Notes on Standalone Accounts"

		Particulars	Current Year	Previous Year	
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Material Risk Takers)	g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	The Committee met ten times during the year and total sitting fee of ₹15,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input tax credit	The Committee met seven times during the year and total sitting fee of ₹ 7,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input tax credit	
	h)	i)	Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
		ii)	Number and total amount of sign-on awards made during the financial year.	NIL	NIL
		iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
		iv)	Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
	i)	i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
		ii)	Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NIL	NA	
	k)	i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL
		ii)	Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
		iii)	Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l)	Number of MRTs identified	11* *Identified as per the revised Compensation Policy of the Bank	31* *Identified as per the Compensation Policy of the Bank	
	m)	(i)	Number of cases where malus has been exercised	NIL	Nil
		(ii)	Number of cases where clawback has been exercised	NIL	Nil
		(iii)	Number of cases where both malus and clawback have been exercised.	NIL	Nil
	General Quantitative Disclosure	(n)	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	<ul style="list-style-type: none"> ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.08 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 6.07X ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.25 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 5.59X <p>* One WTD joined during middle of the year, however ratio of pay is annualised for calculation.</p>	



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"Notes on Standalone Accounts"

14. Other Disclosures

a) Business ratios

Particulars	Current Year	Previous Year
Interest Income as a percentage to Working Funds	6.92%	6.63%
Non-Interest Income as a percentage to Working Funds	0.56%	0.62%
Cost of Deposits	3.79%	3.65%
Net Interest Margin	3.89%	3.50%
Operating Profit as a percentage to Working Funds	1.37%	0.88%
Return on Assets	0.89%	0.42%
Business (deposits plus advances) per employee (in ₹ crore)	15.57	13.87
Profit per employee (in ₹ crore)	0.09	0.04

b) Bancassurance business

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business
(₹ in Crores)

Name of the Company	Current Year	Previous Year
PNB Metlife	47.36	41.44
Bajaj Allianz	20.00	17.64
IFFCO Tokio	3.33	3.05
Total	70.69	62.13

c) Marketing and distribution

The details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as under:
(₹ in Crores)

S.No	Nature of income	Current Year	Previous Year
1	Commission from JKBFSL on opening DEMAT Accounts	0.03	0.02
2	Commission from JKBFSL on mobilizing Mutual Funds	0.07	0.01
3	Service Charges from PMFBY	0.13	0.15
Total		0.23	0.18

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has purchased the following PSLCs during the year:
(₹ in Crores)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	50.00	1074.50
PSLC Agriculture	0.00	895.50
Total	50.00	1970.00

The Bank has sold the following PSLCs during the year:
(₹ in Crores)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Micro Enterprises	0.00	2000.00
Total	0.00	2000.00

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e) Provisions and contingencies

(₹ in Crores)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	83.46	(20.66)
ii) Provision for bad and doubtful debts	(12.51)	253.35
iii) Provision made towards Income tax		
a. Current Tax	530.55	215.34
b. Deferred Tax	56.43	25.80
iv) Other provisions and contingencies		
a. Provision for depreciation on investments	0.00	0.00
b. Provision for diminution in the fair value of restructured/rescheduled advances	(28.24)	(21.79)
c. Provision for Standard Assets	63.23	81.04
d. Provision for Contingent Liabilities	(2.33)	0.00
e. Provision for Frauds/Embezzlements (other than advances)	(1.74)	0.07
f. Provisions for Contingencies	(27.74)	27.74
Total	661.11	560.89

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year.

The bank has hired a consultant for implementation of Ind AS in the current year and has started the process of parallel conversion to Ind AS. It is pertinent to mention that the Bank had previously availed the services of a consultant for implementation of Ind AS but the contract was terminated due to non-performance by the Consultant.

g) Payment of DICGC Insurance Premium

(₹ in Crores)

Sr.No	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	140.81	128.88
ii)	Arrears in payment of DICGC premium	Nil	Nil

h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks Bank has estimated the additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020, amounting to ₹72.50 Crores. However, RBI vide their Circular RB1/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹3.625 Crores & ₹14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2023 respectively and the balance unamortized expense of ₹43.50 Crores has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the consequential net profit for the year ended March 31, 2023 would have been ₹1153.88 crore.

15. Disclosure Requirements as per the Accounting Standards

a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies

- During the year, there were no material prior period income/expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2022-23 as compared to those followed in the previous Financial Year 2021-2022.

b) Accounting Standard - 15 "Employee Benefits"

The bank has recognized in its books of accounts the liability arising out of employee benefits as the sum of the present value of obligation as reduced by fair value of plan assets on the balance sheet date, as under:



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"Notes on Standalone Accounts"

I - Principal Actuarial Assumptions as the Balance Sheet date:

Actuarial Assumptions	PENSION		GRATUITY		LEAVE ENCASHMENT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.45%	7.30%	7.45%	7.31%	7.45%	7.30%
Expected Return on Plan Assets	7.00%	7.00%	7.00%	7.00%	NA	NA
Rate of Escalation in salary	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

II - Changes in Present value of the obligation (PVO)-Reconciliation of Opening & Closing Balance (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligation 01.04.2022	2156.57	933.21	469.32
Interest Cost	137.42	65.84	33.03
Current Service Cost	78.14	72.51	36.74
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial loss/ (gain) on obligations (Balancing figure)	822.47	113.45	(2.98)
Present Value of Obligations, 31.03.2023	2646.48	1120.08	501.41

III - Changes in the Fair Value of the Plan Assets-Reconciliation of Opening & Closing Balances: (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Fair Value of Plan Assets 01.04.2022	2152.00	925.43	0.00
Expected return on Plan assets	161.37	72.30	0.00
Contributions by Bank	665.31	200.00	66.80
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	129.44	(12.87)	0.00
Fair Value of Plan Assets, 31.03.2023	2560.00	1119.92	0.00

IV - Actual return on Plan Assets (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	161.37	72.30	0.00
Actuarial (loss)/ gain on Plan Assets	129.44	(12.87)	0.00
Actual Return on Plan Assets	290.82	59.43	0.00

V - Net Actuarial Gain/ (loss) recognized (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial gain/ (loss) for the period - Obligation	822.47	113.45	(2.98)
Actuarial gain/ (loss) for the period - Plan Assets	(129.44)	12.87	0.00
Total Gain/ (Loss) for the period	693.03	126.32	(2.98)
Actuarial gain or (loss) recognized in the period	693.03	126.32	(2.98)
Unrecognized Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00

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"Notes on Standalone Accounts"

VI - Amount recognized in Balance Sheet & Related Analysis (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2023	2646.48	1120.08	501.41
Fair Value of Plan Assets, 31.03.2023	(2560.00)	(1119.92)	0.00
Difference	86.48	0.16	501.41
Unrecognized Transitional Liability	0.00	0.00	0.00
Unrecognized Past Service cost-vested benefits-Carried Forward	0.00	0.00	0.00
Liability Recognized in the Balance Sheet	86.48	0.16	501.41
Negative amount determined under Paragraph 55 of AS-15	0.00	0.00	0.00
Present value of available refunds and reductions in future contributions	0.00	0.00	0.00
Resulting asset as per Paragraph 59 (b) of AS-15	0.00	0.00	0.00

VII-Expense recognized in Profit and Loss Statement (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	78.14	72.51	36.74
Interest Cost	137.42	65.84	33.03
Expected return on Plan assets	(161.37)	(72.30)	0.00
Net Actuarial gain/ (loss) recognized in the year	693.03	126.32	(2.98)
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	747.22	192.38	66.80

VIII-Movement in Net liability to be recognized in Balance Sheet (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	4.57	7.78	469.32
Expenses	747.22	192.38	66.80
Contributions/ Benefits paid	(665.31)	(200.00)	(34.71)
Closing Net Liability (Liability recognized in B/S in current period)	86.48	0.16	501.41

IX - Amount for the Current Period (₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Defined Benefit Obligation	2646.48	1120.08	501.41
Plan Assets	2560.00	1119.92	0.00
Surplus/(Deficit)	(86.48)	(0.16)	501.41
Experience Adjustments in Plan Liabilities	636.50	130.92	3.25
Actuarial loss/(gain) due to change in financial assumptions	185.97	(17.47)	(6.23)
Experience Adjustments in Plan Assets	(129.44)	12.87	0.00
Net actuarial loss/(gain) for the year	693.03	126.32	(2.98)

X - Major Categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1.00	4.89
State Government Securities	0.00	42.04



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High Quality Corporate Bonds	0.00	41.27
Equity Shares of listed companies	0.00	6.23
Funds managed by Insurer	99.00	0.72
Other- Bank Deposits and CD's	0.00	4.85
Treasury Bills	0.00	0.00
Total	100.00	100.00

XI - Best Estimate of contribution during next year

(₹ in Crore)

Particulars	PENSION (Funded)	GRATUITY (Funded)
Bank's best estimate of Contribution during next year	850.00	215.00

Particular Basis of assumption:

Discount rate: Discount rate has been determined by reference to market yields on the balance sheet date on Government Bonds of term consistent with estimated term of the obligations as per para 78 of AS-15.

Expected rate of return on plan assets: The expected return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

Rate of escalation in salary: The estimates of future salary increases considered in actuarial valuations taking into account inflation, seniority, promotion and other relevant factors mentioned in paras 83-91 of AS-15.

Attrition rate: Attrition rate has been determined by reference to past and expected future experience and includes all types of withdrawals other than death but including those due to disability.

*The above information is based on the information certified by the actuary except para XI above.

c) Accounting Standard - 17 "Segment Reporting"

- i) The Bank has recognized business segment as its primary reportable segment under AS-17 classified into treasury, Corporate/ Wholesale banking, Retail banking and other banking Business. The necessary disclosure is given below:

(₹ in Crore)

STANDALONE SEGMENT REPORTING	Current Year	Previous Year
PARTICULARS		
1) Segment Revenue (Income)		
i) Treasury Operations	2406.11	2109.53
ii) Corporate/Wholesale Banking	1847.26	1661.08
iii) Retail Banking*	7016.52	5717.38
iv) Other Banking Business	73.93	62.59
v) Un-Allocated Business	0.00	0.00
Total	11343.82	9550.58
Less: Inter Segment Revenue	1231.90	793.09
Net Income from Operations	10111.92	8757.49
2) Segment Results		
i) Treasury Operations	102.59	149.30
ii) Corporate/Wholesale Banking	748.27	663.53
iii) Retail Banking*	2337.73	1358.73
iv) Other Banking Business	72.51	60.91

Schedule 18

"Notes on Standalone Accounts"

v) Un-Allocated Business	(1476.74)	(1489.77)
Profit/(Loss) from Ordinary Activities (Before Tax)	1784.36	742.70
Less: Tax Expenses/(credit)	586.98	241.14
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) After Tax	1197.38	501.56
3) Segment Assets		
i) Treasury Operations	43516.46	41147.40
ii) Corporate/Wholesale Banking	26183.85	20520.97
iii) Retail Banking*	76258.85	68933.94
iv) Other Banking Business	3.10	0.10
v) Un-Allocated Business	0.00	0.00
Total	145962.26	130602.41
4) Segment Liabilities		
i) Treasury Operations	145.18	13.15
ii) Corporate/Wholesale Banking	35468.54	30412.49
iii) Retail Banking*	100402.85	92152.30
iv) Other Banking Business	2.45	10.81
v) Un-Allocated Business	0.00	0.00
Total	136019.02	122588.75
5) Capital Employed (Segment Assets - Segment Liabilities)		
i) Treasury Operations	43371.28	41134.25
ii) Corporate/Wholesale Banking	(9284.69)	(9891.52)
iii) Retail Banking*	(24144.00)	(23218.36)
iv) Other Banking Business	0.65	(10.71)
v) Un-Allocated Business	0.00	0.00
Total	9943.24	8013.66

*RBI's Master Direction on Financial Statements - Presentation and Disclosures requires to sub-divide 'Retail Banking' into (a) Digital Banking (as defined in Circular on establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. During the year ended March 31, 2023, the Bank has commenced operations at two DBUs. Accordingly the segmental results for the retail banking segment for FY 2022-23 is sub-divided as below:

(₹ in Crore)

Particulars	Segment Revenue FY 2022-23	Segment Results FY 2022-23	Segment Assets as on March 31, 2023	Segment Liabilities as on March 31, 2023
Retail Banking	7016.52	2337.73	76258.85	100402.85
i) Digital Banking	0.02	(0.38)	0.60	0.22
ii) Other Retail Banking	7016.50	2338.11	76258.25	100402.63

ii) As the Bank does not have any overseas branch there is no requirement as to reporting of Geographical Segment.



Schedule 18

"Notes on Standalone Accounts"

- d) Accounting Standard - 18 "Related Party Disclosures"
1. Related Parties

(₹ in Crore)

Items/Related Party	JKB Financial Services Ltd. (Subsidiary)	J&K Grameen Bank (Associate)
Outstanding as at	31 st March 2023	
Borrowings	0.00	0.00
Deposits	10.56	1448.52
Other Liabilities	0.00	0.00
Advances	7.84	11.67*
Investments	40.00	134.74
Other Assets	0.00	0.00
Maximum outstanding	During FY 2022-23	
Borrowings	0.00	0.00
Deposits	10.81	1448.52
Other Liabilities	0.00	0.00
Advances	11.47	26.68*
Investments	40.00	134.74
Other Assets	0.00	0.00
During the year	During FY 2022-23	
Interest Income	0.51	0.04
Interest Expenditure	0.39	73.07
Fixed Assets purchased from	0.00	0.00
Fixed Assets sold to	0.00	0.00
Income from services rendered to	0.10	0.94
Expenses for receiving services from	0.02	0.00
Remuneration paid	0.43	0.00

*₹ 11.67 crore is 50% share of Sponsor Bank for implementation of CBS by J&K Grameen Bank in the form of investment in Tier II Perpetual Bonds.

Key Management Personnel of the Bank:

(₹ in Crore)

Particulars	Key Management Person	
	Shir Baldev Prakash (MD & CEO)	Shri Sudhir Gupta (Executive Director)
Period for which post held during FY 2022-23	From 01-04-2022 to 31-03-2023	From 14-12-2022 to 31-03-2023
Salary	1.03	0.12

Note: Transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, in terms of paragraph 5 of AS 18.

- e) Accounting Standard - 19 "Leases"

The properties taken on lease/rental basis are renewable/cancellable at the option of the Bank.

The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar months' notice in writing.

Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹ 83.57 crores (previous year being ₹ 77.79 crores).

- f) Accounting Standard - 20 "Earnings per Share"

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings

Schedule 18

"Notes on Standalone Accounts"

per Share". Basic Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	93,28,86,594	71,34,50,938
Number of Equity Shares issued during the year	9,85,93,267	21,94,35,656
Number of Equity Shares outstanding at the end of the year	103,14,79,861	93,28,86,594
Weighted average number of equity shares used in computing basic earnings per share	96,35,89,450	83,07,51,542
Weighted average number of equity shares used in computing diluted earnings per share	96,35,89,450	83,07,51,542
Net profit / (loss) (₹ in crore)	1197.38	501.56
Basic earnings per share (₹)	12.43	6.04
Diluted earnings per share (₹)	12.43	6.04

g) Accounting Standard - 21 "Consolidated Financial Statements"

The Bank has a fully owned subsidiary company "JKB Financial Services Ltd.". The investment towards the capital of subsidiary company is ₹ 40.00 Crores (Previous Year ₹ 20.00 Crores). The consolidated financial statements are placed accordingly in terms of AS 21.

h) Accounting Standard - 22 "Accounting for Taxes on Income"

i) Current Tax:

During the year, the Bank has debited to Profit & Loss Account ₹ 530.55 crore (Previous Year ₹ 215.34 crore) on account of current tax. The current tax has been calculated in accordance with the provisions of Income Tax Act, 1961.

The Bank has exercised the option of lower tax permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

ii) Deferred Tax:

During the year, ₹ 56.43 crore has been debited to Profit & Loss Account (Previous Year debit ₹ 25.80 crore) on account of deferred tax.

The major components of DTA and DTL are given below

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Depreciation on Assets	0.00	18.88	0.00	38.09
Leave Encashment/Gratuity/Pension/Bonus	126.20	0.00	121.36	0.00
Special Reserve	0.00	31.00	0.00	31.00
Wage Revision	30.53	0.00	0.00	0.00
Bad & Doubtful Assets	76.00	0.00	187.01	0.00
Total	232.73	49.88	308.37	69.09

j) Accounting Standard - 23 "Accounting for Investments in Associates in CFS"

The Bank has a sponsored Bank "J&K Grameen Bank". The investment towards the capital of associate concern is ₹34.01 Crores (Previous Year ₹34.01 Crores). Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.

The consolidated financial statements are placed accordingly in terms of AS 23.

k) Accounting Standard - 28 "Impairment of Assets"

In the opinion of the Bank's management, there is no indication of material impairment to the non-monetary assets during the year.

l) Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"



Schedule 18

"Notes on Standalone Accounts"

i) Description of Contingent Liabilities

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments	This represents amount remaining unpaid towards liability for partly paid investments.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The derivative instruments become favourable or unfavourable as a result of fluctuations in market rates.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations
5	Other items for which the Bank is contingently liable	These include: a) Bills rediscounted by the Bank; b) Capital commitments; c) Investment purchases pending settlement; d) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF); e) Other sundry contingent liabilities

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/arbitration/ out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

ii) Movement of provisions against Contingent Liabilities

The movement of provisions against contingent liabilities given in the table below: (₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance	26.45	11.70
Additions during the year	0.68	16.00
Amount utilised/reversed during the year	10.51	1.25
Closing balance	16.62	26.45

16. Additional Disclosures

- Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006
There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.
- Office Accounts**
Reconciliation/adjustment of inter-bank/inter-branch transactions, branch suspense, Government Transactions, NOSTRO, System Suspense, Clearing, and Sundry Deposits is in progress on an ongoing basis. The impact, in the opinion of the management of the un-reconciled entries, if any, on the financial statements would not be material.
- Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):
In terms of RBI letter no. DBR,No.BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 129.35 crore (100% of total outstanding) as on 31st March 2023 (Previous year ₹ 325.74 crore {100% of total outstanding})

Schedule 18

"Notes on Standalone Accounts"

- d. During the year ended March 31, 2023, the Bank has made provision of ₹ 139.99 crore towards wage revision on account of 12th Bi-Partite Wage Settlement effective from November 01, 2022 on ad-hoc basis. The same has been accounted for as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses."

- e. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.

f. **Miscellaneous Income:**

During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income :

(₹ In Crores)

S No	Income Category	Amount
1.	Recovery in Technically Written Off Accounts	230.94
2.	Income On Card Business	134.78

- g. Other Liabilities and provisions/ Other Assets:

Following items under the head Others (including provisions) in Schedule 5 - Other Liabilities and Provisions exceeds 1% of the total assets

(₹ In Crores)

S No	Particulars	Amount
1.	RTGS/NEFT/Real Time Settlement Receivable	5001.73
2.	IMPS Settlement Receivable	2337.78

Following items under the head Others in Schedule 11 - Other Assets exceeds 1% of the total assets

(₹ In Crores)

S No	Particulars	Amount
1.	Pension Receivable from Government	1782.62
2.	Real Time/NEFT Settlement Payable	4840.70
3.	IMPS/Money Send Settlement Payable	2355.05
4.	Investment in NABARD Refinance	1770.83
5.	Investment in RIDF Refinance	1723.64
6.	Investment in SIDBI Refinance	2301.28

- h. Tax paid in advance/Tax deducted at source includes amount adjusted by Income Tax Department in respect of various disputed demands. Based on the favourable appellate orders and interpretation of law, no further provision has been considered by the management in respect of the disputed demands.

i. **Fixed Assets**

- Documentation formalities are pending in respect of certain immovable properties held by the Bank valued at ₹ 9.20 crores (previous year ₹ 9.18 crores). In respect of immovable properties valued at ₹49.89 crores (previous year ₹ 48.95 crores), Bank holds agreement to sell along with the possession of properties.
- During the current financial year, the Bank has revalued immovable properties based on the average valuation of reports obtained from two independent external valuers. The net revaluation surplus amounting to ₹ 351.96 crore has been credited to the Revaluation Reserve. Further, a net amount of ₹1.49 crore on account of revaluation has been credited to the profit and loss account as it was earlier charged to the profit and loss account.
- Pursuant to the revised Accounting Standard-10 "Property, Plant & Equipment" applicable from 1st April 2017, depreciation of ₹ 20.54 crores (previous year - ₹22.77 crores) on the revalued portion of fixed assets (being Premises & Land) has been transferred from the Revaluation Reserve to General Reserve.
- Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹ 0.76 crore (previous year ₹ 0.76 crore).

j. **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Companies Act 2013, specified companies covered under section 135(1) of



Schedule 18

"Notes on Standalone Accounts"

the Companies Act 2013 are required to spend at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank was required to spend an amount of ₹ 1.18 crores (Previous Year ₹ 0.63 crores) on CSR activities during FY 2022-23, against which the Bank has spent an amount of ₹ 1.18 crores (Previous year ₹ 0.63 crores).

k. Provision Coverage Ratio (PCR)

Provision Coverage Ratio as on 31st March 2023 is 86.20% (previous year 84.26%) without taking into account floating provision of ₹ 124.48 crores held by the Bank, which has been included as part of Tier II Capital.

l. Investor Complaints

The details of investor complaints for the year ended March 31, 2023 are as under:

S No	Particulars	Number
1	No of complaints pending at the beginning of the financial year	Nil
2	No. of complaints received during the financial year	107
3	No. of complaints disposed during the financial year	107
4	No. of complaints pending at the end of the financial year	0

m. Letter of Comfort

The Bank has not issued any letter of comfort on behalf of the customers or on its behalf in respect of trade credits during the FY 2022-23.

n. Proposed Dividend

The Board of Directors at its meeting held on May 04, 2023 proposed a dividend of ₹ 0.50 per share (previous year nil), subject to approval of the members at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahia Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar
Date: 04/05/2023

Standalone Cash Flow Statement

for the year ended 31st March, 2023

		YEAR ENDED 31.03.2023 (Audited) ₹ '000' Omitted	YEAR ENDED 31.03.2022 (Audited) ₹'000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(42,05,132)	(1,56,84,608)
B	CASH FLOW FROM INVESTING ACTIVITIES	(12,34,655)	(8,51,442)
C	CASH FLOW FROM FINANCING ACTIVITIES	63,75,936	94,10,594
	NET CHANGE IN CASH AND CASH EQUIVALENTS	9,36,149	(71,25,456)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,78,50,472	9,49,75,928
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,87,86,621	8,78,50,472
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	1,19,73,800	50,15,621
	Add : Provision for Taxes	58,69,827	24,11,404
	Net profit before taxes (i)	1,78,43,627	74,27,025
	Adjustment for :		
	Depreciation charges	15,75,629	14,38,746
	Provision for NPA's	(1,25,132)	25,33,487
	Provision on Standard Assets	6,32,352	8,10,416
	Depreciation on investment	(1,25,277)	(3,54,132)
	Provision for Non-Performing investment	8,34,572	(2,06,601)
	Other provisions	(6,00,519)	60,268
	Interest paid on subordinate Bonds (Financing Activities)	22,17,163	19,89,374
	Total Adjustment (ii)	44,08,788	62,71,558
	Operating profit before change in Operating assets & liabilities (i) + (ii)	2,22,52,415	1,36,98,583
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	7,32,73,584	6,64,92,303
	Increase / (Decrease) in Borrowings	4,885	(43,796)
	Increase / (Decrease) in Other liabilities & provisions	5,59,19,298	1,91,51,977
	(Increase) / Decrease in investments	(1,06,50,933)	(2,96,46,711)
	(Increase) / Decrease in Advances	(11,84,40,228)	(3,79,05,010)
	(Increase) / Decrease in Other Assets	(2,20,13,866)	(4,50,02,497)
	Net Cash flow from Operating activities (iii)	(2,19,07,260)	(2,69,53,734)
	Cash generated from operation (i + ii + iii)	3,45,155	(1,32,55,151)
	Less : Tax paid	45,50,287	24,29,457
	TOTAL : (A)	(42,05,132)	(1,56,84,608)



Standalone Cash Flow Statement for the year ended 31st March, 2023

B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(12,34,655)	(8,51,442)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(12,34,655)	(8,51,442)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	98,593	2,19,436
	b) Share Application Money	(9,35,000)	9,35,000
	c) Share Premium	42,19,506	66,45,532
	d) Tier I & II Bonds	52,10,000	36,00,000
	e) Interest Paid on Bonds	(22,17,163)	(19,89,374)
	TOTAL : (C)	63,75,936	94,10,594
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	7,75,02,028	3,68,53,326
	b) Balance with Banks & Money at Call & Short Notice	1,03,48,444	5,81,22,602
	TOTAL : (D)	8,78,50,472	9,49,75,928
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	7,79,40,577	7,75,02,028
	b) Balance with Banks & Money at Call & Short Notice	1,08,46,044	1,03,48,444
	TOTAL : (E)	8,87,86,621	8,78,50,472

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar

Date: 04/05/2023

Auditors Certificate:

We have verified the attached Standalone Cash Flow Statement of THE JAMMU & KASHMIR BANK LIMITED which has been compiled from and is based on the Audited Financial Statements for the year ended March 31st, 2023 and March 31st, 2022. To the best of our knowledge and belief and according to the information and explanations given to us, it has been prepared pursuant to clause 32 of the Listing Agreement with the Stock Exchanges.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAY6333

CA Ashwani Aggarwal
Partner
M.No. 013833
UDIN:23013833BGXIBM2873

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNT07234

Place: Srinagar

Date: 04/05/2023

Independent Auditors Report

To
The Members of
Jammu & Kashmir Bank Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Jammu and Kashmir Bank Limited ('the Bank') and its subsidiary & associate (together, 'the Group') comprising of the consolidated Balance Sheet as at 31st March 2023, the consolidated Profit and Loss Account, and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes to the consolidated financial statements (herein after referred to as 'the consolidated financial statements'). The consolidated financial statements included the Returns for the year ended on that date of:
 - (i) 57 branches/offices audited by us;
 - (ii) 952 branches audited by Statutory Branch Auditors;
 - (iii) One subsidiary audited by the subsidiary company auditor; and
 - (iv) One associate audited by the associate appointed auditor.

The branches/offices audited by us and those audited by other the Auditors have been selected by the Comptroller and Auditor General of India in accordance with the Guidelines issued to the bank by the Reserve Bank of India.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report and based on the consideration of report of other auditor on separate audited financial statements / financial information of the subsidiary, associate and branches, as referred to in paragraphs 9 to 12 below, the aforesaid consolidated Financial Results:

- (i) includes the annual financial results of the following entities:

S.No.	Name of Company	Relation
1	Jammu & Kashmir Bank Ltd	Parent
2	JKB Financial Services Limited	Subsidiary
3	J&K Grameen Bank	Associate

- (ii) given the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and:

- a) the Balance Sheet, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report

and read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2022;

- b) the Profit and Loss Account, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report read with the notes thereon shows a true balance of profits; and
- c) the Cash Flow Statement except for the effects of the matter described in the Basis for Qualified Opinion in section of our report gives a true and fair view of the cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw attention to the matter described below, the possible effects of undetected misstatements on the financial statements due to the inability to obtain sufficient and appropriate audit evidence which is material but, not pervasive either individually or in aggregate.
 - a)

- Refer to Note No15 of Schedule 18 of the Consolidated financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).

The Compensation Committee of the Jammu and Kashmir Bank Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to



employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the Jammu Bank management, it seems that there is violation of:

- Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme;
- Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/2015-16 /95 DBR.No.Dir. BC.10/13.03.00/2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares;
- Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21st March 2023 and payment was realised on 22.03.2023 and 23.03.2023 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank;

b) Refer to Note no. 4.4 of Schedule 18 of the previous year's Consolidated financial statement i.e. of the FY 2021-22, the Jammu and Kashmir Bank Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we cannot comment on those transactions.

c) The possible impact of such misstatement referred to in Points 'a' & 'b' above are as follows If the Regulating Authority declare this issue as illegal & irregular allotment of shares in violation of various statutory provisions aforementioned,;

- (1) Refer to Note No.1 .of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of Rs. 1 each (i.e. Rs. 5,17,62,954/- of FY 2021-22 & Rs. 7,00,00,000/- of FY 2022-23). the Share Capital will be overstated by Rs. 12,17,62,954/- i.e. 11.80% of the total paid-up share capital of the bank.
- (2) Refer to Note No.2 .of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 2263.53 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.
- (3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier I & Capital conservation buffer), the financial ratios/prudent limits concerning net worth/capital funds have been adjusted due to observations made above at Sno. 1 and 2 in regard to such overstated Share capital 7-00 crores , Share Premium 331.31 crore due to prohibited advances to the employees for the purchase of shares.
- (4) Refer to Note No.9 of the financial statement regarding Advances, a factual position of the Loan and Advances availed by the employees for the purchase of shares is not properly & separately disclosed. In the absence of complete information provided by the management, we are unable to quantify.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) and applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under applicable law, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

- The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Consolidated financial statements and our auditor's report thereon),

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Results

- These consolidated Financial Results have been prepared on the basis of the consolidated annual financial statements and reviewed quarterly consolidated Financial Results up to the end of the third quarter. The Bank's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated Financial Results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Financial Results, the

respective Management and Board of Directors of the entities included in the Group are responsible for assessing the Bank's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group are also responsible for overseeing the Bank's financial reporting process of the Group.

Auditor's Responsibilities for the audit of the Consolidated Financial Results

- Our objectives are to obtain reasonable assurance about whether the standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Other Matters

8. We did not audit the financial statements/information of 972 branches offices included in the consolidated Financial Results of the Group whose financial statements/financial information reflect total assets of Rs. 66031.33 crores including total advances of Rs 74910.63 Crores and total revenue of Rs 6503.25 Crores as at 31st March 2023, as considered in the consolidated financial statements. The financial statements / information of these branches has been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Our opinion on the financial statements does not cover the other information and the Basel-III disclosure and we do not express any form

of assurance conclusion thereon.

9. The accompanying consolidated Financial Results include the audited financial results of 1 subsidiary whose financial statements/ results/ financial information reflects Group's share of total revenues of Rs 10.46 crores, and Group's share of total net profit after tax of Rs 1.21 crores for the year ended on that date, which has been audited by other auditor, which financial statements, other financial information and Auditor report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the reports of such other auditor.
10. The consolidated Financial Results includes Bank's share of net profit after tax of Rs. 1197.38 crores for the quarter ended March 31, 2023 and loss of Rs. 18.07 crores for the year ended March 31, 2023, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other independent auditor whose report on financial statements has been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of such auditor. The Auditor has qualified the report of the Associate.
11. We did not incorporate The Jammu & Kashmir Asset Reconstruction Limited which has been incorporated by Government of J&K and J&K Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of Rs.98 lakhs whereas Government of J&K has subscribed Rs.102 lakhs. The Bank has incurred Rs.76,32,730/- towards incorporation expenses for the company. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not released their respective shares towards the capital of the company. In the meantime, the promoters have decided to wind up the company and in turn the Bank has approached the Registrar of Companies (J&K) (RoC) for removal of the name of the company from the Register of Companies under Section 248 of the Companies Act, 2013. The application of the Bank is pending with ROC.

Report on Other Legal and Regulatory Requirements

12. The consolidated Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
13. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of subsection (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-A" to this Report.
14. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) we have obtained all the information and explanations except for the effects of the matter described in the Basis for Qualified Opinion in section of our report which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) the transactions of the Bank, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report which have come to our notice, have been within the powers of the Bank;
- c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit.

15. Further, as required by section 143(3) of the Act, we report that:

- a) the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- c) the reports on the accounts of the branch offices of the Group audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us/ the other auditor whose report we have relied upon and have been properly dealt with by us in preparing this report;
- d) the consolidated Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- e) in our opinion, the aforesaid consolidated financial statements comply with the

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

- f) on the basis of written representations received from the directors as on 31st March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- g) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- h) as per the Notification No. GSR 463(E) dated 05.06.2015 Section 197 of Companies Act, 2013 is not applicable to Jammu & Kashmir Bank Limited, being a Government Company;
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements in Schedule 18-Notes on Accounts attached;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar
Date: 04/05/2023



Annexure-A to Para 14 of independent auditor's report of even date on the Consolidated Financial Results of Jammu & Kashmir Bank Limited.
Directions/sub-directions of Comptroller and Auditor General of India under Section 143(5) of Companies Act 2013 for the Financial Year 2022-2023

S. No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any may be stated.	As per information and explanation given to us the bank has system in place to process all the accounting transactions through IT.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	Refer Schedule 18 Note 4(b) and 4(g)
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There are no deviations. The loans received are utilized for the intended purpose. However, during the FY 2022-23 grants/subsidy received has been utilized in accordance with the stipulated guidelines.	Nil

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar
Date: 04/05/2023

Annexure-B to Independent Auditor's report of even date on the consolidated financial statements of Jammu and Kashmir Bank Limited.

Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of Jammu and Kashmir Bank Limited ('the Bank') as at 31st March 2023 in conjunction with our audit of the consolidated financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the "Assessment of Adequacy of Internal Financial Controls Over Financial Reporting" in line with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that:
 - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
 - b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the bank; and
 - c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the



policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at 31st March 2023, based on the internal control over Consolidated financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar
Date: 04/05/2023

Consolidated Balance Sheet

as at 31st March, 2023

	Schedule	As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
CAPITAL AND LIABILITIES			
Capital	1	1,031,623	933,030
Share Application Money		-	935,000
Reserves and Surplus	2	97,931,629	78,903,132
Minority Interest		-	-
Deposits	3	1,220,271,791	1,147,027,659
Borrowings	4	28,923,058	23,708,173
Other Liabilities and Provisions	5	110,967,815	54,253,337
TOTAL		1,459,125,916	1,305,760,331
ASSETS			
Cash and Balance with Reserve Bank of India	6	77,940,577	77,502,028
Balance with Banks & Money at Call & Short Notice	7	11,048,018	10,417,040
Investments	8	347,804,013	337,852,549
Advances	9	822,776,113	703,930,750
Fixed Assets	10	22,717,523	19,539,371
Other Assets	11	176,839,672	156,518,593
TOTAL		1,459,125,916	1,305,760,331
Contingent Liabilities	12	52,337,681	55,249,390
Bills for Collection		17,054,071	15,380,639
Principal Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar

Date: 04/05/2023

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
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CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar

Date: 04/05/2023



Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 1 - CAPITAL			
	Authorised Capital		
	1,850,000,000 (P.Y. 1,850,000,000)		
	Equity Shares of Rs.1/- each	1,850,000	1,850,000
	Issued		
	1,031,697,861 (P.Y. 933,104,594) Equity Shares of Rs.1/= each	1,031,698	933,105
	Subscribed and Paid-up Capital		
	1,031,479,861 (P.Y. 932,886,594)		
	Equity Shares of Rs. 1/- each	1,031,479	932,886
	Add Forfeited Equity Shares (218,000) (P.Y. 218,000)	144	144
	TOTAL *	1,031,623	933,030
	Share Application Money Received (Pending Allotment)	-	935,000
SCHEDULE 2 - RESERVES & SURPLUS			
I.	Statutory Reserves		
	Opening Balance	24,037,433	22,783,528
	Additions during the year	2,993,450	1,253,905
	Deductions during the year	-	-
	Closing Balance	27,030,883	24,037,433
II.	Capital Reserves		
a)	Revaluation Reserve Fixed Assets		
	Opening Balance	9,498,454	9,726,180
	Additions during the year on account of Revaluation Reserve	3,519,560	-
	Deduction during the year (depreciation)	(205,389)	(227,726)
	Closing Balance	12,812,625	9,498,454
b)	Others		
	Opening Balance	2,888,472	2,553,327
	Additions during the year	-	335,145
	Deductions during the year	-	-
	Closing Balance	2,888,472	2,888,472
III.	Share Premium		
	Opening Balance	17,604,651	10,959,119
	Additions during the year	4,219,506	6,645,532
	Deductions during the year	-	-
	Closing Balance *	21,824,157	17,604,651

Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
IV) Revenue and other Reserves			
a) Investment Fluctuation Reserve			
	Opening Balance	377,800	377,800
	Additions during the year	1,718,000	-
	Deductions during the year	-	-
	Closing Balance	2,095,800	377,800
b) Special Reserve (u/s 36 (i) (viii) of i.tax act, 1961			
	Opening Balance	1,231,600	1,231,600
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	1,231,600	1,231,600
c) Other Reserve			
	Opening Balance	23,264,722	19,677,536
	Additions during the year	8,501,370	3,587,186
	Deductions during the year	(1,718,000)	-
	Closing Balance	30,048,092	23,264,722
	TOTAL (I,II,III & IV) *	97,931,629	78,903,132

* The amount of Rs. 338.31 crore (7.00 Crore in paid up capital and 331.31 crore in share premium account) mobilized on account of JKBESPS 2023 though included here, has not been reckoned as capital for the purpose of financial ratios involving net worth/capital. (Refer Note No. 15 notes to accounts.)

SCHEDULE 3 - DEPOSITS

A I. Demand Deposits			
	i) From Banks	1,331,995	1,496,306
	ii) From Others	138,594,708	142,439,432
	TOTAL (I & ii)	139,926,703	143,935,738
II. Saving Bank Deposits		520,247,496	504,769,219
III. Term Deposits			
	i) From Banks	21,387,369	15,118,741
	ii) From Others	538,710,223	483,203,961
	TOTAL (I & ii)	560,097,592	498,322,702
	TOTAL A (I+II+III)	1,220,271,791	1,147,027,659
B. I. Deposits of branches in India		1,220,271,791	1,147,027,659
II. Deposits of branches outside India		-	-
	TOTAL B (I+II)	1,220,271,791	1,147,027,659



Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 4 - BORROWINGS			
I.	Borrowings in India		
i)	Reserve Bank of India	-	-
ii)	Other Banks	-	-
iii)	Unsecured Redeemable Debentures/Bonds (BASEL III for Tier I & Tier II Capital)	28,810,000	23,600,000
iv)	Other Institutions & Agencies	113,058	108,173
	TOTAL (i to iv)	28,923,058	23,708,173
II.	Borrowings outside India	-	-
	GRAND TOTAL (I & II)	28,923,058	23,708,173
	Secured borrowings included in I & II above	NIL	Nil
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS			
i)	Bills Payable	2,985,297	2,710,593
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued on Non-cumulative deposits	289,481	180,428
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	5,460,829	4,828,477
vi)	Other (Including Provisions)	102,232,208	46,533,839
	TOTAL (i to vi)	110,967,815	54,253,337
SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in Hand (Including Foreign Currency Notes)	6,373,076	6,160,287
II.	Balance with Reserve Bank of India		
	i) In Current Account	54,567,501	7,791,741
	ii) In Other Accounts	17,000,000	63,550,000
	TOTAL (I & II)	77,940,577	77,502,028
SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	i) Balance with Banks		
	a) In Current Accounts	429,769	355,769
	b) In Other Deposit Accounts	188,885	54,385
	TOTAL (i)	618,654	410,154
	ii) Money At Call and Short Notice		

Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
	a) With Banks	1,000,000	-
	b) With Other Institutions	8,708,708	9,745,959
	TOTAL (ii)	9,708,708	9,745,959
	TOTAL (i & ii)	10,327,362	10,156,113
II.	Outside India		
	i) In Current Accounts	227,636	260,927
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	493,020	-
	TOTAL II of (i, ii & iii)	720,656	260,927
	GRAND TOTAL (I&II)	11,048,018	10,417,040
SCHEDULE 8 - INVESTMENTS			
I.	Investments in India in		
	i) Government Securities	291,558,271	304,126,187
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,018,560	1,094,172
	iv) Debentures and Bonds	7,145,437	2,077,460
	v) Subsidiaries and/or Joint Ventures	-	-
	vi) Sponsored Institutions	-	(209,827)
	vi) Others :		
	a) Certificate of Deposit	47,754,843	30,385,903
	b) Suitfile	-	-
	c) Venture Capital	239	-
	d) Commercial Paper	-	-
	e) Security Receipts	326,663	378,654
	TOTAL (I)	347,804,013	337,852,549
II.	Investments Outside India in		
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others (Swap)	Nil	Nil
	TOTAL (II)	-	-
	TOTAL (I & II)	347,804,013	337,852,549
III.	Investments Category-Wise		
	i) Held to Maturity	267,522,866	233,061,234
	ii) Held for Trading	11,726	298,950
	iii) Available for Sale	80,269,421	104,492,365
	TOTAL (III)	347,804,013	337,852,549



Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 9 - ADVANCES			
A	i) Bills Purchased and Discounted	2,123,234	2,418,979
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	252,219,885	238,521,472
	iii) Term Loans	568,432,994	462,990,299
	TOTAL (i to iii)	822,776,113	703,930,750
B	i) Secured by Tangible Assets (includes advances against book debts)	566,072,549	487,525,750
	ii) Covered by Bank/Govt. Guarantees	3,602,502	4,270,737
	iii) Unsecured	253,101,062	212,134,263
	TOTAL (i to iii)	822,776,113	703,930,750
C	I. Advances in India		
	i) Priority Sector	253,934,033	288,029,477
	ii) Public Sector	6,416,170	7,544,369
	iii) Banks	39	151
	iv) Others	562,425,871	408,356,753
	TOTAL (i to iv)	822,776,113	703,930,750
	II. Advances Outside India		
	i) Due from Banks	NIL	NIL
	ii) Due from Others (a) Bills purchased and discounted (b) Syndicated Loans (c) Others	NIL	NIL
	GRAND TOTAL (I & II)	822,776,113	703,930,750
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	a) At cost/revalued as at 31st March of the preceding year	17,807,006	17,793,568
	Additions during the year	3,759,443	13,438
		21,566,449	17,807,006
	Deductions during the year	117,024	-
		21,449,425	17,807,006
	Depreciation to date	2,934,324	2,849,779
	Total (a)	18,515,101	14,957,227
	b) Constructions work in progress	441,257	430,769
	TOTAL (I) [a+b]	18,956,358	15,387,996

Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
II.	Other Fixed Assets (Including Furniture & Fixtures)		
	a) At cost/revalued as at 31st March of the preceding year	11,924,863	11,175,913
	Additions during the year	(881,020)	799,353
		11,043,843	11,975,266
	Deductions during the year	16,330	56,097
		11,027,513	11,919,169
	Depreciation to date	12,327,568	10,901,737
	TOTAL (II)	(1,300,055)	1,017,432
IIA.	Leased Assets		
	a) At cost/revalued as at 31st March of the preceding year	3,297,956	3,297,956
	Additions during the year	1,983,172	-
		5,281,128	3,297,956
	Deductions during the year	-	-
		5,281,128	3,297,955.77
	Depreciation to date	251,872	197,532.11
	TOTAL (IIA)	5,029,256	3,100,423.66
III.	Capital-Work-in progress (Including Leased Assets) net of Provisions	31,964	33,519
	GRAND TOTAL (I,II, IIA & III)	22,717,523	19,539,371
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	6,992,882	5,904,195
II.	Inter Office Adjustment (Net)	702,481	703,103
III.	Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	1,870,514	2,629,691
IV.	Stationery and Stamps	42,769	45,325
V.	Deferred Tax Asset (Net)	1,828,971	2,393,325
VI.	Non-Banking Assets acquired in satisfaction of claims	-	92,792
VII.	Others *	165,402,055	144,750,162
	TOTAL (I to VII)	176,839,672	156,518,593
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 68072650 thousand (Previous year Rs. 56912877 thousand)			



Schedules to Consolidated Balance Sheet

as at 31st March, 2023

		As at 31.03.2023 ₹ '000' Omitted	As at 31.03.2022 ₹ '000' Omitted
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	2,446,709	7,082,854
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	19,013,257	17,044,620
IV.	Guarantees given on behalf of constituents:-		
	a) In India	21,964,418	22,162,782
	b) Outside India	247,358	225,339
V.	Acceptances, Endorsements & Other Obligations	5,926,586	6,289,224
VI.	Other items for which the Bank is Contingently liable	-	-
VII.	Liability on a/c of Depositors Education Awareness Fund (DEAF)	2,739,353	2,444,571
	TOTAL (I to VII)	52,337,681	55,249,390

Consolidated Profit & Loss Account

for the year ended at 31st March, 2023

	Schedule	Year Ended 31.03.2023 ₹ '000' Omitted	Year Ended 31.03.2022 ₹ '000' Omitted
I INCOME			
Interest Earned	13	93,552,281	80,129,785
Other Income	14	7,652,417	7,534,832
TOTAL		101,204,698	87,664,617
II EXPENDITURE			
Interest Expended	15	46,094,380	41,013,373
Operating Expenses	16	36,508,699	35,986,527
Provisions and Contingencies		6,615,753	5,620,336
TOTAL		89,218,832	82,620,236
III PROFIT			
Consolidated Net Profit for the year		11,985,866	5,044,382
Share of earnings/loss in Associates (net)		(180,696)	(95,871)
Consolidated Net profit/(loss) for the year before deducting Minorities Interest		11,805,170	4,948,511
Less: Minorities Interest		-	-
Consolidated Net profit/(loss) for the year attributable to the group		11,805,170	4,948,511
Add: Brought forward consolidated profit/(loss) attributable to the group		-	-
Profit available for Appropriation		11,805,170	4,948,511
IV APPROPRIATIONS			
TRANSFERED TO			
i) Statutory Reserve		2,993,450	1,253,905
ii) Capital Reserve		-	335,145
iii) Revenue and Other Reserve		8,295,980	3,359,461
iv) Investment Fluctuation Reserve		-	-
v) Special Reserve		-	-
vi) Proposed Dividend		515,740	-
TOTAL		11,805,170	4,948,511
Principal Accounting Policies	17		
Notes on Accounts	18		
Earnings per Share (Basic/Diluted)		12.25	5.96

The schedules referred to above form an integral part of the Profit & Loss Account.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar

Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar

Date: 04/05/2023



Schedules to Consolidated Profit & Loss Account

for the year ended at 31st March, 2023

		YEAR ENDED 31.03.2023 ₹ '000' Omitted	YEAR ENDED 31.03.2022 ₹ '000' Omitted
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/Discount on Advances/Bills	69,975,540	60,148,832
II.	Income on Investments (Net of Amortization)	20,709,235	16,768,541
III.	Interest on Balances with R.B.I and other Inter Bank Funds	941,712	1,686,911
IV.	Others	1,925,794	1,525,501
	TOTAL (I to IV)	93,552,281	80,129,785
SCHEDULE 14 - OTHER INCOME			
I.	Commission, Exchange & Brokerage	1,590,919	2,007,736
II.	Profit /(Loss) on Sale of Investments (Net)	516,668	1,230,962
	Profit on Sale of Investments	562,506	1,248,437
	Less: Loss on sale of investments	(45,838)	(17,475)
III.	Profit /(Loss) on revaluation of Investments (Net)	(125,277)	(354,132)
	Profit on revaluation of Investments	-	8,122
	Less: loss on revaluation of investments	(125,277)	(362,254)
IV.	Profit/(Loss) on Sale of Land, Buildings & Other Assets (Net)	11,932	2,864
	Profit on Sale of Land, Buildings & Other Assets	12,721	8,332
	Less: Loss on Sale of Land, Buildings & Other Assets	(789)	(5,468)
V.	Profit /(Loss) on Exchange Transactions (Net)	142,024	163,664
	Profit on Exchange Transactions	143,195	163,695
	Less: Loss on E/Transactions	(1,171)	(31)
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/in India	-	-
VII.	a) Lease finance Income b) Lease management fee c) Overdue charges d) Interest on lease rent receivables	-	-
VIII.	Miscellaneous Income	5,516,151	4,483,738
	TOTAL (I to VII)	7,652,417	7,534,832
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on Deposits	43,512,422	39,013,373
II.	Interest on RBI/Inter-Bank Borrowings	364,795	14,358

Schedules to Consolidated Profit & Loss Account

for the year ended at 31st March, 2023

		YEAR ENDED 31.03.2023 ₹ '000' Omitted	YEAR ENDED 31.03.2022 ₹ '000' Omitted
III.	Others	2,217,163	1,985,642
	TOTAL (I to III)	46,094,380	41,013,373
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for Employees	27,085,632	26,750,792
II.	Rent, Taxes and Lighting	1,046,554	979,733
III.	Printing and Stationery	97,822	86,956
IV.	Advertisement and Publicity	51,323	13,471
V.	(a) Depreciation on Bank's Property other than Leased Assets	1,324,684	1,243,334
	(b) Depreciation on Leased Assets	251,872	197,532
VI.	Directors Fees, Allowances and Expenses	27,392	21,045
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	131,354	221,548
VIII.	Law Charges	187,193	128,195
IX.	Postage, Telegrams, Telephones etc.	49,637	40,766
X.	Repairs and Maintenance	308,336	340,056
XI.	Insurance	1,441,450	1,293,846
XII.	Amortisation of Goodwill, if any		
XII.	Other Expenditure	4,505,450	4,669,253
	TOTAL (I to XII)	36,508,699	35,986,527

Schedule 17

"Principal Accounting Policies"

A. Overview

Jammu and Kashmir Bank (J&K Bank) is a Scheduled Commercial Bank and one of the oldest private sector banks in India, incorporated in 1938. J&K Bank is listed on both NSE and BSE and has its Corporate Headquarters at Srinagar. The Bank functions as a leading bank in the Union Territories of Jammu & Kashmir and Ladakh and is designated by Reserve Bank of India as agency bank for carrying out banking business for the Government of Jammu & Kashmir and Ladakh. J&K Bank caters to banking requirements of various customer segments which includes Business enterprises, employees of government, semi-government and autonomous bodies, farmers, artisans, public sector organizations and corporate clients. Group companies of the J&K Bank include JKBFSL (wholly owned subsidiary) and JK Grameen Bank (Associate RRB). The Bank offers a wide range of retail credit products, including home finance, personal loans, education loan, agriculture lending, trade credit and consumer credit and a number of unique financial products tailored to the needs of various customer segments.

B. Basis of preparation of Financial Statements

The accompanying financial statements are prepared on historical cost basis, except as otherwise stated, following the "Going Concern" concept and conform to the Generally Accepted Accounting Principles (GAAP) in India, applicable statutory provisions and regulatory norms prescribed by the Reserve Bank of India (RBI), statutory guidelines of the Banking Regulation Act, 1949, applicable mandatory Accounting Standards (AS)/Guidance Notes/pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India. The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

D. Significant Accounting Policies

1. Revenue Recognition

- 1.1 Income and expenditure are accounted on accrual basis, unless otherwise stated.
- 1.2 Interest / Discount income from Non-Performing Assets (NPAs) including investments is recognized in the Profit and Loss Account on realization basis, as per the prudential norms prescribed by RBI.
- 1.3 Partial recovery in Non-Performing Assets is appropriated first towards principal and thereafter towards interest.
- 1.4 Fee, commission (other than insurance commission & Government business), exchange income, locker rent, insurance claims, dividend on shares and units in Mutual Fund and interest on refund of income tax are accounted for on receipt basis.
- 1.5 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Deposits.
- 1.6 Unforeseen income/ expenses are accounted for in the year of receipt/ payment.
- 1.7 Stationery issued to branches has been considered as consumed.

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

2.1 Classification:

Investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, in accordance with the guidelines issued by Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Bonds and Debentures
- v. Subsidiaries and Joint Ventures
- vi. Others

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorized as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorized as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".

Schedule 17

"Principal Accounting Policies"

- iv. An investment is classified as HTM, HFT or AFS at the time of its acquisition. Subsequent shifting amongst categories is done with the approval of the Board normally once in a year and in conformity with regulatory guidelines.
- v. Investments in subsidiaries and associates are classified as HTM.

2.3 Valuation:

- i. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless such costs are higher than the face value, in which case, the premium is amortised over the term to maturity using straight line method.
- ii. The individual scrip's in the "Available-for-Sale" category are marked to market at quarterly intervals. The net depreciation under each of six classifications under which investments are presented in the balance sheet is fully provided for, whereas the net appreciation under any of the aforesaid classifications is ignored.
- iii. The individual scrip in the "held-for-trading" category is marked to market at weekly intervals and the net depreciation under each of the six classifications under which investments are presented in the Balance Sheet is accounted for in the Profit and Loss account and appreciation is ignored.
- iv. The market value for the purpose of periodical valuation of investments, in case of quoted securities included in "Available for Sale" and "Held for trading" categories is based on the prices declared by the Financial Benchmarks India Pvt. Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. For securities whose prices are not published by FBIL, securities are revalued at market prices available from the trades/quotes on the stock exchanges and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

Category of Securities	Value
Government of India Securities and State Government Securities	At rates put out by FIMMDA/PDAI/ Financial Benchmarks India Pvt. Ltd. (FBIL)
Other Approved Securities, Preference Shares, Debentures and PSU Bonds	On yield to maturity (YTM) basis at the rate prescribed by FIMMDA/PDAI/FBIL with such mark ups as laid down by RBI or FIMMDA/PDAI/FBIL
Equity Shares	At Break-up value (without considering revaluation reserves) to be ascertained from the company's latest balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case, the latest balance sheet is not available, the shares shall be valued at Re.1 per company.
Mutual Fund Units	At latest re-purchase price declared by the Mutual Fund in respect of each scheme. In case of funds with a lock-in period or any other fund, where repurchase price is not available, units shall be value at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.
Treasury Bills and Commercial Papers	At carrying cost
Certificate of deposits	At carrying cost

- v. Transfer of securities amongst categories is effected at the lower of acquisition cost/ book value/ market value on the date of transfer and the depreciation, if any, on such shifting is fully provided for and the book value of securities is changed accordingly.
- vi. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method.
- vii. Investments in subsidiary are valued at acquisition cost.
- viii. Investments in J&K Grameen Bank/Sponsored Institutions are valued at carrying cost.
- ix. The investment in security receipts obtained by way of sale of NPA to Asset Reconstruction Companies (ARCs) is recognized at lower of Net Book Value (NBV) (i.e. Book value less provisions held), of the financial asset and redemption value of the Security Receipt.



Schedule 17

"Principal Accounting Policies"

- 2.4 The depreciation in value of investments where interest/principal is in arrears is not set-off against the appreciation in respect of other performing securities. Such investments including Non-performing Non-SLR investments are treated applying RBI prudential norms on NPA Classification and appropriate provisions are made as per RBI norms and no income on such investments is recognized.
- 2.5 Profit or loss on sale of investments is taken to the Profit and Loss account. However, in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount of profit, net of taxes and the amount required to be transferred to Statutory reserve, is appropriated to the "Capital Reserve Account".
- 2.6 Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
- 2.7 Brokerage paid on securities purchased is charged to revenue account except for equity investment operations where the same is added to the cost of purchase of investment.
- 2.8 Repurchase & Reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- 2.9 In accordance with RBI circular No. FMRD.DIRD.01/14.03.038/2018-19 dated July 24, 2018, the Bank has made changes in accounting for Repo/ Reverse Repo transactions including Triparty Repo (Other than transactions under the liquidity adjustment facility (LAF) with the RBI). Accordingly, the securities sold and purchased under Repo/ Reverse Repo are accounted for as collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities are reflected using Repo/Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Cost and revenue are accounted as interest expenditure/Income as the case may be. Balance in Repo account is classified under schedule 4 (Borrowing) and balance in Reverse Repo account is classified under schedule 7 (Balance with Banks & money at call & short notice).
- 2.10 In respect of Non-Performing Securities, income is not recognized and appropriate provision is made for depreciation in the value of such securities as per Reserve Bank of India guidelines.

3. Advances

3.1 Classification of Advances and Provisions thereof have been made as per the Income Recognition, Asset Classification and Provisioning Norms formulated by the RBI viz., Standard, Sub-Standard, Doubtful and Loss Assets. Bank has made provisions on Non-Performing Assets as per the prudential norms prescribed by the RBI as under:

Category of Assets	Provision norms
Sub-Standard	15% on Secured Exposure 25% on Unsecured Exposure 20% on Unsecured Exposure in respect of Infrastructure loan accounts where certain safeguards such as escrow accounts are available
Doubtful-I	25% on Secured 100% on Unsecured
Doubtful-II	40% on Secured 100% on Unsecured
Doubtful-III	100% on Secured 100% on Unsecured
Loss	100%

- 3.2 Advances are shown net of unrealized interest and provisions/ Technical write offs made in respect of non-performing advances. Provisions on standard advances are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions - Others" and are not considered for arriving at the Net NPAs.
- 3.3 Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.
- 3.4 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.
- 3.5 The Bank also makes additional provisions on specific non-performing assets.
- 3.6 Appropriation of recoveries in NPAs are made in order of priority as under:
 - i. Principal Due
 - ii. Charges, Costs, Commission etc.
 - iii. Unrealized Interest/ Interest

4. Floating Provisions

In accordance with the RBI guidelines, the Bank has an approved policy for creation and utilization of floating provisions for advances. The quantum of floating provisions to be created is assessed at the end of each quarter. These provisions are utilized only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

Schedule 17

"Principal Accounting Policies"

5. Fixed Assets and Depreciation

- 5.1 Fixed Assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Freehold premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation.
- 5.2 Cost includes cost of purchase, freight, duties, taxes and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalized only when it increases the future benefits from such assets or their functioning capability. The fixed assets are depreciated as per straight line method, considering residual value at 5% of original cost, as per the provisions of Companies Act 2013 based on the useful life of the assets prescribed in Part C of the Schedule II of the Companies Act 2013 as given hereunder:

Description of Fixed Assets	Useful Life (Years)
Buildings (With RCC Frame Structure)	60
Buildings (Other than RCC Frame Structure)	30
Boundary Wall	5
Plant and Machinery	15
Furniture and Fixtures	10
Vehicles	8
Others (Including temporary structures etc.)	3

Depreciation on computers (including ATMs/CDMs) along with software, forming integral part of the computers is computed at 33.33% on straight line method in terms of RBI guidelines issued vide letter no BP.1660/21.04.018/2001 dated 01.02.2001, taking residual value as Nil.

However, in compliance with Section 15(1) of Banking Regulation Act, 1949, the Bank has written off the entire amount of intangible assets amounting to Rs.35.72 crores as on March 31, 2023.

Useful life of the mobile phones is considered to be 2 years and the depreciation is charged in straight line method as per provisions of Companies Act 2013 with no residual value.

- 5.3 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 5.4 Premium paid for leasehold properties is amortized over the period of lease.
- 5.5 The Bank revalues freehold immovable assets every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. However, where such an increase is a reversal of any previous decrease arising on revaluation which has been charged to profit and loss account, such increase is credited to profit and loss account to the extent that it offsets the previously recorded decrease. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss account except that, to the extent such a decrease is related to a previous increase on revaluation that is included in Revaluation Reserve, it is charged against that earlier increase. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.
- 5.6 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

6. Employee Benefits

6.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.

6.2 Long Term Employee Benefits:

i. Defined Contribution Plan:

Provident Fund: Provident Fund is a defined contribution scheme as the bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to profit and loss account. The Bank is paying matching contribution towards those employees who have not opted for the pension.

ii. Defined Benefit Plan

Gratuity

The Bank pays gratuity, a defined benefit plan, to vested employees on retirement or resignation or on death while in employment or on termination of employment. The Bank makes contribution to recognized trust which administers the funds on its own account or through insurance companies. Actuarial valuation of the gratuity liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability



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is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account.

Pension

The Bank provides for pension to all eligible employees. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees based on the respective employee's years of service with the Bank and applicable salary. Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account. Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The Bank also operates a New Pension Scheme (NPS) for all employees joining the Bank on or after 1st August, 2010 (Such new joiners not being entitled to become members of the existing pension scheme). As per the scheme, these employees contribute 10% of their salary and the Bank contributes 14% of the employee's salary. The amount contributed by the Bank to NPS during the year is recognized in the profit and loss account.

Leave Salary

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary, appointed by the Bank.

7. Transactions involving Foreign Exchange

- 7.1 Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- 7.2 Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- 7.3 Monetary Assets and Liabilities as on balance sheet date have been translated using closing rate as at year-end announced by FEDAI.
- 7.4 Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as an expense in the period in which they arise.
- 7.5 Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities and the resulting Profit or Loss is recognized in the Profit and Loss Account.

8. Segment Reporting

The Bank recognizes the business segment as the primary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

9. Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22- "Accounting for taxes on Income" respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets

- 10.1 In conformity with AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- 10.2 No provision is recognized for
 - I. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

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- II. Any present obligation that arises from past events but is not recognized because:
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.
- Such obligations are recorded as Contingent Liabilities.

10.3 The Bank has made 100% provision for redemption against the accumulated reward points in respect of standard credit card holders.

10.4 Contingent Assets are not recognized in the financial statements.

11. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

12. Share Issue Expenses

Share issue expenses are charged to the Profit and Loss Account.

13. Earnings per Share

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 - "Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.



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Jammu and Kashmir Bank Limited along with its Subsidiary and an Associate constitute the group which has been considered in the preparation of consolidated financial statements as under:

Name of the Entity	Relationship	Country of Incorporation	% voting power held as at	
			31.03.2023	31.03.2022
JKB Financial Services Ltd.	Subsidiary	India	100%	100%
J&K Grameen Bank	Associate	India	35%	35%

1. Regulatory Capital

1.1 a) Composition of Regulatory Capital

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	8542.47	7498.58*
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	9542.47	8498.58
iv)	Tier 2 capital	2361.15	1084.99
v)	Total capital (Tier 1+Tier 2)	11903.61	9583.57
vi)	Total Risk Weighted Assets (RWAs)	77222.80	72457.73
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	11.06%	10.35%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.36%	11.73%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.06%	1.50%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.41%	13.23%
xi)	Leverage Ratio	6.34%	6.27%
xii)	Percentage of the shareholding of a) Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year Share application money (Pending allotment)	9.85	21.94 2.85*
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year: Basel III Compliant Unsecured, Subordinated, Non-Convertible, Redeemable, Fully Paid- Up Debentures	1021	360

Revaluation Reserve has been reckoned as CET1 capital at a discount of 55% in line with RBI guidelines.

b) Drawdown from Reserves

(₹ in crore)

S No.	Reserves	Amount Drawn	Purpose
1	Revaluation Reserve	20.54	Depreciation on revalued portion of fixed assets amounting to ₹ 20.54 crore has been transferred to General Reserve.
2	General Reserve	171.80	Transferred to Investment Fluctuation Reserve

1.2 The J&K Govt. General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020. As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd. consisting of 4,58,29,445 shares which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 shall be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The UT of Jammu and Kashmir has completed the transfer of the said 4,58,29,445 shares to UT of Ladakh on February 10, 2023.

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- 1.3 On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crores Eighty Five Lacs Ninety Three Thousand Two Hundred and Sixty Seven) equity shares at a price of ₹ 32.70 (Rupees Thirty Two and Seventy Paise Only) which was at a discount of 4.97% (i.e. ₹ 1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹ 93,49,99,830.90 (Rupees Ninety Three Crores Forty Nine Lacs Ninety Nine Thousand Eight Hundred Thirty and Ninety Paise Only). The issue opened on March 28, 2022 and closed on March 31, 2022. As on 31st March, 2022 the said amount was received in share application money account (Escrow Account) and was pending appropriation subject to allotment of equity shares to the subscribers.
- 1.4 During the FY 2022-23, the Bank raised its equity capital through Employee Stock Purchase Scheme, 2023 (JKBESPS-2023) by allotting 7,00,00,000 (Seven Crore) equity shares to the eligible employees. The issue opened on 14th March 2023 and closed on 21st March 2023.

The scheme was voluntary in nature and the Bank received the subscription amount from the employees in a manner similar to ASBA by placing a lien on the subscription amount in the personal saving bank accounts of the subscribing employees. The Bank did not sanction any loan facility to its employees specifically for subscribing to the issue as prescribed in the scheme itself. Some employees subscribing to the issue had transferred some amounts from their pre-existing general purpose loan facilities (salary overdraft and personal consumption loans) to their savings bank accounts and used the same for subscribing to the share issue. The Bank has additionally taken an independent legal opinion from a reputed law firm confirming that the scheme has been implemented in conformity with all the governing regulations including compliance with RBI Circular no RBI/2015-16/95 DBR.No.Dir.BC.10/13.03.00/2015-16 on "Loans and Advances - Statutory and Other Restrictions" dated July 01, 2015.

On 21st March 2023, the Compensation Committee of Board of Directors approved the allotment of 700,00,000 (Seven Crore) equity shares with face value of ₹ 1.00 each to the eligible employees of the Bank under JKB ESPS 2023.

The Bank had accounted for this transaction in line with the 'Guidance Note on Accounting for Share-based Payments' issued by Institute of Chartered Accountants of India in September 2020, taking the fair value of the share as ₹ 48.33, face value of ₹ 1.00 per share and a premium of ₹ 47.33 per share (including discount of ₹ 9.08 per share). The total amount received by the Bank on this account is ₹ 338.31 crores which includes ₹ 7.00 crores as equity capital and ₹331.31 crores as share premium.

However, owing to the observations of the Statutory Auditors regarding transfer of amounts by some employees from their general purpose pre-existing personal loans (Salary Overdraft and Consumption Loan) to their Savings Bank account used for subscribing to the issue, we, as a matter of adopting prudent Corporate Governance Standards, have not reckoned the amount in the financial ratios/prudential limits concerning networth/capital funds and a decision in this regard shall be taken after getting the clarifications/clearance.

2. Asset Liability Management:

a) Maturity pattern of certain items of assets and liabilities

(₹ in crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	445.78	1926.48	1999.91	2388.11	1274.67	1656.30	4370.12	6744.92	49726.09	35887.37	15607.42	122027.18
Advances	421.48	1349.54	1538.06	1186.46	932.92	868.58	3662.88	5428.33	38486.18	14586.15	13817.04	82277.61
Investments	3726.34	1.89	333.76	338.19	5517.17	54.75	2145.38	6115.88	5601.83	3975.22	6969.98	34780.40
Borrowings	5.15	0.00	0.00	0.00	0.00	1000.00	0.00	0.00	500.00	1387.16	0.00	2892.31
Foreign Currency assets	19.37	68.69	13.15	253.68	0.00	283.18	252.45	194.82	20.66	0.00	0.00	1106.00
Foreign Currency Liabilities	7.16	55.47	0.00	276.45	0.00	250.86	258.80	202.47	1.74	0.00	0.00	1052.95



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b) Liquidity Coverage Ratio (LCR)

(₹ in crore)

		Quarter March 2023		Quarter December 2022		Quarter September 2022		Quarter June 2022	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	30280.73	30259.92	30102.74	29632.62	30131.40	30131.07	35335.83	35332.85
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	85082.06	6267.89	80874.26	5932.56	82182.59	5977.37	83092.82	6045.23
(i)	Stable deposits	46278.27	2313.95	43871.79	2193.60	44744.77	2237.24	45287.60	2264.71
(ii)	Less stable deposits	38803.78	3953.95	37002.47	3738.96	37437.81	3740.13	37805.23	3780.52
3	Unsecured wholesale funding, of which	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non Operational deposits (all counterparties)	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0	0	0	0
4	Secured Wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements of which	1.25	1.25	0.00	0.00	0.00	0.00	41.67	41.67
(i)	Outflows related to derivative exposure and other collateral requirements	0.86	0.86	0.00	0.00	0.00	0.00	41.67	41.67
(ii)	outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0	0	0	0
(iii)	credit and liquidity facilities	0.00	0.00	0.00	0.00	0	0	0	0
6	Other contractual funding Obligations	7013.53	632.48	9529.39	742.31	7039.83	643.30	7593.50	869.36
7	Other contingent funding Obligations	3628.74	137.65	3530.68	161.25	3776.89	132.32	3854.92	141.22
8	Total cash outflows		16535.91		17660.60		18309.89		20902.84

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	Cash Inflows								
9	Secured Lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	2397.04	1227.17	2520.01	1323.87	2186.84	1230.76	5882.22	0
11	Other cash inflows	655.49	326.66	0.00	0.00	0	0	1866.19	1003.07
12	Total cash inflows	3052.52	1553.83	2520.01	1323.87	2186.84	1230.76	7748.41	1003.07
13	TOTAL HQLA		30259.92		29632.62		30131.07		35332.85
14	Total Net Cash Outflows		14982.08		16336.73		17079.12		19899.77
15	Liquidity Coverage Ratio (%)		201.97		181.39		176.42		177.55

In accordance with RBI guidelines vide circular no. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. We have considered 46 data points for the quarter March 2023.

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2023

Qualitative disclosure for LCR:

Liquidity Coverage Ratio (LCR) guidelines were implemented by the Banks with an objective to maintain adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet liquidity needs for a time-horizon up to 30 calendar days under a significantly severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets (HQLAs)}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

HQLA comprise of liquid assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The Total Net Cash Outflows are the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

Bank's LCR was at 201.97% based on daily average of past three months (Q4 FY22-23). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs 30259.92 Cr which were mostly in the form of level 1 assets. The weighted average total net cash outflows were to the tune of Rs 16535.91 Cr.

Liquidity Management in the Bank is driven by RBI guidelines and Bank's ALM Policy. ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. In addition to daily / monthly LCR reporting, Bank also prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis.

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c) Net Stable Funding Ratio (NSFR)

(₹ in Crore)

NSFR Disclosure Template						
		Unweighted value by residual maturity				Weighted Value
		No maturity	< 6 months	6 months to < 1yr	>= 1yr	
ASF Item						
1	Capital: (2+3)	9422.61	1000.00	0.00	15664.70	26087.31
2	Regulatory capital	9860.23	1000.00	0.00	1481.00	12341.23
3	Other capital instruments	0	0	0	14183.70	14183.70
4	Retail deposits and deposits from small business customers: (5+6)	66016.40	14686.10	18019.38	0.00	91617.73
5	Stable deposits	35028.25	9724.65	10607.80	0	52592.66
6	Less stable deposits	30988.16	4961.45	7411.58	0	39025.07
7	Wholesale funding: (8+9)	0.00	5806.56	3721.19	0.00	4697.88
8	Operational deposits	0.00	0.00	0.00	0	0.00
9	Other wholesale funding	0.00	5806.56	3721.19	0.00	4697.88
10	Other liabilities: (11+12)	0.00	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0	0	0	0	0
13	Total ASF (1+4+7+10)					122840.54
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1417.20
15	Deposits held at other financial institutions for operational purposes	111.51	0.00	0.00	0.00	55.75
16	Performing loans and securities: (17+18+19+21+23)	333.61	14748.80	14453.57	54593.08	58352.90
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	970.87	0	0	145.63
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	12497.58	9668.31	46601.21	49030.06
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	9633.80	6261.97
21	Performing residential mortgages, of which:	0	0	0	7375.14	5449.74
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	4095.61	2662.15
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	333.61	1280.35	4785.26	616.73	3727.47

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24	Other assets: (sum of rows 25 to 29)	2409.26	0.00	0.00	9237.63	11631.26
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	104.16	88.54
27	NSFR derivative assets		0	0	1.66	1.66
28	NSFR derivative liabilities before deduction of variation margin posted		0	0	1.55	1.55
29	All other assets not included in the above categories	2409.26	0.00	0.00	9130.26	11539.52
30	Off-balance sheet items	0.00	0.00	281741.00	0.00	140.87
31	Total RSF (14+15+16+24+30)					71597.99
32	Net Stable Funding Ratio (%)					170.97%

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

Bank's NSFR comes to 170.97% as at the end of the quarter Q4 (FY 2022-23) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.3.2023 stood at Rs. 122840.54 crores and amount for Required Stable Funding (RSF) as on 31.03.2023 was Rs 71597.99 crores

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF).the primary drivers are unencumbered performing loans with residual maturities of one year or more.



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3. Investments

a) Composition of Investment Portfolio As at 31st March 2023

(₹ in Crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	26752.29	0	0	0	0	0	26752.29	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0.00	0	0	0	0	0
Net	26752.29	0	0	0	0	0	26752.29	0	0	0	0	0
Available for Sale												
Gross	2403.54	0	573.46	1013.96	0	4986.13	8977.09	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.78	299.42	0	177.95	950.15	0	0	0	0	0
Net	2403.54	0	100.68	714.54	0	4808.18	8026.94	0	0	0	0	0
Held for Trading												
Gross	0	0	1.20	0	0	0	1.20	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0.03	0	0	0	0.03	0	0	0	0	0
Net	0	0	1.17	0	0	0	1.17	0	0	0	0	0
Total Investments	29155.83	0	574.66	1013.96	0	4986.13	35730.58	0	0	0	0	0
Less: Provision for non-performing investments	0	0	467.05	294.98	0	48.24	810.27	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.81	299.42	0	177.95	950.18	0	0	0	0	0
Net	29155.83	0	101.85	714.54	0	4808.18	34780.40	0	0	0	0	0

Schedule 18

"Notes on Consolidated Accounts"

As at 31st March 2022

(₹ in Crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	23303.48	0.00	0.00	23.63	(20.99)	0.00	23306.12	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Net	23303.48	0.00	0.00	23.63	0.00	0.00	23306.12	0	0	0	0	0
Available for Sale												
Gross	7109.14	0.00	558.80	306.63	0.00	3169.05	11143.62	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	0	0	0	0	0
Net	7109.14	0.00	109.40	154.24	0.00	3076.46	10449.24	0	0	0	0	0
Held for Trading												
Gross	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Net	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Total Investments	30412.62	0.00	558.82	360.13	0.00	3169.05	34479.63	0	0	0	0	0
Less: Provision for non-performing investments	0.00	0.00	446.56	152.39	0.00	48.24	647.19	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	0	0	0	0	0
Net	30412.62	0.00	109.42	207.74	8.75	3076.46	33785.25	0	0	0	0	0



Schedule 18

"Notes on Consolidated Accounts"

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	84.12	48.71
b) Add: Provisions made during the year	97.63	60.61
c) Less: Write off / write back of excess provisions during the year	4.92	25.20
d) Closing balance	176.83	84.12
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance	37.78	37.78
b) Add: Amount transferred during the year	171.80	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	209.58	37.78
iii) Closing balance in IFR as a percentage of closing balance of investments in Available for Sale (AFS) and Held for Trade (HFT)/Current category	2.61	0.36

c) Sale and Transfers to/from Held to Maturity (HTM) Category

The value of sale and transfer of securities to/from HTM Category (excluding permitted transfers) has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR Investment Portfolio

i) Non-performing non-SLR investments

(₹ in Crore)

S. No.	Particulars	Current Year	Previous Year
a)	Opening balance	722.07	817.58
b)	Additions during the year since 1 st April	172.34	18.53
c)	Reductions during the above period	24.02	114.04
d)	Closing balance	870.39	722.07
e)	Total provisions held (including floating provision of ₹ 2.76 Crores and ₹ 29.57 crore of interest capitalized)	810.27	649.94

ii) Issuer composition of non-SLR investments

(₹ in Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities*		Extent of 'Unrated' Securities*		Extent of 'Unlisted' Securities*	
		Current year	Previous Year	Current year	Previous Year	Current Year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
a)	PSUs	69.31	19.85	69.31	19.85	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	1423.84	173.63	712.95	163.63	115.00	115.00	0.00	0.00	0.00	0.00
c)	Banks	4094.34	3096.74	0.00	53.50	0.00	23.50	0.00	0.00	0.00	0.00
d)	Private Corporates	824.89	715.56	279.93	123.15	0.00	0.00	23.03	24.18	23.03	24.18
e)	Subsidiaries/ Joint Ventures**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	162.38	82.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Less: Provision held towards depreciation/ NPI***	950.18	694.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total ***	5624.58	3393.62	1062.19	360.13	115.00	138.50	23.03	24.18	23.03	24.18

*Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities are not segregated under these categories as these are exempt from rating/listing guidelines.

**Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

*** Excludes floating provision of ₹2.76 Crores

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"Notes on Consolidated Accounts"

e) Repo transactions (in face value terms)

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	1182.00	1182.00	9.71	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1600.00	8825.00	1030.15	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

- f) Investments include ₹45.67 Crores in Sponsored institution J&K Grameen Bank. Net worth of J&K Grameen Bank has eroded due to continuing losses and since there is a permanent diminution in carrying cost of investment, the Bank has made prudential provision of ₹36.92 Crore. Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.

g) Floating Provisions (Investments)

Particulars	Current Year	Previous Year
Opening balance	2.76	2.76
Additions made during the year	0.00	0.00
Utilization made during the year	0.00	0.00
Closing Balance	2.76	2.76

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"Notes on Consolidated Accounts"

	(₹ in crores)											
	Current Year						Previous Year					
	Standard	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total	Standard	Sub-standard	Doubtful	Loss Advances	Total Non-Performing	Total
4. Asset Quality a) Classification of advances and provisions held												
Gross Standard Advances and NPAs												
Opening Balance	6872192	87977	420668	1434.08	652054	75242.46	6496187	967.44	4876.28	111103	6954.75	71916.62
Add: Additions during the year					7446.61						3130.87	
Less: Reductions during the year*					8762.72						3565.08	
Closing balance	8095121	73452	329130	979.82	5204.43		6872192	879.77	4206.68	1434.08	6520.54	75242.46
*Reductions in Gross NPAs due to:					8762.71						3565.08	
i) Upgradation					6448.58						2257.45	
ii) Recoveries (excluding recoveries from upgraded accounts)					1276.98						544.23	
iii) Technical/ Prudential Write-offs					453.22						758.01	
iv) Write-offs other than those under (iii) above					583.93						5.39	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	482.85	142.40	3108.85	1434.08	4685.33	5168.18	432.74	171.23	3565.88	1108.18	4845.29	5278.03
Add: Fresh provisions made during the year					(12.52)						588.96**	
Less: Excess provision reversed/ Write-off loans					914.82						748.92	
Closing balance of provisions held	546.08	134.15	2642.06	981.78	3757.99		482.85	142.40	3108.85	1434.08	4685.33	5168.18
** ₹ 588.96 crore includes ₹ 335.61 crores utilized from Floating Provision as per RBI Circular No RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dt May 05 2021												
Net NPAs												
Opening Balance		733.32	1016.78	0.00	1750.10			738.83	1230.50	0.00	1969.33	
Add: Fresh additions during the year					7459.13						2541.91	
Less: Reductions during the year					7847.90						2816.16	
Closing Balance ***		641.93	692.31	0.00	1334.24			733.32	1016.78	0.00	1750.10	
*** Closing balance has been arrived after subtracting ICAP of ₹ 60.77 crore as on 31.03.2022 and ₹ 92.13 crore as on 31.03.2023, adding ₹ 36.84 crore of DIFV (₹ 36.84 crore as on 31.03.2022 and Nil. as on 31.03.2023) and subtracting EC6C/GTMSE of ₹ 3.16 crore (₹ 16.91 crore as on 31.03.2022 and ₹ 20.07 crore as on 31.03.2023)												
Floating Provisions												
Opening Balance					13.11						348.72	
Add: Additional provisions made during the year					111.37						0.00	
Less: Amount drawn down during the year					0.00						335.61****	
Closing balance of floating provisions					124.48						13.11	
**** As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, the bank has utilised ₹ 335.61 crore of floating Provisions upto 31.03.2022 after obtaining requisite prior approval from Board of Directors against the requirement for specific provision of non-performing assets.												
Technical write-offs and the recoveries made thereon												
Opening balance of Technical/ Prudential write-off accounts					4596.59						3970.79	
Add: Technical/ Prudential write-offs during the year					329.61						758.01	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					464.37						132.20	
Closing balance					4461.84						4596.59	

Note: In accordance with the Board approved policy, the Bank has created additional floating provisions of ₹ 111.37 crores for advances during FY 2022-23, thereby taking the closing balance of floating provision for advances as on March 31, 2023 to ₹124.48 crores

Schedule 18

"Notes on Consolidated Accounts"

Ratios	Current Year	Previous Year
Gross NPA to Gross Advances	6.04%	8.67%
Net NPA to Net Advances	1.62%	2.49%
Provision coverage ratio	86.20%	84.26%

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr.No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
i)	Priority Sector						
1	Agriculture & Allied Activities	9183.74	672.39	7.32	8636.61	623.59	7.22%
2	Advances to Industries sector eligible as priority sector lending	2769.80	265.26	9.58	3469.21	308.29	8.89%
3	Services	9001.79	366.91	4.08	12955.26	757.76	5.85%
4	Personal Loans	5070.84	40.76	0.80	4546.77	42.10	0.93%
	Sub-Total (i)	26026.17	1345.32	5.17	29607.85	1731.74	5.85%
ii)	Non-Priority Sector						
1	Agriculture & Allied Activities	686.81	0.03	0.00	19.13	0.04	0.21%
2	Industry	11206.84	1162.25	10.37	9108.90	2000.54	21.96%
3	Services	19925.56	2416.48	12.13	11767.85	2510.24	21.33%
4	Personal loans	28310.34	280.35	0.99	24738.73	277.97	1.12%
	Sub-Total (ii)	60129.54	3859.11	6.42	45634.61	4788.80	10.49%
	Total (i + ii)	86155.72	5204.43	6.04	75242.46	6520.54	8.67%

- c) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019
In terms of RBI Circular DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Bank has made additional provisions during previous quarters as per prescribed rates under the framework without any requirement for further provisions for the quarter ended March 31, 2023. The total provision as on March 31, 2023 is ₹ 61.24 crore as detailed below:



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"Notes on Consolidated Accounts"

Amount of loans impacted by RBI Circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2023 out of (b) classified as NPA (c)	Provisions held as on 31.03.2022 (d)	Additional provision made during the year ended 31.03.2023 (e)	Provision held as on 31.03.2023 (f)
61.24	61.24	61.24	425.14	0.00	61.24

It is in place to mention that:

- Account of Hindustan Construction Company Ltd. Of ₹ 114.13 crore has been adjusted as per the resolution plan on 30.09.2022.
- In the account of Reliance Commercial Finance Ltd., the Bank has received an amount of ₹ 35.03 crores and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 30.09.2022.
- In the account of Reliance Finance Home Ltd., the Bank has received an amount of ₹ 30.42 crore and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 29.03.2023.
- In the account of Reliance Infrastructure Ltd., the Bank has effected a recovery of ₹ 10 crore during the year.

d) Divergence in asset classification and provisioning:

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. DBR.BP.BC.No.31/21.04.018/2018-19 dated 1st April, 2019.

e) Disclosure of transfer of loan accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021

i) The details of the Non-Performing Assets transferred during the year ended March 31, 2023 is given below:

S No	Particulars	Current Year			Previous Year		
		To ARCs	To permitted transferees	To other transferees	To ARCs	To permitted transferees	To other transferees
a.	No of accounts	3	Nil	1	Nil	Nil	Nil
b.	Aggregate principal outstanding of loans transferred (₹ in crore)	562.76	NA	188.11	NA	NA	NA
c.	Weighted average residual tenor of the loans transferred (Years)	2.68	NA	0	NA	NA	NA
d.	Net book value of loans transferred (at the time of transfer) (₹ in crore)	142.84	NA	0	NA	NA	NA
e.	Aggregate consideration (₹ in crore)	305.12	NA	94.33	NA	NA	NA
f.	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)	1.23	NA	0	NA	NA	NA

Excess Provision amounting to ₹ 176.43 crore (Previous year Nil) on sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC) has been accounted for in the Profit & Loss Account.

ii) The Bank has not transferred any Special Mention Account and loan not in default.

iii) The Bank has not acquired any stressed loan or NPA during the year.

iv) Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2023:

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"Notes on Consolidated Accounts"

(₹ in Crore)

Recovery Rating Band	Book Value as on 31.03.2023	Book Value as on 31.03.2022
RR1+	13.39	0.00
RR1	0.00	13.39
RR3	0.00	26.00
RR4	64.26	38.27
NA*	4.55	4.55
Rating not assigned**	80.18	0.00
Total	162.38	82.20

*100% provisions made against the SRs

**SRs received in Q4 of FY 2022-23, as per ARC rating shall be assigned within 180 days

f) Fraud accounts

Particulars	Current year	Previous Year
Number of frauds reported	20	19
Amount involved in fraud (₹ Crore)	380.04	246.16
Amount of provision made for such frauds (₹ Crore)	375.32	244.61
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	Nil	Nil

g) Resolution Framework for COVID-19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID 19 related stress as per RBI Circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below:

(₹ in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	75.61	1.43	0.00	2.21	71.97
Corporate persons*	721.38	72.28	0.00	230.37	418.73
Of which MSMEs	105.64	17.74	0.00	3.78	84.12
Others	229.00	11.69	0.00	16.16	201.16
Total	1025.99	85.40	0.00	248.74	691.85
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					



Schedule 18

"Notes on Consolidated Accounts"

5. Exposures

a) Exposure to real estate sector

S.No	Particulars	Current Year	Previous Year
1.	Direct Exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	11650.95	9614.35
	Of which individual housing loans eligible for inclusion in priority sector advances	4541.64	3802.99
(ii)	Commercial Real Estate	2177.29	2613.12
	Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0	0
(iii)	Investment in Mortgage-Backed Securities (MBS) and other securitized exposures:	0	0
(a)	Residential	0	0
(b)	Commercial real estate	0	0
2.	Indirect Exposure		
	Fund based and non-fund-based exposures on National housing Bank and Housing Finance Corporation	3025.03	1981.11
	Total Exposure to Real Estate Sector	16853.27	14208.58

b) Exposure to capital market

Particulars	₹ in Crores)	
	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	74.42	77.88
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.04	0.04
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15.00	15.03
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.02	0.02
Total exposure to capital market	89.48	92.97

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"Notes on Consolidated Accounts"

c) Risk category-wise country exposure

(₹ in Crores)

Risk Category	Exposure (net) as at 31 st March 2023	Provisions held as at 31 st March 2023	Exposure (net) as at 31 st March 2022	Provisions held as at 31 st March 2022
Insignificant	118.98	0.00	169.82	0.00
Low	18.03	0.00	9.12	0.00
Moderately Low	1.98	0.00	0.00	0.00
Moderate	0.00	0.00	8.59	0.00
Moderately High	0.10	0.00	0.00	0.00
High	0.00	0.00	0.32	0.00
Very high	0.00	0.00	0.29	0.00
Total	139.09	0.00	188.13	0.00

d) Unsecured Advances

(₹ in Crores)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	25310.11	21213.43
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	NA	NA

e) Factoring exposures

The Banks factoring exposure as at 31.03.2023 is (Previous Year - Nil)

f) Intra-group exposures

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Amount of intra-group Exposure	15.00	15.00
Total Amount of top-20 intra group exposures	15.00	15.00
Percentage of intra -group exposures to total exposures of the bank on borrowers/ customers	0.01%	0.02%
Details of breach of limit on intra-group exposures and regulatory action thereon, if any	NIL	NIL

g) Unhedged foreign currency exposure

In accordance with RBI circular no DBOD .BP.BC.85/21.06.200/2013-14 dated 15th January, 2014 and circular no DBOD.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, banks are required to make an additional provision in respect of borrowers with Un-hedged Foreign Currency Exposures (UFCE) from April 1, 2014 onwards. Accordingly, our bank has made the necessary provisions.

(₹ in Crores)

Particulars	Provision Held	
	Current Year 31.03.2023	Previous Year 31.03.2022
Opening balance	2.70	1.96
Additions during the Year	1.16	2.32
Deductions during the Year	0.10	1.58
Closing balance	3.76	2.70

The capital held by the Bank towards the foreign currency exposure amounts to ₹ 1.13 crores (previous year ₹ 3.03 crores)



Schedule 18

"Notes on Consolidated Accounts"

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits		(₹ in Crores)	
Particulars	Current Year	Previous Year	
Total Deposits of 20 largest depositors	10984.00	9899.72	
Percentage of 20 largest deposits to total Deposits of the Bank	9%	8.63%	

b) Concentration of Advances		(₹ in Crores)	
Particulars	Current Year	Previous Year	
Total Advances to the twenty largest borrowers	11819.29	9396.12	
Percentage of advances to twenty largest borrowers to total advances of the bank	13.28%	12.49%	

c) Concentration of Exposures		(₹ in Crores)	
Particulars	Current Year	Previous Year	
Total exposure to the twenty largest borrowers/customers	12440.52	11044.73	
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers/customers	11.89%	11.96%	

d) Concentration of NPAs		(₹ in Crores)	
Particulars	Current Year	Previous Year	
Total Exposure to the top twenty NPA accounts	2400.18	3613.22	
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	46.12%	55.41%	

7. Derivatives

a) Forward rate agreement/Interest rate swap		(₹ in Crores)	
Particulars	Current Year	Previous Year	
i) The notional principal of swap agreements	0.00	0.00	
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	0.00	
iii) Collateral required by the bank upon entering into swaps	0.00	0.00	
iv) Concentration of credit risk arising from the swaps	0.00	0.00	
v) The fair value of the swap book	0.00	0.00	

b) Exchange traded interest rate derivatives		(₹ in Crores)	
Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	0.00	0.00
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument wise)	0.00	0.00
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00

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c) Disclosures on risk exposures in derivatives

i) Qualitative disclosures

The only derivatives traded by the Bank in the foreign exchange market are forward contracts. Forward contracts are being used to hedge /cover the exposure in foreign exchange arising out of Merchant transactions and trading positions.

To cover the risks arising out of above derivatives, various limits like AGL, IGL and stop loss have been prescribed in the trading policy of the bank which are monitored through VaR.

Outstanding forward exchange contracts held for trading are revalued at the exchange rates for appropriate maturity rates as announced by FEDAI at the year-end exchange rates and the resultant gain/ loss is taken to revenue.

ii) Quantitative Disclosures

(₹ in Crores)

Sr. No	Particulars		Current Year		Previous Year	
			Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives
		Currency Derivatives				
(i)	Derivatives (Notional Principal Amount)					
	a)	For Hedging	NIL	NIL	NIL	NIL
	b)	For Trading	NIL	NIL	NIL	NIL
(ii)	Marked to Market Position					
	a)	Asset (+)	NIL	NIL	NIL	NIL
	b)	Liability (-)	NIL	NIL	NIL	NIL
(iii)	Credit Exposure (2)		NIL	NIL	NIL	NIL
(iv)	Likely Impact of 1% change in interest rate (100*PV01)					
	a)	On hedging derivatives	NIL	NIL	NIL	NIL
	b)	On Trading derivatives	NIL	NIL	NIL	NIL
(v)	Maximum & minimum of 100*PV01 observed during the year					
	a)	On hedging	NIL	NIL	NIL	NIL
	b)	On Trading	NIL	NIL	NIL	NIL

h) Credit default swaps

Bank did not enter in any credit default swap.

8. Disclosures relating to securitisation

Sl.No	Particulars	Mar 31 (Current Year)	Mar 31 (Previous Year)
1.	No of SPEs holding assets for securitisation transactions originated by the originator	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others		
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others		
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil



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	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	Nil	Nil
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

9. Off balance sheet SPVs sponsored

The bank has not floated any off Balance Sheet SPV.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in Crores)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	244.30	200.50
Add: Amounts transferred to DEA Fund during the year	34.28	48.38
Less: Amounts reimbursed by DEA Fund towards claims	4.65	4.42
Closing balance of amounts transferred to DEA Fund	273.93	244.46

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	Previous year	Current year
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	20	11
2.	Number of complaints received during the year	636	1662
3.	Number of complaints disposed during the year	645	1640
3.1	Of which, number of complaints rejected by the bank	0	0

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4.	Number of complaints pending at the end of the year	11	33
Maintainable complaints received by the bank from Office of Ombudsman			
	Number of maintainable complaints received by the bank from Office of Ombudsman	944	530
5.	5.1. Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	866	514
	5.2. Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	71	10
	5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note : Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme			

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Account opening/difficulty in operation of accounts	2	120	2900	1	0
Staff Behavior	1	95	313	5	0
Loans and Advances	2	612	353	8	1
Credit Cards	0	99	27	1	0
Pension and facilities for senior citizens/differently abled	0	66	266	0	0
Others	6	670	50	18	0
Total	11	1662	161	33	1
Previous Year					
Levy of charges without prior notice/ excessive charges / foreclosure charges	0	2	100	0	0
Staff Behavior	1	23	-75	1	0
Loans and Advances	0	135	-13	2	0
Internet/ Mobile/ Electronic Banking	0	2	-86	0	0
ATM/ Debit Cards	0	27	-3	0	0
Others	19	447	-7	8	0
Total	20	636	-17	11	0



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12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2023, Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 has levied following monetary penalties on the Bank:

S No.	Nature of Penalty	Number of Instances	Cumulative Amount (In ₹ lacs)
1.	Penalty imposed by RBI on Currency Chests	26	3.75*
2.	Penalty imposed by RBI on ATM Cash Outs	421	42.10*
Total		447	45.85

*This amount has been recovered from the concerned employees.

13. Disclosures on remuneration

Type of disclosure	Information	
Qualitative	a) Information relating to the composition and mandate of the Remuneration Committee.	Bank has constituted the Nomination and Remuneration Committee of the Board pursuant to the requirement of the Reserve Bank of India and the Companies Act, 2013, which constituted of following members of the Board as on 31.03.2023. Mr. Anand Kumar (Chairman N&RC) Mr. R K Chhibber Dr. Rajeev Lochan Bishnoi Mr. Naba Kishore Sahoo
	b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<ul style="list-style-type: none"> Ensure effective governance of compensation, alignment of compensation with prudent risk taking. Ensure effective supervisory oversight and engagement with stakeholders. Comply with the regulatory directives whereby all Private Sector Banks are required to formulate and adopt a comprehensive compensation policy covering all their employees and conduct annual review thereof. Identify persons who are qualified and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. Recommend to the Board a policy, relating to the remuneration for Directors, the Key Managerial Personnel and other employees. Formulate the policy which inter alia shall ensure that: <ul style="list-style-type: none"> (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Key Management Personnel and other employees of the company; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) Remuneration to Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Nomination & Remuneration Committee of the Board undertakes risk evaluation based on industry standards and risk profile of the Bank, guided by the Performance Management System (PMS) model for Top Executives. The compensation of Top executives would be aligned with prudent risk taking. There shall be clear linkage between the Banks annual business targets with the Key Responsibility Areas (KRAs) of the Top executives along with risk boundaries within which the business targets are required to be achieved through KRAs. The compensation outcome shall be symmetric with the risk outcomes.
	d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The performance of the Bank as a whole is linked to the performance of its employees and management. Guided by the Banks PMS model for the Top Executives, Nomination & Remuneration Committee of the Board shall take into consideration both the quantitative and qualitative 'Key Performance Indicators' while assessing remuneration of Executives covered under the Compensation Policy of the Bank. On the basis of these key determinants, the overall budget, a payout matrix would be developed taking into account the risk element associated with each role/post and on basis of performance in relation to KRAs/ KPIs for the reference year.
	e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	Bank has a Compensation Policy with due incorporation of all such covenants
	f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	Bank has a Compensation Policy with due incorporation of all such covenants

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	Particulars	Current Year	Previous Year	
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Material Risk Takers)	g) Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	The Committee met ten times during the year and total sitting fee of ₹ 15,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit)	The Committee met seven times during the year and total sitting fee of ₹ 7,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input tax credit)	
	h) i) Number of employees having received a variable remuneration award during the financial year. ii) Number and total amount of sign-on awards made during the financial year. iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus iv) Details of severance pay, in addition to accrued benefits, if any.	i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
		ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
		iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
		iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. ii) Total amount of deferred remuneration paid out in the financial year.	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
		ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NIL	NA	
	k) i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. ii) Total amount of reductions during the financial year due to ex post explicit adjustments. iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL
		ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
		iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l) Number of MRTs identified	11* *Identified as per the revised Compensation Policy of the Bank	31* *Identified as per the Compensation Policy of the Bank	
	m) (i) Number of cases where malus has been exercised (ii) Number of cases where clawback has been exercised (iii) Number of cases where both malus and clawback have been exercised.	(i) Number of cases where malus has been exercised	NIL	Nil
		(ii) Number of cases where clawback has been exercised	NIL	Nil
		(iii) Number of cases where both malus and clawback have been exercised.	NIL	Nil
	General Quantitative Disclosure	(n) The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	<ul style="list-style-type: none"> ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.08 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 6.07X ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.25 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 5.59X <p>*One WTD joined during middle of the year, however ratio of pay is annualised for calculation.</p>	

14. Other Disclosures

a) Business ratios

Particulars	Current Year	Previous Year
Interest Income as a percentage to Working Funds	6.92%	6.63%
Non-Interest Income as a percentage to Working Funds	0.56%	0.62%
Cost of Deposits	3.79%	3.65%
Net Interest Margin	3.89%	3.50%
Operating Profit as a percentage to Working Funds	1.37%	0.88%
Return on Assets	0.89%	0.42%
Business (deposits plus advances) per employee (in ₹ crore)	15.57	13.87
Profit per employee (in ₹ crore)	0.09	0.04



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b) Bancassurance business

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business
(₹ in Crores)

Name of the Company	Current Year	Previous Year
PNB Metlife	47.36	41.44
Bajaj Allianz	20.00	17.64
IFFCO Tokio	3.33	3.05
Total	70.69	62.13

c) Marketing and distribution

The details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as under:
(₹ in Crores)

S.No	Nature of income	Current Year	Previous Year
1	Commission from JKBFSL on opening DEMAT Accounts	0.03	0.02
2	Commission from JKBFSL on mobilizing Mutual Funds	0.07	0.01
3	Service Charges from PMFBY	0.13	0.15
Total		0.23	0.18

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has purchased the following PSLCs during the year:
(₹ in Crores)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	50.00	1074.50
PSLC Agriculture	0.00	895.50
Total	50.00	1970.00

The Bank has sold the following PSLCs during the year:
(₹ in Crores)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Micro Enterprises	0.00	2000.00
Total	0.00	2000.00

e) Provisions and contingencies

(₹ in Crores)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	83.46	(20.66)
ii) Provision for bad and doubtful debts	(12.51)	253.35
iii) Provision made towards Income tax		
a. Current Tax	531.01	215.34
b. Deferred Tax	56.43	26.94
iv) Other provisions and contingencies		
a. Provision for depreciation on investments	0.00	0.00
b. Provision for diminution in the fair value of restructured/rescheduled advances	(28.24)	(21.79)
c. Provision for Standard Assets	63.23	81.04
d. Provision for Contingent Liabilities	(2.33)	0.00
e. Provision for Frauds/Embezzlements (other than advances)	(1.74)	0.07
f. Provisions for Contingencies	(27.74)	27.74
Total	661.57	562.03

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"Notes on Consolidated Accounts"

- f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)
RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year.

The bank has hired a consultant for implementation of Ind AS in the current year and has started the process of parallel conversion to Ind AS. It is pertinent to mention that the Bank had previously availed the services of a consultant for implementation of Ind AS but the contract was terminated due to non-performance by the Consultant.

- g) Payment of DICGC Insurance Premium (₹ in Crores)

Sr.No	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	140.81	128.88
ii)	Arrears in payment of DICGC premium	Nil	Nil

- h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks
Bank has estimated the additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020, amounting to ₹72.50 Crores. However, RBI vide their Circular RB1/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹3.625 Crores & ₹14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2023 respectively and the balance unamortized expense of ₹43.50 Crores has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the consequential net profit for the year ended March 31, 2023 would have been ₹1137.02 Crores.

15. Disclosure Requirements as per the Accounting Standards

- a) **Accounting Standard 5:** Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies
- During the year, there were no material prior period income/expenditure items.
 - There is no change in the Significant Accounting Policies adopted during the Financial Year 2022-23 as compared to those followed in the previous Financial Year 2021-2022.

b) **Accounting Standard - 15 "Employee Benefits"**

The bank has recognized in its books of accounts the liability arising out of employee benefits as the sum of the present value of obligation as reduced by fair value of plan assets on the balance sheet date, as under:

I - Principal Actuarial Assumptions as the Balance Sheet date:

Actuarial Assumptions	PENSION		GRATUITY		LEAVE ENCASHMENT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.45%	7.30%	7.45%	7.31%	7.45%	7.30%
Expected Return on Plan Assets	7.00%	7.00%	7.00%	7.00%	NA	NA
Rate of Escalation in salary	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

II - Changes in Present value of the obligation (PVO)-Reconciliation of Opening & Closing Balance

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligation 01.04.2022	2156.57	933.21	469.32
Interest Cost	137.42	65.84	33.03
Current Service Cost	78.14	72.51	36.74
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial loss/ (gain) on obligations (Balancing figure)	822.47	113.45	(2.98)
Present Value of Obligations, 31.03.2023	2646.48	1120.08	501.41



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III - Changes in the Fair Value of the Plan Assets-Reconciliation of Opening & Closing Balances:

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Fair Value of Plan Assets 01.04.2022	2152.00	925.43	0.00
Expected return on Plan assets	161.37	72.30	0.00
Contributions by Bank	665.31	200.00	66.80
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	129.44	(12.87)	0.00
Fair Value of Plan Assets, 31.03.2023	2560.00	1119.92	0.00

IV - Actual return on Plan Assets

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	161.37	72.30	0.00
Actuarial (loss)/ gain on Plan Assets	129.44	(12.87)	0.00
Actual Return on Plan Assets	290.82	59.43	0.00

V - Net Actuarial Gain/ (loss) recognized

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial gain/ (loss) for the period - Obligation	822.47	113.45	(2.98)
Actuarial gain/ (loss) for the period - Plan Assets	(129.44)	12.87	0.00
Total Gain/ (Loss) for the period	693.03	126.32	(2.98)
Actuarial gain or (loss) recognized in the period	693.03	126.32	(2.98)
Unrecognized Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00

VI - Amount recognized in Balance Sheet & Related Analysis

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2023	2646.48	1120.08	501.41
Fair Value of Plan Assets, 31.03.2023	(2560.00)	(1119.92)	0.00
Difference	86.48	0.16	501.41
Unrecognized Transitional Liability	0.00	0.00	0.00
Unrecognized Past Service cost-vested benefits-Carried Forward	0.00	0.00	0.00
Liability Recognized in the Balance Sheet	86.48	0.16	501.41
Negative amount determined under Paragraph 55 of AS-15	0.00	0.00	0.00
Present value of available refunds and reductions in future contributions	0.00	0.00	0.00
Resulting asset as per Paragraph 59 (b) of AS-15	0.00	0.00	0.00

VII-Expense recognized in Profit and Loss Statement

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	78.14	72.51	36.74
Interest Cost	137.42	65.84	33.03
Expected return on Plan assets	(161.37)	(72.30)	0.00
Net Actuarial gain/ (loss) recognized in the year	693.03	126.32	(2.98)
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	747.22	192.38	66.80

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VIII-Movement in Net liability to be recognized in Balance Sheet

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	4.57	7.78	469.32
Expenses	747.22	192.38	66.80
Contributions/ Benefits paid	(665.31)	(200.00)	(34.71)
Closing Net Liability (Liability recognized in B/S in current period)	86.48	0.16	501.41

IX - Amount for the Current Period

(₹ in Crores)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Defined Benefit Obligation	2646.48	1120.08	501.41
Plan Assets	2560.00	1119.92	0.00
Surplus/(Deficit)	(86.48)	(0.16)	501.41
Experience Adjustments in Plan Liabilities	636.50	130.92	3.25
Actuarial loss/(gain) due to change in financial assumptions	185.97	(17.47)	(6.23)
Experience Adjustments in Plan Assets	(129.44)	12.87	0.00
Net actuarial loss/(gain) for the year	693.03	126.32	(2.98)

X - Major Categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1.00	4.89
State Government Securities	0.00	42.04
High Quality Corporate Bonds	0.00	41.27
Equity Shares of listed companies	0.00	6.23
Funds managed by Insurer	99.00	0.72
Other- Bank Deposits and CD's	0.00	4.85
Treasury Bills	0.00	0.00
Total	100.00	100.00

XI - Best Estimate of contribution during next year

(₹ in Crores)

Particulars	PENSION (Funded)	GRATUITY (Funded)
Bank's best estimate of Contribution during next year	850.00	215.00

Particular Basis of assumption:

Discount rate: Discount rate has been determined by reference to market yields on the balance sheet date on Government Bonds of term consistent with estimated term of the obligations as per para 78 of AS-15.

Expected rate of return on plan assets: The expected return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

Rate of escalation in salary: The estimates of future salary increases considered in actuarial valuations taking into account inflation, seniority, promotion and other relevant factors mentioned in paras 83-91 of AS-15.

Attrition rate: Attrition rate has been determined by reference to past and expected future experience and includes all types of withdrawals other than death but including those due to disability.

*The above information is based on the information certified by the actuary except para XI above.

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"Notes on Consolidated Accounts"

c) Accounting Standard - 17 "Segment Reporting"

- i) The Bank has recognized business segment as its primary reportable segment under AS-17 classified into treasury, Corporate/ Wholesale banking, Retail banking and other banking Business. The necessary disclosure is given below:
(₹ in Crore)

CONSOLIDATED SEGMENT REPORTING		Current Year	Previous Year
PARTICULARS			
1) Segment Revenue (Income)			
i) Treasury Operations		2406.11	2109.53
ii) Corporate/Wholesale Banking		1847.41	1661.31
iii) Retail Banking*		7024.92	5726.12
iv) Other Banking Business		73.93	62.59
v) Un-Allocated Business		0.00	0.00
Total		11352.37	9559.55
Less: Inter Segment Revenue		1231.90	793.09
Net Income from Operations		10120.47	8766.46
2) Segment Results			
i) Treasury Operations		102.59	149.30
ii) Corporate/Wholesale Banking		748.18	663.51
iii) Retail Banking*		2344.41	1365.92
iv) Other Banking Business		72.51	60.91
v) Un-Allocated Business		(1481.65)	(1492.92)
Profit/(Loss) from Ordinary Activities (Before Tax)		1786.04	746.72
Less: Tax Expenses/(credit)		587.45	242.28
Less: Extraordinary Profit/(Loss)		0.00	0.00
Net Profit/(Loss) before share in profit/(loss) of Associates		1198.59	504.44
Add/(Less): Share in Profit/(Loss) of Associates		(18.07)	(9.59)
Net Profit/(Loss) After Tax		1180.52	494.85
3) Segment Assets			
i) Treasury Operations		43428.66	41097.67
ii) Corporate/Wholesale Banking		26204.19	20527.83
iii) Retail Banking*		76276.64	68950.43
iv) Other Banking Business		3.10	0.10
v) Un-Allocated Business		0.00	0.00
Total:-		145912.59	130576.03
4) Segment Liabilities			
i) Treasury Operations		145.18	13.15
ii) Corporate/Wholesale Banking		35470.86	30415.37
iii) Retail Banking*		100397.78	92153.09
iv) Other Banking Business		2.45	10.81
v) Un-Allocated Business		0.00	0.00
Total:-		136016.27	122592.42

Schedule 18

"Notes on Consolidated Accounts"

5) Capital Employed (Segment Assets - Segment Liabilities)		
i) Treasury Operations	43283.48	41084.52
ii) Corporate/Wholesale Banking	(9266.67)	(9887.54)
iii) Retail Banking*	(24121.14)	(23202.66)
iv) Other Banking Business	0.65	(10.71)
v) Un-Allocated Business	0.00	0.00
Total:-	9896.32	7983.61

*RBI's Master Direction on Financial Statements - Presentation and Disclosures requires to sub-divide 'Retail Banking' into (a) Digital Banking (as defined in Circular on establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. During the year ended March 31, 2023, the Bank has commenced operations at two DBUs. Accordingly the segmental results for the retail banking segment for FY 2022-23 is sub-divided as below:

(₹ in Crore)

Particulars	Segment Revenue FY 2022-23	Segment Results FY 2022-23	Segment Assets as on March 31, 2023	Segment Liabilities as on March 31, 2023
Retail Banking	7024.92	2344.41	76276.64	100397.78
i) Digital Banking	0.02	(0.38)	0.60	0.22
ii) Other Retail Banking	7024.90	2344.79	76276.04	100397.56

ii) As the Bank does not have any overseas branch there is no requirement as to reporting of Geographical Segment.

d) Accounting Standard - 18 "Related Party Disclosures"

1. Related Parties

(₹ in Crore)

Items/Related Party	JKB Financial Services Ltd. (Subsidiary)	J&K Grameen Bank (Associate)
Outstanding as at	31 st March 2023	
Borrowings	0.00	0.00
Deposits	10.56	1448.52
Other Liabilities	0.00	0.00
Advances	7.84	11.67*
Investments	40.00	134.74
Other Assets	0.00	0.00
Maximum outstanding	During FY 2022-23	
Borrowings	0.00	0.00
Deposits	10.81	1448.52
Other Liabilities	0.00	0.00
Advances	11.47	26.68*
Investments	40.00	134.74
Other Assets	0.00	0.00
During the year	During FY 2022-23	
Interest Income	0.51	0.04
Interest Expenditure	0.39	73.07
Fixed Assets purchased from	0.00	0.00
Fixed Assets sold to	0.00	0.00
Income from services rendered to	0.10	0.94
Expenses for receiving services from	0.02	0.00
Remuneration paid	0.43	0.00



Schedule 18

"Notes on Consolidated Accounts"

*₹ 11.67 crore is 50% share of Sponsor Bank for implementation of CBS by J&K Grameen Bank in the form of investment in Tier II Perpetual Bonds.

Key Management Personnel of the Bank: (₹ in Crore)

Particulars	Key Management Person	
	Shir Baldev Prakash (MD & CEO)	Shri Sudhir Gupta (Executive Director)
Period for which post held during FY 2022-23	From 01-04-2022 to 31-03-2023	From 14-12-2022 to 31-03-2023
Salary	1.03	0.12

Note: Transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, in terms of paragraph 5 of AS 18.

i) Accounting Standard - 19 "Leases"

The properties taken on lease/rental basis are renewable/cancellable at the option of the Bank.

The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar months' notice in writing.

Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹ 83.57 crores (previous year being ₹ 77.79 crores)

j) Accounting Standard - 20 "Earnings per Share"

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". Basic Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	93,28,86,594	71,34,50,938
Number of Equity Shares issued during the year	9,85,93,267	21,94,35,656
Number of Equity Shares outstanding at the end of the year	103,14,79,861	93,28,86,594
Weighted average number of equity shares used in computing basic earnings per share	96,35,89,450	83,07,51,542
Weighted average number of equity shares used in computing diluted earnings per share	96,35,89,450	83,07,51,542
Net profit / (loss) (₹ in crore)	1180.52	494.85
Basic earnings per share (₹)	12.25	5.96
Diluted earnings per share (₹)	12.25	5.96

k) Accounting Standard - 21 "Consolidated Financial Statements"

The Bank has a fully owned subsidiary company "JKB Financial Services Ltd.". The investment towards the capital of subsidiary company is ₹ 40.00 Crores (Previous Year ₹ 20.00 Crores). The consolidated financial statements are placed accordingly in terms of AS 21.

l) Accounting Standard - 22 "Accounting for Taxes on Income"

i. Current Tax:

During the year, the Bank has debited to Profit & Loss Account ₹ 531.01 crore (Previous Year ₹ 215.34 crore) on account of current tax. The current tax has been calculated in accordance with the provisions of Income Tax Act, 1961.

The Bank has exercised the option of lower tax permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

ii) Deferred Tax:

During the year ₹ 56.43 crore has been debited to Profit & Loss Account (Previous Year debit ₹ 26.94 crore) on account of deferred tax.

The major components of DTA and DTL are given below

Schedule 18

"Notes on Consolidated Accounts"

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Depreciation on Assets	0.05	18.88	0.08	38.09
Leave Encashment/Gratuity/Pension/Bonus	126.20	0.00	121.36	0.00
Special Reserve	0.00	31.00	0.00	31.00
Wage Revision	30.53	0.00	0.00	0.00
Bad & Doubtful Assets	76.00	0.00	187.01	0.00
Carry Forward Business Loss	0.00	0.00	0.00	0.03
Total	232.78	49.88	308.45	69.12

j) Accounting Standard - 23 "Accounting for Investments in Associates in CFS"

The Bank has a sponsored Bank "J&K Grameen Bank". The investment towards the capital of associate concern is ₹34.01 Crores (Previous Year ₹34.01 Crores). Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet. The consolidated financial statements are placed accordingly in terms of AS 23.

k) Accounting Standard - 28 "Impairment of Assets"

In the opinion of the Bank's management, there is no indication of material impairment to the non-monetary assets during the year.

l) Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

i) Description of Contingent Liabilities

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments	This represents amount remaining unpaid towards liability for partly paid investments.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The derivative instruments become favourable or unfavourable as a result of fluctuations in market rates.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations
5	Other items for which the Bank is contingently liable	These include: a) Bills rediscounted by the Bank; b) Capital commitments; c) Investment purchases pending settlement; d) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF); e) Other sundry contingent liabilities

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/arbitration/ out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.



Schedule 18

"Notes on Consolidated Accounts"

ii) Movement of provisions against Contingent Liabilities

The movement of provisions against contingent liabilities given in the table below: (₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance	26.45	11.70
Additions during the year	0.68	16.00
Amount utilised/reversed during the year	10.51	1.25
Closing balance	16.62	26.45

16. Additional Disclosures

- a. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006
There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

- b. Office Accounts
Reconciliation/adjustment of inter-bank/inter-branch transactions, branch suspense, Government Transactions, NOSTRO, System Suspense, Clearing, and Sundry Deposits is in progress on an ongoing basis. The impact, in the opinion of the management of the un-reconciled entries, if any, on the financial statements would not be material.

- c. Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):
In terms of RBI letter no. DBR, No. BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 129.35 crore (100% of total outstanding) as on 31st March 2023 (Previous year ₹ 325.74 crore {100% of total outstanding})

- d. During the year ended March 31, 2023, the Bank has made provision of ₹ 139.99 crore towards wage revision on account of 12th Bi-Partite Wage Settlement effective from November 01, 2022 on ad-hoc basis. The same has been accounted for as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses."

- e. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.

- f. Miscellaneous Income:
During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income : (₹ in Crore)

S No	Income Category	Amount
1.	Recovery in Technically Written Off Accounts	230.94
2.	Income On Card Business	134.78

- g. Other Liabilities and provisions/ Other Assets:
Following items under the head Others (including provisions) in Schedule 5 - Other Liabilities and Provisions exceeds 1% of the total assets (₹ in Crore)

S No	Particulars	Amount
1.	RTGS/NEFT/Real Time Settlement Receivable	5001.73
2.	IMPS Settlement Receivable	2337.78

Following items under the head Others in Schedule 11 - Other Assets exceeds 1% of the total assets (₹ in Crore)

S No	Particulars	Amount
1.	Pension Receivable from Government	1782.62
2.	Real Time/NEFT Settlement Payable	4840.70

Schedule 18

"Notes on Consolidated Accounts"

S No	Particulars	Amount
3.	IMPS/Money Send Settlement Payable	2355.05
4.	Investment in NABARD Refinance	1770.83
5.	Investment in RIDF Refinance	1723.64
6.	Investment in SIDBI Refinance	2301.28

h. Tax paid in advance/Tax deducted at source includes amount adjusted by Income Tax Department in respect of various disputed demands. Based on the favourable appellate orders and interpretation of law, no further provision has been considered by the management in respect of the disputed demands.

i. Fixed Assets

- Documentation formalities are pending in respect of certain immovable properties held by the Bank valued at ₹ 9.20 crores (previous year ₹ 9.18 crores). In respect of immovable properties valued at ₹ 49.89 crores (previous year ₹ 48.95 crores), Bank holds agreement to sell along with the possession of properties.
- During the current financial year, the Bank has revalued immovable properties based on the average valuation of reports obtained from two independent external valuers. The net revaluation surplus amounting to ₹ 351.96 crore has been credited to the Revaluation Reserve. Further, a net amount of ₹ 1.49 crore on account of revaluation has been credited to the profit and loss account as it was earlier charged to the profit and loss account.
- Pursuant to the revised Accounting Standard-10 "Property, Plant & Equipment" applicable from 1st April 2017, depreciation of ₹ 20.54 crores (previous year - ₹ 22.77 crores) on the revalued portion of fixed assets (being Premises & Land) has been transferred from the Revaluation Reserve to General Reserve.
- Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹0.76 crore (previous year ₹ 0.76 crore).

j. Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act 2013, specified companies covered under section 135(1) of the Companies Act 2013 are required to spend at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank was required to spend an amount of ₹ 1.18 crores (Previous Year ₹ 0.63 crores) on CSR activities during FY 2022-23, against which the Bank has spent an amount of ₹ 1.18 crores (Previous year ₹ 0.63 crores).

k. Provision Coverage Ratio (PCR)

Provision Coverage Ratio as on 31st March 2023 is 86.20% (previous year 84.26%) without taking into account floating provision of ₹ 124.48 crores held by the Bank, which has been included as part of Tier II Capital.

l. Investor Complaints

The details of investor complaints for the year ended March 31, 2023 are as under:

S No	Particulars	Number
1	No of complaints pending at the beginning of the financial year	Nil
2	No. of complaints received during the financial year	107
3	No. of complaints disposed during the financial year	107
4	No. of complaints pending at the end of the financial year	0

m. Letter of Comfort

The Bank has not issued any letter of comfort on behalf of the customers or on its behalf in respect of trade credits during the FY 2022-23.



Schedule 18

"Notes on Consolidated Accounts"

- n. Proposed Dividend
The Board of Directors at its meeting held on May 04, 2023 proposed a dividend of ₹ 0.50 per share (previous year nil), subject to approval of the members at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

Baldev Prakash
Managing Director & CEO
DIN: 09421701

Anil Kumar Goel
Director
DIN: 00672755

Pratik D Punjabi
General Manager/CFO

R.K Chhibber
Director
DIN: 08190084

Umesh Chandra Panday
Director
DIN: 01185085

Mohammad Shafi Mir
Company Secretary

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Sudhir Gupta
Director
DIN: 09614492

Naba Kishore Sahoo
Director
DIN: 07654279

Shahla Ayoub
Director
DIN: 09834993

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar
Date: 04/05/2023

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

		YEAR ENDED 31.03.2023 (Audited) ₹ '000' Omitted	YEAR ENDED 31.03.2022 (Audited) ₹ '000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(40,71,273)	(1,56,80,452)
B	CASH FLOW FROM INVESTING ACTIVITIES	(12,35,136)	(8,51,847)
C	CASH FLOW FROM FINANCING ACTIVITIES	63,75,936	94,14,326
	NET CHANGE IN CASH AND CASH EQUIVALENTS	10,69,527	(71,17,973)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,79,19,068	9,50,37,041
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,89,88,595	8,79,19,068
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	1,18,05,170	49,48,511
	Add : Provision for Taxes	58,74,477	24,22,765
	Net profit before taxes (i)	1,76,79,647	73,71,276
	Adjustment for :		
	Depreciation charges	15,76,556	14,40,866
	Provision for NPA's	(1,25,131)	25,33,487
	Provision on Standard Assets	6,32,352	8,10,416
	Depreciation on investment	(1,25,277)	(3,54,132)
	Provision for Non-Performing investment	8,34,572	(2,06,601)
	Other provisions	(6,00,518)	60,268
	Interest paid on subordinate Bonds (Financing Activities)	22,17,163	19,85,642
	Total Adjustment (ii)	44,09,717	62,69,946
	Operating profit before change in Operating assets & liabilities (i) + (ii)	2,20,89,364	1,36,41,222
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	7,32,44,132	6,65,54,683
	Increase / (Decrease) in Borrowings	4,885	(43,796)
	Increase / (Decrease) in Other liabilities & provisions	5,58,84,501	1,90,83,648
	(Increase) / Decrease in investments	(1,06,60,759)	(2,95,50,840)
	(Increase) / Decrease in Advances	(11,84,37,829)	(3,78,29,010)
	(Increase) / Decrease in Other Assets	(2,16,44,620)	(4,51,01,062)
	Net Cash flow from Operating activities (iii)	(2,16,09,690)	(2,68,86,377)
	Cash generated from operation (i + ii + iii)	4,79,674	(1,32,45,155)
	Less : Tax paid	45,50,947	24,35,297
	TOTAL : (A)	(40,71,273)	(1,56,80,452)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(12,35,136)	(8,51,847)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(12,35,136)	(8,51,847)



Consolidated Cash Flow Statement

for the year ended 31st March, 2023

C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	98,593	2,19,436
	b) Share Application Money	(9,35,000)	9,35,000
	c) Share Premium	42,19,506	66,45,532
	d) Tier I & II Bonds	52,10,000	36,00,000
	e) Interest Paid on Subordinate Debt	(22,17,163)	(19,85,642)
	TOTAL : (C)	63,75,936	94,14,326
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	7,75,02,028	3,68,53,326
	b) Balance with Banks & Money at Call & Short Notice	1,04,17,040	5,81,83,715
	TOTAL :(D)	8,79,19,068	9,50,37,041
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	7,79,40,577	7,75,02,028
	b) Balance with Banks & Money at Call & Short Notice	1,10,48,018	1,04,17,040
	TOTAL :(E)	8,89,88,595	8,79,19,068

Baldev Prakash
Managing Director & CEO
DIN: 09421701

R.K Chhibber
Director
DIN: 08190084

Dr. Rajeev Lochan Bishnoi
Director
DIN: 00130335

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Date: 04/05/2023

Auditors Certificate:

We have verified the attached Consolidated Cash Flow Statement of THE JAMMU & KASHMIR BANK LIMITED which has been compiled from and is based on the Audited Financial Statements for the year ended March 31st, 2023 and March 31st, 2022. To the best of our knowledge and belief and according to the information and explanations given to us, it has been prepared pursuant to clause 32 of the Listing Agreement with the Stock Exchanges.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Dharam Raj & Co.
Chartered Accountants
FRN: 014461N

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 23083862BGVZAX6795

CA Ashwani Aggarwal
Partner
M No: 013833
UDIN : 23013833BGXIBN4532

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 23094108BGSNTQ7215

Place: Srinagar
Date: 04/05/2023

Basel III - Pillar 3 Disclosures

as at March 31, 2023

The Reserve Bank of India (RBI) vide its circular under reference DOR.CAP.REC.3/21.06.201/2022-23 Dated April 01, 2022 on 'Basel-III Capital Regulations' ('Basel III circular') requires banks to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on J&K Bank's website under the 'Regulatory Disclosures' section. The link to this section is given below:

https://www.jkbank.com/pdfs/basel/Basel-III_Disclosure%20quarterly%20Mar_23.pdf

The Regulatory Disclosures section contains the following disclosures:

Qualitative and quantitative Pillar 3 disclosures:

- Scope of application
- Capital adequacy
- Credit risk
- Disclosure for portfolio subject to Standardised Approach
- Credit risk mitigation
- Asset Securitisation
- Market risk in trading book
- Operational Risk
- Interest Rate risk in the banking book (IRRBB)
- General Disclosure for Exposures Related to Counterparty Credit Risk
- Composition of Capital
- Composition of Capital -Reconciliation of Regulatory Capital
- Main features of regulatory capital Instrument
- Leverage Ratio.



Report on Corporate Governance

BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

J&K Bank has been committed to all the basic tenets of good Corporate Governance well before the Securities and Exchange Board of India and the Stock Exchanges mandated these. It is our endeavor to go beyond the letter of Corporate Governance codes and apply it innovatively in a more meaningful manner, thereby making it relevant to the organization that is operating in a specific environment. In line with its vision, Bank wants to use Corporate Governance innovatively in a transitional economy like Jammu and Kashmir. The Bank wants to use Corporate Governance as an instrument of economic and social transformation. Given the fact that J&K Bank is seen as a great success of "public-private partnership", our Bank as a business is expected to play a pivotal role in social transformation of the economy. This lends urgency to implementation of good governance practices which go beyond the Corporate Governance code. We, as the prime corporation of Jammu and Kashmir and Ladakh, have a focused interest in making the Union Territories a safe place for business. Bank has a key role to play in providing public and private services, financial infrastructure and employment. As such, the efficiency and accountability of the corporation is a matter of both private and public interest and governance, therefore, comes at the top of the agenda. The fact that the Bank is majorly owned by the Government of UT of J&K and UT of Ladakh but professionally managed to take care of interests of all stake holders which include sizable number of other investors, makes governance critical. For us, Corporate Governance is concerned with the systems of laws, regulations and practices, which will promote enterprise, ensure accountability and trigger performance. The Bank, for one, stands for being more accountable, practice self-policing and make financial transactions transparent and constitutional.

VISION

"Pioneering the economic and social transformation"

To become a committed partner in fostering economic and social transformation across the country through a deep commitment to value creation for all our stakeholders, while continuing to build on our historic business relationship with Jammu & Kashmir and Ladakh.

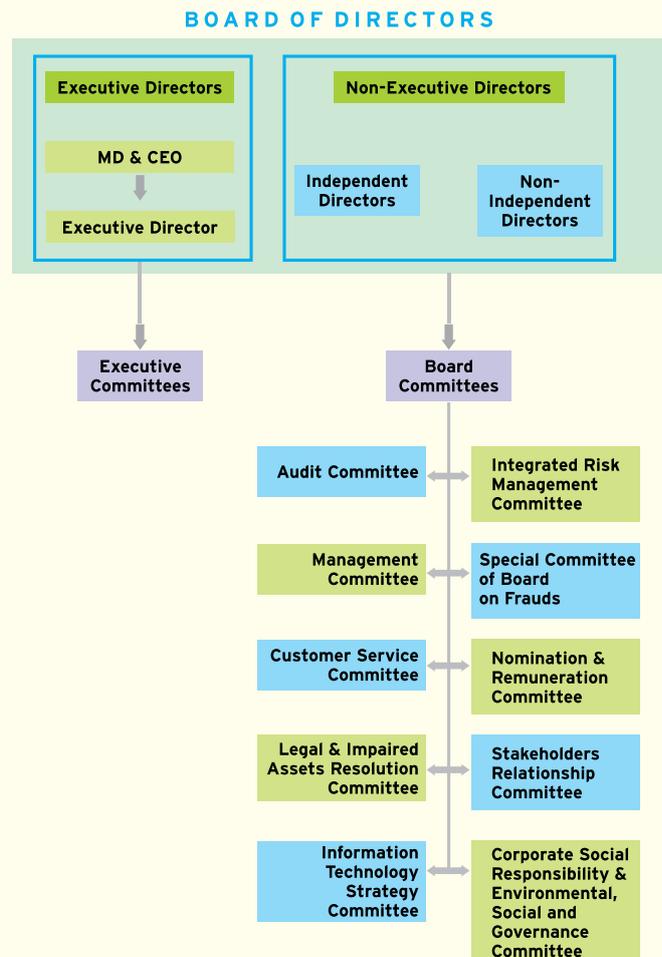
MISSION

- To acquire an enhanced business footprint across geographies and emerge as a prominent national brand in the financial sector.
- To position the Bank as the "Most Preferred Bank" for Customer focus, Operational Excellence and High Integrity towards one and all stakeholders.
- To be the best-in-class financial intermediary, leveraging our digital and physical banking channels;
- To observe customer centricity through service excellence, integrity and transparency, and a comprehensive range of innovative products and services responsive to customer needs.
- To be a lean, learning and efficient banking organization focusing on prudent, sustainable, profitable growth and value creation.

- To adopt the best standards for corporate governance, business ethics and risk management.
- To vigorously promote financial inclusion as a business proposition to harness the potential at the bottom of the pyramid.

GOVERNANCE STRUCTURE OF BANK

The Board oversees /supervises the standards of corporate governance of the Bank. The respective vertical heads report to the Executive Director and who in turn reports to the Managing Director & CEO (MD & CEO) of the Bank. The MD & CEO reports to the Board of the Bank. The Bank has in place various Board Level Committees to carry out the object oriented review of specific matters. The Bank has also constituted various executive committees to inter alia deal with routine, operational and administrative matters, and review various matters before its submission to the Board / Committees.



BOARD OF DIRECTORS

The responsibility for good governance rests on the Corporate Board which has the primary duty of ensuring that principles of Corporate Governance, both as imbibed in law and regulations and those expected by stakeholders, are religiously and voluntarily complied with and the stakeholder's interests are kept at utmost high level.

All the Independent Directors of the Bank possess requisite qualifications and experience which enable them to contribute effectively to the Bank. The Board confirms that in its opinion, the independent directors fulfill conditions specified in these regulations and are independent of the management.

As on date of this report, the Board consists of ten (10) Directors as detailed hereunder:

S No.	Category	Name of Director
1	Executive Director	Mr. Baldev Prakash (Managing Director and CEO), Mr. Sudhir Gupta (Executive Director)
2	Non-Executive Non-Independent Director	Mr. R K Chhibber, Dr. Pawan Kotwal, IAS (Additional Director)
3	Non-Executive Independent Directors	Dr. Rajeev Lochan Bishnoi, Mr. Naba Kishore Sahoo, Mr. Umesh Chandra Pandey, Mr. Anil Kumar Goel, Mr. Anand Kumar and Ms. Shahla Ayoub

None of the above Directors are related to each other.

During the FY 2022-23, there were following changes in the composition of the Board:

- Mr. Vivek Bhardwaj, IAS (DIN: 02847409) was appointed as Govt. Nominee Director w.e.f May 17, 2022 in place of Mr. Atal Dulloo, IAS (DIN: 03542909).
- Dr. Mohmad Ishaq Wani (DIN: 08944038) ceased to be the Director on the Board of the Bank w.e.f. August 24, 2022 consequent upon his non-re-appointment at the 84th Annual General Meeting of the Bank.
- Mrs. Sushmita Chadha (DIN: 02939808) resigned as an Independent Director on the Board of the Bank w.e.f. September 27, 2022 due to personal reasons.
- Mr. Nitishwar Kumar (DIN: 05326456) resigned as a Director on the Board of the Bank w.e.f October 13, 2022.
- Mr. Sudhir Gupta (DIN: 09614492) was appointed as an Executive Director (Rotational Director) on the Board of the Bank w.e.f. December 14, 2022.
- Ms. Shahla Ayoub (DIN: 09834993) was appointed as Independent Director on the Board of the Bank w.e.f. December 26, 2022.
- Mr. Vivek Bhardwaj, IAS (DIN: 02847409) ceased to be the Govt. Nominee Director on the Board of the Bank w.e.f. January 25, 2023 consequent upon withdrawal of his nomination by the Government of UT of Jammu and Kashmir.

During the year under review, Mrs. Sushmita Chadha, Independent Director and Mr. Nitishwar Kumar, IAS resigned from the Board of the Bank w.e.f. September 27, 2022 and October 13, 2022 respectively due to their personal reasons before the expiry of their tenure. Further, it has been confirmed by the said Directors that there were no material reasons other than personal reasons for their resignations.

FUNCTIONS OF THE BOARD

Your Bank's Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have complete freedom to express their opinions and decisions are taken on the basis of a consensus arrived at after detailed discussions. The Members are also free to bring up any matter for discussion at Board Meetings.

The day-to-day management of the Bank is conducted by the Managing Director & CEO, subject to the supervision and control of the Board of Directors. The functions performed by the Board of the Bank for efficient and effective utilisation of resources at their disposal to achieve the goals visualized, inter-alia, include setting Corporate Missions, laying down Corporate Philosophy, formulation of Strategic and other Business Plans, laying down of control measures and compliance with Laws and Regulations.

BOARD PROCEDURE

All the major issues included in the agenda for discussion in the Board are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated among the Members seven working days prior to the meeting of the Board. Also, the Board agenda contains the Action Taken Report (ATR) of all the decisions taken and directions given at the previous Board Meeting. The Members of the Board exercise due diligence in performance of the functions as Directors of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment.

SELECTION AND APPOINTMENT OF DIRECTORS.

The process of selection and appointment of directors of the Bank is carried out in accordance with applicable legal framework.

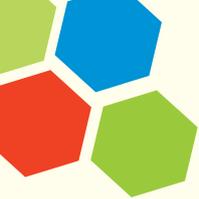
FIT AND PROPER CRITERIA FOR DIRECTORS OF THE BANK.

The Nomination and Remuneration Committee (N&RC) of the Bank evaluates and recommends to the Board the 'fit and proper' status of the director as per applicable laws, before considering his / her candidature for appointment / re-appointment as a director of the Bank and annually i.e. as at 31st March every fiscal year. The fit and proper criteria of the members of N&RC is carried out by the Board.

The directors of the Bank severally sign a deed of covenant, which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a director. The Bank also obtains a declaration and undertaking on the 'fit and proper' criteria as per regulatory requirements from all the directors annually.

ROLE OF INDEPENDENT DIRECTORS

The Independent Director is saddled with the responsibility to bring in an independent assessment on the Board's deliberations, specifically on the matters relating to Bank's Business strategy, its performance, risk analysis, human resources management, governance, key appointments, and standards of conduct. The Independent Directors bring an impartial view in evaluating performance of the Board and



the management and review management's performance in meeting their goals and objectives. Independent Directors protect the interests of all the stakeholders, especially the minority shareholders.

At present Bank has Dr. Rajeev Lochan Bishnoi, Mr. Naba Kishore Sahoo, Mr. Umesh Chandra Pandey, Mr. Anil Kumar Goel, Mr. Anand Kumar and Ms. Shahla Ayoub as its Independent Directors.

DATABASE OF INDEPENDENT DIRECTORS

The independent directors of the Bank are compliant to the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registering their name in the online database of independent directors.

ROLE OF MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO)

Mr. Baldev Prakash is the MD & CEO of the Bank. He reports to the Board and is conferred with powers of managing the affairs of the Bank, under the overall superintendence, control, guidance, and direction of the Board. As the MD & CEO of the Bank, he has the authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance of the business of the Bank.

Mr. Baldev Prakash is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ROLE OF EXECUTIVE DIRECTOR (ED)

Mr. Sudhir Gupta is Executive Director (ED) of the Bank and reports to the MD & CEO of the Bank. He is, inter alia, responsible for overseeing the functions of Board Secretariat, Central Banking Operations, Consumer & Commercial Banking and Corporate Banking, Finance, KYC/AML, Strategy and IT (Excluding Business Process Re-Engineering), Treasury Operations.

Mr. Sudhir Gupta is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) of the Companies Act, 2013 read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MEETINGS OF THE BOARD / COMMITTEES

Framework for Conduct of Meetings of the Board / Committees

The Bank has formulated and adopted a framework for conduct of meetings of the Board / Committees of the Bank. The said framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda index, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

Agenda for the Meetings

The agenda notes / presentations are presented in a manner,

so as to facilitate informed decision making. Members of the Board / Committees are free to recommend inclusion of any matter as part of the agenda for the meetings.

Post Meeting Follow Up Mechanism

Important decisions taken and suggestions given by the Board and its committees are communicated to the relevant departments for their information and necessary action. The actionable arising out of the meetings of the Board / Committees are thereafter dealt with in accordance with the Bank's framework for monitoring and implementation of directions of the Board / Committees.

Framework for Monitoring and Implementation of the Directions of the Board.

The Bank has formulated and adopted a "framework for monitoring and implementation of directions of the Board / Committees". In terms of this framework, actionables emanating from the deliberations at the meetings and actionables emanating from the agenda notes are periodically monitored and reviewed by means of action taken reports (ATR) until their closure.

Minutes of the Meetings

The draft minutes are circulated to the members of the Board / Committee, for their comments within the prescribed timelines. The minutes after incorporating the comments, if any, received from the members of the Board / Committees are again circulated to the Members for confirmation and are placed at the next meeting for noting and signing by the chairperson of the respective/previous Meeting. In case of business exigencies or urgency of matters, resolutions are also passed by the Board / Committees through circulation with the approval of the respective chairperson. The resolution passed by circulation is noted at the next meeting of the Board / Committee.

FREQUENCY OF BOARD MEETINGS

During the year under review, Seventeen (17) Board Meetings were held, in due compliance with statutory provisions, on the following dates:

08.04.2022, 27.04.2022, 12.05.2022, 10.06.2022, 28.06.2022, 13.07.2022, 10.08.2022, 24.08.2022, 26.09.2022, 21.10.2022, 15.11.2022, 14.12.2022, 26.12.2022, 23.01.2023, 20.02.2023, 06.03.2023, 15.03.2023.

ATTENDANCE AT BOARD MEETINGS

The names of Directors, their attendance at Board Meetings during the year, attendance at the last AGM and details of other Directorships & Board Committee memberships held by them as on March 31, 2023 are set out in the following table:

Name of Director	Board Meetings attended during the year/ tenure	Whether Attended AGM held on 24.08.2022	No. of Directorships		Name of other listed entities where a person is a Director and category of Directorships	No. of other Committee Memberships ¹
			Indian Public Companies	Other Companies		
Govt./RBI Nominee Directors						
Mr. Baldev Prakash (DIN: 09421701)	15/17	Y	01	--	--	--
Mr. Atal Dulloo, IAS (DIN: 03542909) (From 01.09.2021 to 17.05.2022)	02/03	NA ³	NA ²	--	--	--
Mr. Vivek Bhardwaj, IAS (DIN: 02847409) (From 17.05.2022 to 25.01.2023)	04/11	N	NA ²	--	--	--
Non-Executive Non-Independent Directors						
Mr. Nitishwar Kumar, IAS (DIN: 05326456) (Upto 13.10.2022)	03/09	N	NA ²	--	--	--
Mr. R. K. Chhibber (DIN: 08190084) (From 30.12.2021)	17/17	Y	--	--	--	--
Dr. Mohmad Ishaq Wani (DIN: 08944038) (Upto 24.08.2022)	07/07	N	--	--	--	--
Executive Director						
Mr. Sudhir Gupta (DIN: 09614492) (From 14.12.2022)	05/05	NA ³	--	--	--	--
Non-Executive Independent Directors						
Dr. Rajeev Lochan Bishnoi (DIN: 00130335)	17/17	Y	--	--	--	--
Mr. Naba Kishore Sahoo (DIN: 07654279)	17/17	Y	--	--	--	--
Mr. Umesh Chandra Pandey (DIN: 01185085)	17/17	Y	--	03	--	--
Mr. Anil Kumar Goel (DIN: 00672755)	17/17	Y	--	02	--	--
Mr. Anand Kumar (DIN: 03041018)	16/17	Y	--	--	--	--
Ms. Shahla Ayoub (DIN: 09834993) (From 26.12.2022)	03/04	NA ³	--	--	--	--
Mrs. Sushmita Chadha (DIN: 02939808) (Upto 27.09.2022)	07/09	Y	--	--	--	--

1. Includes only Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee of other public limited companies. Figures in parentheses indicate Committee Chairmanship.
2. Mr. Atal Dulloo, IAS, Mr. Vivek Bhardwaj, IAS and Mr. Nitishwar Kumar, IAS are Directors who are in full time employment of Govt. of UT of J&K and are also on the Board of various PSU's of UT of J&K.
3. On the date of the AGM, the concerned Directors were not on the Board of the Bank.

BRIEF PROFILE OF DIRECTORS

J&K Bank's diverse and rich culture is abundantly evident in its Board Members, who provide direction to the Bank in order to achieve its vision. A brief profile of our eminent Board Members is as under:

Mr. Baldev Prakash (MD & CEO)

DIN: 09421701

Subsequent to splitting of the post of Chairman & Managing Director, Mr. Baldev Prakash has assumed charge as the first Managing Director and Chief Executive Officer (MD & CEO) of J&K Bank Limited. Having completed graduation in economics and post-graduation in history, Mr. Prakash continued pursuit of professional excellence during his service career with State Bank of India by accomplishing multiple degrees and diplomas offered by the Indian Institute of Banking and Finance like CAIIB, Diploma in Treasury, Investment and Risk Management, Diploma in International Banking and Finance, thus bringing a diverse wealth of experience and expertise spanning over three decades with the country's largest bank to the J&K Bank's maiden position of Managing Director & CEO.

Prior to his appointment as MD & CEO of J&K Bank Ltd., he was the Chief General Manager, Digital & Transaction Banking Marketing at State Bank of India (SBI). Having joined SBI in the year 1991 as a Probationary Officer, Mr. Prakash has effectively spearheaded multifarious and pivotal functions as Regional Manager responsible for over 50 branches, DGM (Business & Operations) responsible for over 200 branches, General Manager (Network) in Maharashtra Circle responsible for over 400 branches and finally as Chief General Manager (Digital & Transaction Banking Marketing) responsible for framing policy and strategy for developing and providing digital and transaction banking services to all corporate clients of the Bank.

Besides having the national level knowledge and experience of policy making and strategizing in critical areas of banking at SBI, Mr. Prakash has international exposure of successfully handling remittances business, including treasury operations, at Muscat (Sultanate of Oman).

Mr. Prakash took over as Managing Director and Chief Executive Officer (MD & CEO) of J&K Bank Limited w.e.f 30th December, 2021. During his incumbency as Managing Director and Chief Executive Officer (MD & CEO) of J&K Bank Limited, Mr. Prakash was elevated to the position of Deputy Managing Director (DMD) in his parent organization (State Bank of India) on 13th June, 2023.

He is also on the Board of JKB Financial Services Limited.

Dr. Pawan Kotwal

DIN: 02455728

Dr. Pawan Kotwal, a 1994 Batch IAS officer (of erstwhile Arunachal Pradesh-Goa-Mizoram and Union Territory (AGMUT) cadre of Indian Administrative Service) is at present serving as Advisor to Lieutenant Governor of Ladakh.

He brings to the fore a wealth of Administrative acumen and proficiency having previously served as Principal Secretary for Health and Medical Education, Forest, Ecology

and Environment, and Revenue, Planning & Monitoring Department in UT of Ladakh.

During his term as Principal Secretary, Dr. Kotwal played a crucial part in bringing out crucial reforms and initiatives in health and medical education sector. He spearheaded the efforts to improve health care infrastructure, enhance medical education facilities, and promote the well being of the people of Ladakh.

His accomplishments in the fields of forest, ecology, environment, and revenue are equally admirable, portraying his unflinching commitment to sustainable development and good governance.

Mr. R. K. Chhibber

DIN: 08190084

Mr. Rajesh Kumar Chhibber joined the services of the Bank as Probationary Officer in the year 1982 and has led the Bank in different capacities from managing business operations at Branch and Zonal offices to the Corporate level across the operational geography of the Bank.

Bringing a treasure of experience to the chair that spans over four decades, his areas of expertise include Credit, Finance, IT, Corporate & Retail Banking, Risk management, Trade Finance, Foreign exchange, Business Continuity Planning, HR, Bancassurance.

He has made remarkable contribution in creating the technology infrastructure of the Bank besides instituting the process of providing relevant expertise to the staff.

He also served as the Chairman, J&K Grameen Bank for more than two years and brought great laurels to the Bank by accomplishing its key strategic goals.

Elevated as Executive President on June 1, 2018, he was the Bank's Chief Compliance Officer besides heading Business Support Division, Insurance, Government Banking, Lead Bank, CSC, FID, Subsidiary Management, Culture & Sports functions of the Bank.

Mr. R.K. Chhibber served as the Chairman & Managing Director of the Bank from June 2019 till December 2021. He took over as the Chairman & Managing Director of the Bank at the time when the Bank was faced with serious concerns with regard to Governance matters. During his tenure, Mr. Chhibber restored the Corporate Governance standards which also included adoption of RTI Act and implementation of CVC guidelines, thereby improving transparency and compliance culture in the Bank.

Dr. Rajeev Lochan Bishnoi

DIN: 00130335

Dr. Rajeev Lochan Bishnoi, 63, is Financial & Banking specialist, specialised in balance sheet stress, risk processes and improving the overall financial health of the enterprise. He was member of 10th Audit Advisory Board of Comptroller & Auditor General of India, the tenure of which ended on 5th April 2023. He was reappointed on 11th Audit Advisory Board of CAG for two more years w.e.f 13th April 2023. He is an Independent Director in J&K Bank since 21st January 2022 and is Member of several Board level Committees.

Earlier, he was on the Board of the Bank from 11th Jan 2020 to 10th Jan 2022, and was Chairman of Audit Committee as well as member of various Board committees including Stakeholders, Risk Management, Investment, Human Resource and Nomination & Remuneration. He earlier served as NOD (appointed by GOI) on the Board of Bank of India where he served upto October 2016, he also served there as the Chairman of the Audit Committee besides being a member of its Board Committees on Credit, Human Resource, Wilful Defaulters, Risk Management, Customer Service and Nomination & Remuneration. He was an independent director on the Board and in various Board level committees of BOI Merchant Bankers Limited until March 2021.

He is a life member of Non-Executive Directors in Conversation Trust (NEDICT) promoted by Mr. M. Damodaran, former UTI Chairman & SEBI Chairman, working to establish the best practices for Boards & NEDs. He is an advisor to the J.P. Mathur Charitable Trust, New Delhi, where research is carried out in fields of economic policy and governance with an emphasis on banking, finance and economy. He was a lead organiser of two national level conclaves i.e. Economic Conclave in 2017 and Banking Conclave in 2018 under aegis of the India Policy Foundation and Centre for Economic Research.

He is a Fellow Member of the Institute of Chartered Accountants of India. He has a deep interest in Education and is a member of the Board of Management of Shobhit University, a NAAC "A" grade accredited university.

He is a former Advisor to the UP-Export Corporation Limited. He was invited by the Government of Kazakhstan to deliver the Keynote Address at a seminar on 'The Role of Small & Medium Enterprises in the National Economy' held at Kazakhstan.

As a firm believer in the philosophy that economic activity at the bottom of the pyramid is the backbone of the ecosystem of an emerging nation, Rajeev completed his doctoral research work on "Vision and Strategy for Development of Entrepreneurship through Micro Finance and Micro Enterprises in Developing World". He also continuously researches Ancient Indian Economy and History to find lessons for today's economic conundrums. This is another field of research and study for him now.

He is a hobby poet and has recently written a book of poetry and 'dohas' in Hindi titled 'Man Laago Mero Yaar Fakiri Mein'. This is published by Sahitya Bhandar, Prayagraj.

Mr. Naba Kishore Sahoo
DIN: 07654279

Mr. Naba Kishore Sahoo, aged 64 years has been a banker throughout his life. Starting his career as scale I officer in Canara Bank, he has moved up to scale VII level during a span of 32 years and finally as Executive Director in Allahabad Bank for 4 years. He has, thus, to his credit, a very rich and diverse experience in banking industry with expertise in Credit, Risk Management & HR. During his career, he has been highly successful in driving business and achieving all round performance under very critical and challenging circumstances. His exposure in banking covers a wide spectrum of areas ranging from Urban, semi urban and rural

areas in addition to overseas exposure as Chief Executive of Canara Bank in London. He led his teams as a Circle Head of Bhubaneswar and Pune and has been awarded and recognized within the organization as a STAR PERFORMER. He has emerged as a leader by putting efforts in positioning the organisation in the right place by adopting proper strategy, planning, guidance and execution. In addition to being an Agricultural Science graduate which has been instrumental to his success in Rural banking he has done CAIIB from Indian Institute of Bankers. Besides he has also attended numerous advanced level programs, both in India and abroad.

Mr. Sahoo lives in Bhubhaneshwar, where, in addition to his flair for reading, he is now actively engaged in social work and helping people wherever his acquired skills and knowledge can be put to use.

Mr. Umesh Chandra Pandey
DIN: 01185085

Mr. Umesh Chandra Pandey is a Fellow Chartered Accountant with Bachelor's degree in Commerce. He is a Senior Partner at M/s B.M. Chatrath & Co. LLP since 1991.

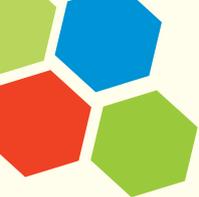
Mr. Umesh Chandra Pandey has a considerable and great deal of working experience in the field of Statutory Audit of Listed & Public Ltd. Companies, Corporate Law, Taxation - Domestic & Transfer Pricing, Project Report Preparation, M & A Transactions, Statutory Compliance Audit - Direct Tax/ Indirect Tax & Labor Laws. He has conducted Central Statutory Audit of Banks like Bank of Baroda, Central Bank of India, State Bank of India, Canara Bank, Union Bank of India and Government Company Audits of South Eastern Coal Fields Ltd, Indian Oil Ltd, Oil India Ltd, Steel Authority of India & Power Grid Ltd. Mr. Umesh Chandra Pandey is specialized in conducting due diligence of MSME and Heavy Industries of Scheduled Commercial Banks and is empanelled by IBA for conducting ASM Audit.

Mr. Umesh Chandra Pandey has been an Independent Director on the Boards of Tourism Finance Corporation of India Ltd since 2005 to 2010 and M/s Engineers India Limited from 2015 to 2019. He was Member of CII North India Committee entrusted with the affairs of Micro Small Medium Enterprises, Economic Affairs & Taxation, Industrial Relation, Corporate Social Responsibility, Foreign Trade Policy and Guide to Export & Import.

The Institute of Chartered Accountants of India, Research Committee - Shield Panel Member and ICAI Direct Tax Committee FTL Group Member (Special invitees).

Mr. Anil Kumar Goel
DIN: 00672755

Mr. Anil Kumar Goel is a Fellow Chartered Accountant with Bachelor's degree in Commerce (H) and Master's degree in Social Work. He is a qualified Arbitrator & Mediator, Information Systems Auditor (DISA), Forensic Auditor & Fraud Detector (FAFD), qualified as Peer Review Board of ICAI, qualified Examiner at ICAI, Former MEC & Joint Secretary cum Treasurer of Sales Tax Bar Association, New Delhi. Moreover, he has been an Independent Director on the Board of RITES Ltd. from 01.04.2016 to 31.03.2020.



Mr. Anil Kumar Goel has 34 years of extensive experience and substantial expertise in Corporate & Tax Laws, Consultancy, Statutory & other audits for Banks. His diverse clientele includes Manufacturers, Traders, Service Providers, Importers, Exporters, Societies, NGO, and Trusts etc. He has delivered many lectures at reputed Professional Forums like ICAI, Bar Association etc. and has published many articles in renowned Professional & Social magazines, Newsletters etc. on various professional & social issues.

Mr. Anil Kumar Goel is the General Secretary of "Prakash Bandhu Sewa Samiti Trust", Mg. Trustee of "Jammu Kashmir Study Centre" (JKSC), Governing Council Member of "Asian Eurasian Human Rights Forum", an NGO - Working for Global Human Rights. Besides, he is past President of Rotary Club at Rotary Intl Dist. 3012.

Mr. Anand Kumar
DIN: 03041018

Mr. Anand Kumar is an information technology (IT) specialist with experience of more than three decades in IT development and management. Mr. Kumar has a Bachelor of Technology (Electrical Engineering) degree from the Indian Institute of Technology, Banaras Hindu University, Varanasi and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Lucknow. Presently, he is a freelance management consultant, helping organisations respond to business growth by designing and deploying scalable processes, practices, and governance mechanisms.

Mr. Anand Kumar has worked in various multi-national banking and financial services organisations such as Citigroup, HSBC, Barclays, and Fiserv. He has also served as a Director on the board of Fiserv India Pvt. Ltd. As Vice President - IT Delivery at Fiserv India, he managed all IT Delivery teams spread across Noida, Pune, and Bengaluru - in addition to offshore staff placed in Business Units and at client sites. Mr. Kumar managed application development, implementation, and support activities for Fiserv products in areas such as core banking, lending, cards, payments, and risk. He also led the design and execution of innovative programs such as Target Zero Defects in delivery, thereby significantly improving organisational credentials and business confidence.

Mr. Kumar has made significant contributions to the rapid growth and consolidation of four companies in India - i-flex solutions Ltd., HSBC Global Technology Centre, Barclays Technology Centre, and Fiserv Global Services. He also worked for the Ministry of Communications, Govt. of India from 2017 to 2019.

Mr. Sudhir Gupta
DIN: 09614492

Mr. Sudhir Gupta is B.Sc., LLB (Gold Medalist), CAIIB. He joined the services of the Bank as Probationary Officer in the year 1989 and has served in different capacities across the operational topography of the Bank ranging from business operations at Branch level and having headed three different Zones of the Bank as Zonal Head. Zones registered good

business growth in all the segments during his tenure as Zonal Head. He has led important departments of the Bank i.e Customer Care, Credit Audit, BSD /CCM at Corporate Headquarters.

Mr. Gupta has also demonstrated his leadership skills in J&K Grameen Bank where he was deputed as chairman for a period two years. During his tenure as Chairman of J&K Grameen Bank, he accomplished the strategic targets within the defined timelines.

Carrying a paragon of capability, expertise and professionalism to the chair that extends over thirty years, his areas of expertise include Credit, Finance, Corporate & Retail Banking, Customer Service, Trade Finance, Business continuity planning, etc. He is a member on Governing Board of NIBSCOM.

Ms. Shahla Ayoub
DIN: 09834993

Ms. Shahla Ayoub is a young Economist of J&K. She presently works as Assistant Professor in Department of Higher Education, Government of J&K. Having worked as Assistant Director in Economics and Statistics, Department of Planning, Government of J&K before joining the Department of Higher Education, she brings to Board an affluence of Economic expertise and perspicacity.

She has a yearning and yawning interest in the field of economic research, especially in the areas of Conflict Economics, Financial Inclusion and Developmental Economics. She has to her credit a number of publications, out of which following have carried more impact;

- I. Good Governance: Indian issues and concerns (published in European Academic research, Vol III, issue X; Jan 2016, ISSN No 2286-4822).
- II. Conflict and Economic warfare; Insights from Kashmir, (Golden research Thoughts, Vol. II, issue VII, Jan 2013, ISSN No 2231-5603) Jan 2016, ISSN No 2286-4822).
- III. A disparity in the sense of security causes disparity in economic welfare - A case study of conflict hit households in urban Srinagar" (published in European Academic research, Vol III, issue X, Jan 2016, ISSN NO 2286-4822).
- IV. She has also presented a paper on "Response of Households to conflict: A case study of District Srinagar at an International seminar organized by Indian Economic Association (IEA), May 2012, and also on Financial Inclusion of Handicraftsmen in District Srinagar.

DETAILS OF NUMBER OF SHARES/CONVERTIBLE DEBENTURES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31-03-2023

As on 31-03-2023, except Mr. R K Chhibber holding 4000 shares of the Bank, none of the other Non-Executive Directors held any Shares / Convertible Debentures.

CHART/MATRIX SETTING OUT SKILL, EXPERTISE AND COMPETENCIES AT BOARD LEVEL

S.No.	Name	Designation	Core Skill / Expertise / Competencies
1.	Mr. Baldev Prakash	MD & CEO	Banking, Accountancy, Economics, Finance, Treasury & Investment Management, SSI, Information Technology, Human Resource, Payment & Settlement, Risk Management and Business Management
2.	Dr. Pawan Kotwal, IAS	Additional Director	Administration, Finance and SSI
3.	Mr. R K Chhibber	Rotational Director	Banking, Finance, Accountancy, Treasury & Investment Management, Agriculture & Rural Economy
4.	Dr. Rajeev Lochan Bishnoi	Independent Director	Banking, Finance, Accountancy, SSI
5.	Mr. Naba Kishore Sahoo	Independent Director	Banking, Agriculture, Rural economy, Human Resources and Risk Management
6.	Mr. Umesh Chandra Pandey	Independent Director	Accountancy, Finance, Agriculture & Rural Economy, Information Technology, Risk Management
7.	Mr. Anil Kumar Goel	Independent Director	Banking, Finance, Accountancy, Economics, SSI, Risk Management
8.	Mr. Anand Kumar	Independent Director	Information Technology and Business Management
9.	Mr. Sudhir Gupta	Executive Director	Banking, Finance, Law, Human Resource, Agriculture & Rural Economy and Business Management
10.	Ms. Shahla Ayoub	Independent Director	Economics

DIRECTORS E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, necessitated the registration of KYC of all the directors through e-form DIR-3 KYC. Said requirement stands complied.

REMUNERATION OF DIRECTORS MANAGING DIRECTOR & CEO

Remuneration of the MD & CEO is subject to the approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949. During the period under report, Mr. Baldev Prakash was MD & CEO of the Bank. The details of remuneration paid to him in the financial year 2022-23 are as under:

(Amount in Rs.)

Particulars	Mr. Baldev Prakash (MD & CEO)
Basic salary	3206672
Allowances and perquisites	6087646
Provident Fund (Employer Contribution)	329844
Pension Fund (Employer Contribution)	329844
Gratuity	329844
PL Encashment	0

P.S.: The Salary & Perquisites shown above includes arrears of an amount of Rs.1065997 (payable from the day of joining J&K Bank) as part of Pay Revision approved by Board of the Bank & RBI in August 2022.

EXECUTIVE DIRECTOR

Remuneration of the Executive Director is subject to the approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949. Mr. Sudhir Gupta was appointed as Executive Director of the Bank w.e.f 14th December, 2022, consequent upon receipt of approval from Reserve Bank of India. The details of remuneration paid to him as Executive Director in the financial year 2022-23 are as under:

(Amount in Rs.)

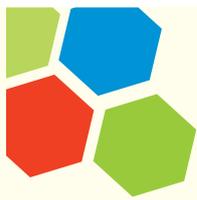
Particulars	Mr. Sudhir Gupta (Executive Director)
Basic salary	590806
Allowances and perquisites	614554
Provident Fund (Employer Contribution)	0
Pension Fund (Employer Contribution)	59080
Gratuity	59080 (Notional)
PL Encashment	40704

DETAILS OF REMUNERATION / SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS

Criteria for remuneration/sitting fee paid to non-executive directors

The Non-Executive Directors of the Bank (except Govt./RBI Nominated Directors who are in the employment of Govt./RBI) were paid sitting fee for the Board /Committee Meetings attended by them @Rs.40,000 for each Board/Committee Meeting, apart from reimbursement of Boarding/Lodging expenses for attending Board/Committee Meetings.

In addition to above, the Non-Executive Directors (except Govt. Directors/RBI Nominated Directors who are in full time employment of Government/RBI) are entitled to profit related compensation to the extent of one percent of the profits of the Bank for the relevant financial year, subject to a maximum of Rs.10 Lakhs per annum per Director. The details of sitting fees and remuneration paid to Non-Executive Directors during the financial year 2022-23 are as under:



(Amount in Rs.)

Particulars of Remuneration							
Non Executive Non Independent Directors		Mr. Vikram Gujral		Mr. R K Chhibber		Dr. Mohmad Ishaq Wani	
Fee for attending Board and Committee Meetings		---		20,40,000.00		6,00,000.00	
Commission (FY 2021-22)		5,01,368.00		2,52,055.00		10,00,000.00	
Others (Interview Fee)		---		---		1,20,000.00	
Sub Total (1)		5,01,368.00		22,92,055.00		17,20,000.00	
Non Executive Independent Directors	Dr. Rajeev Lochan Bishnoi	Ms. Monica Dhawan	Mr. Naba Kishore Sahoo	Mr. Umesh Chandra Pandey	Mr. Anil Kumar Goel	Mrs. Sushmita Chadha	Mr. Anand Kumar
Fee for attending Board and Committee Meetings	23,60,000.00	---	22,40,000.00	20,80,000.00	18,80,000.00	5,20,000.00	21,20,000.00
Commission (FY 2021-22)	9,72,603.00	7,80,822.00	10,00,000.00	1,91,781.00	1,91,781.00	1,64,384.00	79,453.00
Others (Interview Fee)	80,000.00	---	---	---	40,000.00	---	---
Sub Total (2)	34,12,603.00	7,80,822.00	32,40,000.00	22,71,781.00	21,11,781.00	6,84,384.00	21,99,453.00
Total = (1+2)	1,92,14,247.00						

FAMILIARISATION PROGRAMME

The details of familiarisation programmes imparted to Independent Directors are available on the website of the Bank at <https://www.jkbank.com/investor/stockExchangeIntimation/farmillisation.php>

PERFORMANCE EVALUATION

The Bank has put in place a mechanism for performance evaluation of the Directors. The details of the same are included in the Directors' Report.

COMMITTEES OF THE BOARD

The Board of Directors of the Bank has constituted several Committees of the Board to take decisions on matters requiring special focus. The brief role and functions of the Committees of the Board is described hereunder:

Management Committee

Brief terms of Reference /Roles & Responsibilities

The Management Committee of the Board considers various business matters of material significance like sanctioning of loan proposals, compromise / write-off cases, periodical review of NPAs and large corporate loans, monitoring credit and investment exposure, etc.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber	(Chairman)
Mr. Baldev Prakash	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mrs. Sushmita Chadha Upto 27.09.2022	(Member)

Mr. Anand Kumar From 27.04.2022 to 26.09.2022 From 21.10.2022	(Member)
Mr. Anil Kumar Goel From 26.09.2022	(Member)
Mr. Sudhir Gupta From 20.02.2023	(Member)

The Committee met seven (07) times during the year on 10.06.2022, 16.07.2022, 28.09.2022, 14.11.2022, 06.01.2023, 22.02.2023, 27.03.2023. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	7	7	100
Mr. Baldev Prakash	7	6	85.71
Mr. Naba Kishore Sahoo	7	7	100
Mrs. Sushmita Chadha	2	1	50
Mr. Anand Kumar	6	6	100
Mr. Anil Kumar Goel	5	5	100
Mr. Sudhir Gupta	2	2	100

Audit Committee

Brief terms of Reference /Roles & Responsibilities

The main functions of the Audit Committee is to assess and review the financial reporting system of the Bank, to ensure that the Financial Statements of the Bank are correct, sufficient and credible. It addresses matters pertaining to adequacy of internal controls, reliability of financial statements / other management information, adequacy

of provisions, whether the audit tests are appropriate and scientifically carried out. It follows up on all issues raised in the Long Form Audit Report and interacts with Statutory Central Auditors before finalisation of Annual Financial Accounts and Reports focusing primarily on accounting policies and practices, major accounting entries and compliance with the Accounting Standards. The Committee also reviews the adequacy of Internal Control System and holds discussions with Internal Auditors / Inspectors on any significant finding and follow up action thereon. It also reviews the financial and risk management policies of the Bank and evaluates the findings of any internal investigation where there is any suspected fraud or irregularity or failure of Internal Control System of material nature and reports to the Board. ACB also focuses on the follow up of inter-branch adjustment accounts and other major areas of Balancing of Books and Book Keeping.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Dr. Rajeev Lochan Bishnoi	(Chairman)
Mr. Naba Kishore Sahoo Upto 27.04.2022	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anil Kumar Goel Upto 26.09.2022	(Member)
Mr. Anand Kumar From 27.04.2022	(Member)
Mr. R. K. Chhibber From 26.09.2022	(Member)

The Committee met twelve (12) times during the year on 05.05.2022, 11/12.05.2022, 09.06.2022, 10.08.2022, 26.08.2022, 20/21.10.2022, 05.11.2022, 28.12.2022, 23.01.2023, 25.01.2023, 27.02.2023 and 27.03.2023. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Dr. Rajeev Lochan Bishnoi	12	12	100
Mr. Naba Kishore Sahoo	0	0	0
Mr. Umesh Chandra Pandey	12	12	100
Mr. Anil Kumar Goel	5	5	100
Mr. Anand Kumar	12	12	100
Mr. R. K. Chhibber	7	7	100

Integrated Risk Management Committee

Brief terms of Reference /Roles & Responsibilities

The Committee facilitates the business/operations of the Bank by establishment of an effective risk management framework through appropriate risk policies /processes, to monitor risk profile of the Bank to ensure that it is in accordance with risk appetite of the Bank and, to provide the support necessary to enable the Management to perform their assigned duties and responsibilities in an effective manner. The role of the Committee is to review risk policies and recommend these to Board for approval. It also examines and monitors the risk issues related to Bank's business and operations and guide

the Management appropriately. The Committee oversees all risk management functions in the Bank.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mrs. Sushmita Chadha Upto 27.09.2022	(Chairperson)
Dr. Rajeev Lochan Bishnoi Upto 26.09.2022 From 27.09.2022 to 21.10.2022	(Member) (Chairman)
Mr. Naba Kishore Sahoo	(Member)
Dr. Mohmad Ishaq Wani Upto 24.08.2022	(Member)
Mr. Umesh Chandra Pandey Upto 21.10.2022 From 21.10.2022	(Member) (Chairman)
Mr. R K Chhibber From 21.10.2022	(Member)
Mr. Sudhir Gupta From 20.02.2023	(Member)

The Integrated Risk Management Committee met four (04) times during the year on 13.06.2022, 07.09.2022, 27.12.2022 and 16.03.2023

These meetings were attended by Members as detailed below:

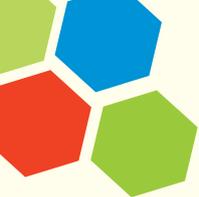
Name of Director	Meetings during the tenure	Meetings Attended	%age
Mrs. Sushmita Chadha	2	2	100
Dr. Rajeev Lochan Bishnoi	2	2	100
Mr. Naba Kishore Sahoo	4	4	100
Dr. Mohmad Ishaq Wani	1	1	100
Mr. Umesh Chandra Pandey	4	4	100

Special Committee of Board on Frauds (SCBF)

Brief terms of Reference /Roles & Responsibilities

Pursuant to RBI directions, the major functions of the Special Committee of Board on frauds would be to monitor and review all the frauds of Rs. 1 crore and above so as to;

- Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same;
- Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;
- Monitor progress of CBI / Police Investigation and recovery position;
- Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.



- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber Upto 27.04.2022 From 27.04.2022 to 24.08.2022	(Chairman) (Member)
Mr. Baldev Prakash From 31.01.2022	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anil Kumar Goel Upto 27.04.2022 From 27.04.2022	(Member) (Chairman)
Mrs. Sushmita Chadha Upto 27.09.2022	(Member)
Dr. Rajeev Lochan Bishnoi From 26.09.2022	(Member)
Mr. Naba Kishore Sahoo From 21.10. 2022	(Member)

The Special Committee of Board on Frauds (SCBF) met six (06) times during the year on 13.06.2022, 28.09.2022, 01.12.2022, 06.01.2023, 08.02.2023 and 15.03.2023. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	2	2	100
Mr. Baldev Prakash	6	6	100
Mr. Umesh Chandra Pandey	6	6	100
Mr. Anil Kumar Goel	6	6	100
Mrs. Sushmita Chadha	1	1	100
Dr. Rajeev Lochan Bishnoi	5	5	100
Mr. Naba Kishore Sahoo	4	4	100

Customer Service Committee

Brief terms of Reference /Roles & Responsibilities

The Committee has been constituted with a view to look into matters relating to customer complaints and speedy redressal thereof, reviewing customer service policies / metrics and indicators that provide information on the state of customer services in the Bank, monitoring the implementation of the Banking Ombudsman Scheme, etc. The Committee also holds discussions with the Internal Ombudsman to gauge the efficacy of the grievance redressal framework of the Bank.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash From 26.09.2022	(Chairman)
Dr. Mohmad Ishaq Wani Upto 24.08.2022	(Chairman)
Mr. R. K. Chhibber Upto 24.08.2022 From 24.08.2022 upto 26.09.2022 From 26.09.2022	(Member) (Chairman) (Member)
Mr. Anil Kumar Goel Upto 26.09.2022 From 21.10.2022	(Member)
Mrs. Sushmita Chadha Upto 27.09.2022	(Member)
Mr. Anand Kumar From 27.04.2022 to 26.09.2022	(Member)
Mr. Naba Kishore Sahoo From 26.09.2022	(Member)
Mr. Sudhir Gupta From 20.02.2023	(Member)
Ms. Shahla Ayoub From 20.02.2023	(Member)

The Customer Service Committee met four (04) times during the year on 09.06.2022, 28.09.2022, 26.12.2022 and 16.03.2023. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	3	3	100
Dr. Mohmad Ishaq Wani	1	1	100
Mr. R. K. Chhibber	3	3	100
Mr. Anil Kumar Goel	3	3	100
Mrs. Sushmita Chadha	1	1	100
Mr. Anand Kumar	1	1	100
Mr. Naba Kishore Sahoo	3	3	100
Mr. Sudhir Gupta	1	1	100
Ms. Shahla Ayoub	1	1	100

Information Technology Strategy Committee

Brief terms of Reference /Roles & Responsibilities

Committee has been constituted pursuant to RBI directions to monitor the progress of effective assimilation and speedy implementation of Information Technology in the Bank.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Anil Kumar Goel Upto 27.04.2022 From 27.04.2022	(Chairman) (Member)
Mr. Baldev Prakash	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Naba Kishore Sahoo Upto 24.08.2022	(Member)
Mr. Umesh Chandra Pandey Upto 27.04.2022	(Member)
Mr. Anand Kumar From 27.04.2022	(Chairman)
Ms. Sushmita Chadha From 26.09.2022 to 27.09.2022	(Member)

The Information Technology Strategy Committee met four (04) times during the year on 23.06.2022, 21.09.2022, 15.11.2022 and 08.02.2023. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Anil Kumar Goel	4	4	100
Mr. Baldev Prakash	4	3	75
Dr. Rajeev Lochan Bishnoi	4	4	100
Mr. Naba Kishore Sahoo	1	1	100
Mr. Umesh Chandra Pandey	0	0	0
Mr. Anand Kumar	4	4	100
Ms. Sushmita Chadha	0	0	0

Legal and Impaired Assets Resolution Committee

Brief terms of Reference /Roles & Responsibilities

The Committee reviews the legal matters and suits/filed cases, NPA accounts and also monitors and reviews the performance of Impaired Assets Portfolio Management (IAPM) vertical of the Bank for recovery/settlement of impaired assets of the Bank and other related matters.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber Upto 27.09.2022 From 27.09.2022 to 21.10.2022	(Chairman) (Member)
Mr. Baldev Prakash Upto 27.09.2022 From 27.09.2022	(Member) (Chairman)
Mr. Naba Kishore Sahoo	(Member)
Mrs. Sushmita Chadha Upto 26.09.2022	(Member)
Mr. Umesh Chandra Pandey From 26.09.2022	(Member)
Mr. Anil Kumar Goel From 21.10.2022	(Member)
Mr. Sudhir Gupta From 20.02.2023	(Member)

The Legal and Impaired Assets Resolution Committee met four (04) times during the year on 21.06.2022, 26.09.2022,

27.12.2022 and 16.03.2023. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	2	2	100
Mr. Baldev Prakash	4	4	100
Mr. Naba Kishore Sahoo	4	4	100
Mrs. Sushmita Chadha	1	1	100
Mr. Umesh Chandra Pandey	3	3	100
Mr. Anil Kumar Goel	2	2	100
Mr. Sudhir Gupta	1	1	100

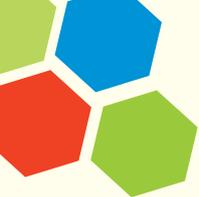
Nomination & Remuneration Committee

Bank has constituted a Nomination & Remuneration Committee of the Board as required under the RBI Circular dated 2004 and pursuant to the requirements of the Securities and Exchange Board of India (LODR) Regulations, 2015 and the Companies Act, 2013.

Brief terms of Reference /Roles & Responsibilities

In compliance to the regulatory requirements, the role and functions of the Committee under the aforesaid Statutory and Regulatory requirements are as under:

- 1) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance and whether to extend or continue the term of appointment of the Independent Director on the basis of the report of Performance evaluation of Independent Director.
- 2) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 3) The Nomination and Remuneration Committee shall, while formulating the policy ensure that-
 - 3.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - 3.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - 3.3 remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- 4) Devising a policy on diversity of board of directors;
- 5) Recommend to the board, all remuneration, in whatever form, payable to senior management.



Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Naba Kishore Sahoo Upto 26.09.2022 From 26.09.2022	(Chairman) (Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Umesh Chandra Pandey - Upto 26.09.2022	(Member)
Mr. Mohmad Ishaq Wani From 27.04.2022 to 24.08.2022	(Member)
Mr. Anand Kumar - From 26.09.2022	(Chairman)
Mr. R K Chhibber - From 26.09.2022	(Member)

The Nomination & Remuneration Committee met ten (10) times during the year on 15.04.2022, 12.05.2022, 06.06.2022, 20.10.2022, 15.11.2022, 26.12.2022, 13.01.2023, 23.01.2023, 04.03.2023 and 21.03.2023. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Naba Kishore Sahoo	10	10	100
Dr. Rajeev Lochan Bishnoi	10	10	100
Mr. Umesh Chandra Pandey	3	3	100
Dr. Mohmad Ishaq Wani	2	2	100
Mr. Anand Kumar	7	7	100
Mr. R K Chhibber	7	7	100

Corporate Social Responsibility & Environmental, Social and Governance Committee (Erstwhile Corporate Social Responsibility Committee):

Brief terms of Reference /Roles & Responsibilities

The Role and Functions of the Committee shall be as under:

1. Formulate and recommend to the Board for approval, the Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013 as amended from time to time.
2. Guide and monitor the activities of the Bank in the area of CSR such that the spendings are in line with the activities stipulated in the CSR Policy.
3. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfill its corporate social responsibilities in a responsible and effective manner.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber Upto 26.09.2022	(Chairman)
Dr. Mohmad Ishaq Wani Upto 24.08.2022	(Member)
Mr. Anil Kumar Goel Upto 26.09.2022 From 26.09.2022	(Member) (Chairman)

Mr. Anand Kumar From 27.04.2022	(Member)
Mr. Baldev Prakash From 26.09.2022	(Member)
Mr. Umesh Chandra Pandey From 21.10.2022	(Member)
Mr. Sudhir Gupta From 20.02.2023	(Member)
Ms. Shahla Ayoub From 20.02.2023	(Member)

The Corporate Social Responsibility & Environmental, Social and Governance Committee met two (02) times during the year on 10.06.2022 and 06.01.2023. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	1	1	100
Dr. Mohmad Ishaq Wani	1	1	100
Mr. Anil Kumar Goel	2	2	100
Mr. Anand Kumar	2	2	100
Mr. Baldev Prakash	1	1	100
Mr. Umesh Chandra Pandey	1	1	100
Mr. Sudhir Gupta	0	0	0
Ms. Shahla Ayoub	0	0	0

Stakeholders Relationship Committee:

The Bank Constituted "Stakeholders Relationship Committee" pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Mr. Mohammad Shafi Mir, Company Secretary, has been designated as Compliance Officer.

Brief terms of Reference /Roles & Responsibilities

- 1) Considering and resolving the grievances of the stakeholders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.

During the year, 1391 service requests / complaints were received and all these service requests / complaints stand redressed.

The status of investors / shareholders service requests / grievances received during the year under report is as follows:

S.No.	Particulars	Received	Disposed	Pending
1.	Change / Correction of the Address	235	235	0
2.	Intimation of the Bank Mandate / NECS Mandate	147	147	0
3.	Non-receipt of Share Certificates	46	46	0
4.	Loss of Share Certificates and request for issue of duplicate share certificate(s)	141	141	0
5.	Deletion / inclusion of joint name and transmission	37	37	0
6.	Non-receipt of dividend warrants (NRDW)	61	61	0
7.	Registration of NECS	0	0	0
8.	Receipt of dividend warrants for revalidation	11	11	0
9.	Intimation of the Nomination form details	241	241	0
10.	Letters from SEBI/ Stock Exchanges	0	0	0
11.	Request for stock split in lieu of old shares	107	107	0
12.	Others	365	365	0
	Total	1391	1391	0

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Dr. Mohamad Ishaq Wani Upto 24.08.2022	(Member)
Mr. Umesh Chandra Pandey Upto 21.10.2022 From 21.10.2022	(Chairman) (Member)
Mr. Anil Kumar Goel Upto 21.10.2022	(Member)
Mr. Anand Kumar From 27.04.2022	(Member)
Dr. Rajeev Lochan Bishnoi From 21.10.2022	(Member)
Mr. R K Chhibber From 21.10.2022	(Chairman)

Mr. Sudhir Gupta From 20.02.2023	(Member)
Ms. Shahla Ayoub From 20.02.2023	(Member)

The Stakeholders Relationship Committee met three (03) times during the year on 10.08.2022, 01.12.2022 and 24.01.2023. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Dr. Mohamad Ishaq Wani	1	1	100
Mr. Umesh Chandra Pandey	3	3	100
Mr. Anil Kumar Goel	1	1	100
Mr. Anand Kumar	3	3	100
Dr. Rajeev Lochan Bishnoi	2	2	100
Mr. R K Chhibber	2	2	100
Mr. Sudhir Gupta	0	0	0
Ms. Shahla Ayoub	0	0	0

Human Resource Development Committee

Brief terms of Reference /Roles & Responsibilities

- To Review Organizational Structure, Succession Planning, HR Transfer Policy, HR Promotion Policy and make final recommendations to the Board in this regard.
- To conduct the interview for promotion to senior levels of the Management i.e. Deputy General Manager & above.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash	(Chairman)
Mr. R. K. Chhibber	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Dr. Mohamad Ishaq Wani Upto 24.08.2022	(Member)

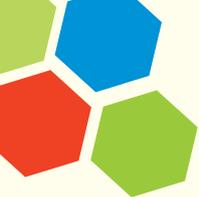
The Human Resource Development Committee met once during the year on 27.05.2022. The Meeting was attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	1	1	100
Mr. Baldev Prakash	1	1	100
Dr. Rajeev Lochan Bishnoi	1	1	100
Dr. Mohamad Ishaq Wani	1	1	100

Investment Committee

Brief terms of Reference /Roles & Responsibilities

To review and monitor the performance of Treasury Operations of the Bank and exercise powers relating to investment decisions as delegated by the Board from time to time.



Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash	(Chairman)
Mr. R. K. Chhibber Upto 27.04.2022	(Member)
Dr. Mohmad Ishaq Wani Upto 27.04.2022	(Member)
Mrs. Sushmita Chadha Upto 27.09.2022	(Member)
Dr. Rajeev Lochan Bishnoi From 27.04.2022	(Member)
Mr. Naba Kishore Sahoo From 27.04.2022	(Member)
Mr. Umesh Chandra Pandey From 27.04.2022	(Member)

The Investment Committee met once during the year on 09.06.2022. The Meeting was attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	1	1	100
Mr. R. K. Chhibber	0	0	0
Dr. Mohmad Ishaq Wani	0	0	0
Mrs. Sushmita Chadha	1	1	100
Dr. Rajeev Lochan Bishnoi	1	1	100
Mr. Naba Kishore Sahoo	1	1	100
Mr. Umesh Chandra Pandey	1	1	100

OTHER SPECIFIC PURPOSE COMMITTEES

Capital Issuance Committee

Brief terms of Reference /Roles & Responsibilities

To do all acts, deeds and things which are necessary to do in relation to the raising of Tier I and Tier II Capital of the Bank,

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash	(Chairman)
Mr. Naba Kishore Sahoo	(Member)
Mr. R K Chhibber From 14.12.2022	(Member)
Dr. Mohmad Ishaq Wani Upto 24.08.2022	(Member)

The Committee met three (03) times during the year on 01.04.2022, 28.12.2022 and 30.12.2022 These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	3	3	100
Mr. Naba Kishore Sahoo	3	3	100
Mr. R K Chhibber	2	2	100
Dr. Mohmad Ishaq Wani	1	1	100

MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Bank met on 11.05.2022 and 27.03.2023. All Independent Directors attended the meeting.

SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year:

EMPLID	NAME_DISPLAY	DESIGNATION	Date of Retirement	Date of Latest promotion	Date of Joining
MDCE01	BALDEV PRAKASH	MD and CEO			30-12-21
004111	SUDHIR GUPTA	Executive Director		14-12-22	
004097	RAJNI SARAF	General Manager	30-06-22		
004106	ASHUTOSH SAREEN	General Manager		11-02-21	
004115	SHAREESH SHARMA	General Manager		12-05-22	
004161	NARJAY GUPTA	General Manager		11-02-21	
004116	RAKESH KOUL	General Manager		11-02-21	
004120	SUSHIL KUMAR GUPTA	General Manager		12-05-22	
004128	PEER MASOOD AHMAD	General Manager		11-02-21	
004162	SUNIT KUMAR	General Manager		11-02-21	
004140	TABASSUM NAZIR	General Manager		12-05-22	
004125	SYED RAIS MAQBOOL	General Manager		11-02-21	
004118	SYED SHUJAAT HUSSAIN ANDRABI	General Manager		12-05-22	
004154	IMTIYAZ AHMAD BHAT	General Manager		12-05-22	

004152	SYED SHAFAT HUSSAIN	General Manager		12-05-22	
CFO001	BALVIR SINGH GANDHI	CFO	27-04-22		28-12-21
CFO002	PRATIK D PUNJABI	CFO			01-07-22
004264	ALTAF HUSSAIN KIRA	Deputy General Manager		14-06-22	
004202	VIRESH GUPTA	Chief Technology Officer			18-10-21
004542	MOHAMMAD SHAFI MIR	Company Secretary			22-11-16

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no such agreements of the Bank during the period under report.

CORPORATE GOVERNANCE POLICIES IN COMPLIANCE WITH THE STATUTORY REGULATIONS

Board Diversity Policy

In accordance with the Regulation 19(4) and Part D (A) (3) of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), the Bank has framed a formal policy on Board Diversity which sets out a framework to promote diversity on Bank's Board of Directors. The policy has been posted on the Banks website at: <https://www.jkbank.com/pdfs/policy/Board%20Diversity%20Policy.pdf>

Code of Conduct for Board of Directors and Senior Management

In accordance with the Regulation 17(5) of 'Listing Regulations', the Bank has framed a formal policy on Code of Conduct for Board of Directors and Senior Management of the Bank in order to exercise good judgement, to ensure the interests, safety and welfare of customers, employees & other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment. The code has been posted on the Banks website at <https://www.jkbank.com/pdfs/policy/Codeof.pdf>

Declaration:

I confirm that for the year under report, all Directors and Senior Management have affirmed their adherence to the provisions of the code of conduct for Board of Directors and Senior Management Personnel.

Srinagar - 04.05.2023

Baldev Prakash
MD & CEO

Dividend Distribution Policy

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Bank before recommending dividend to the Shareholders for a Financial Year. The policy is framed in compliance to Regulation 43A of the Listing Regulations, applicable provisions of Companies Act, 2013 and RBI Guidelines. The policy has been posted on the Banks website at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

Policy on Related Party Transactions

The Securities and Exchange Board of India ("SEBI") has in terms of Regulation 23 provided that the listed entity shall

formulate policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly. The policy has been posted on the Banks website at <https://www.jkbank.com/pdfs/policy/Related%20Party%20Transactions%20Policy.pdf>

Performance Evaluation Policy for the Board and Members of the Board

The Board of Directors on the recommendations of the Nomination & Remuneration Committee (N&RC) has approved a framework/policy for evaluation of the Board, Committees of the Board and the individual Members of the Board (including the chairperson). The objective of this policy is to formulate the procedure and also to prescribe and lay down the criteria to evaluate the performance of the entire Board, each individual Director and the Committees of the Board of the Bank. The policy has been posted on the Banks website at:

<https://www.jkbank.com/pdfs/policy/J&K%20Bank%20Performance%20Evaluation%20Policy.pdf>

Policy for Determination of Materiality of Information/Event(s)

In order to ensure consistent, transparent, regular and timely public disclosure and dissemination of material events/information based on the criteria specified in sub regulation 4 of Regulation 30 of the Listing Regulations, the Board of the Bank has formulated a policy for determination of materiality of such events/information. The policy has been posted on the Banks website at:

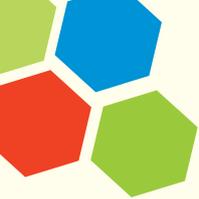
<https://www.jkbank.com/pdfs/policy/Policy%20for%20Determination%20of%20Materiality%20of%20Information%20Event.pdf>

Policy for Determining Material Subsidiary

The Securities and Exchange Board of India ("SEBI") has in terms of Regulation 16(1) provided that the listed entity shall formulate a policy for determining material subsidiary and to provide the governance framework for such subsidiaries. Pursuant to said Regulation, the Bank has framed a policy for determination of "material subsidiary" of the Bank. The Bank at present has no material subsidiary within the meaning of the definition of material subsidiary under the Regulations. The policy has been posted on the Banks website at <https://www.jkbank.com/pdfs/policy/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

Policy on Preservation of Documents and Archival of Documents

The Bank has framed the policy on preservation of documents and archival as mandated by the provisions of



Regulation 9 read with Regulation 30(8) of Chapter III of the Listing Regulations, 2015. Through this policy, the Bank has a strategic objective of ensuring that significant documents are safeguarded and preserved to ensure the longevity of priority documents including the electronic resources.

All other policies as required under SEBI Regulations are posted on the website of the Bank under the link:

<https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

As on 31.03.2023, Bank does not have any shares in the demat suspense account or unclaimed suspense account.

Dividend related Information

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Bank has formulated and adopted a Dividend Distribution Policy reviewed by the Board. The policy is available on the website of the Bank at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>. In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 04th/05th May, 2023, recommended a final dividend of Rs.0.50 Paise per Equity Share, subject to the approval of members at the ensuing 85th Annual General Meeting (AGM). The record date to determine eligibility of members for payment of dividend is Thursday, 17th August, 2023. In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of the members. Therefore, the dividend will be paid to the members after deduction of applicable tax, if any.

Dividend Payment Date

Dividend shall be deposited in a separate account within five days from the date of declaration of such dividend.

Section 124 of Companies Act, 2013 provides that where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of Dividend, the same shall be transferred to the Dividend unpaid account. Therefore, Dividend shall be paid by or before 22nd September, 2023.

Payment of Dividend through Electronic Mode

In terms of Regulation 12 and Schedule I of the SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz. Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would be entitled to use the bank account details of the members available with the depository participants to facilitate payment through electronic mode. All members of the Bank holding equity shares in electronic form are requested to provide details relating to their bank account number, including nine digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile numbers to their depository participants. All members of the Bank holding equity shares in physical form are requested to provide details relating to their bank account number, indicating nine digit MICR Code

and 11 digit IFSC Code, e-mail ID and mobile numbers to M/S KFin Technologies Limited at Selenium Tower - B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, by sending the duly completed and signed ISR Forms in original along with a photocopy of a CANCELLED cheque leaf of their active core banking account and self-attested copy of their PAN card and a self-attested copy of any one of the documents mentioned hereafter: Utility Payment Bills (not more than three months old)/Bank Pass Book/Passport/Driving License to validate their present address. In case the dividend paid through electronic mode is rejected by the corresponding bank, for any reason whatsoever, the Bank will issue a demand draft and print the bank account details available with M/S KFin Technologies Limited on the said demand draft to avoid fraudulent encashment.

INSIDER TRADING CODE

The Bank has replaced a Code on Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to prevent practices of Insider Trading. Mr. Mohammad Shafi Mir, Company Secretary, has been designated as Compliance Officer for this purpose.

DIRECTORS AND OFFICERS INSURANCE

The Bank has undertaken Directors and Officers Insurance ('D and O Insurance') for all its Directors and Officers including Independent Directors.

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank does not engage in any form of child labour / forced labour / involuntary labour and does not adopt any discriminatory employment practices. The Bank has a Policy against sexual harassment and a Committee "Internal Complaints Committee for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace" has been constituted for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the parliament in 2013. The Bank, through the policy ensures that all such complaints are resolved within defined timelines.

During the year, one complaint was lodged before the Internal Complaints Committee duly constituted under the Sexual Harassment of Women at Work Place (Prevention and Redressal) Act, 2013 and the rules made thereunder. Accordingly, due inquiry proceedings were conducted in the case, as stipulated in the Act and adequate opportunity was provided to both complainant and respondent to present/defend their case. Finding the case devoid of any merits, the same was disposed of within the requisite time frame of 90 days.

ETHICAL STANDARDS EMPLOYED BY THE BANK

The Bank has replaced service manual for its employees. This manual contains comprehensive regulations on ethical standards to be mandatorily observed by all the employees of the Bank.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

The details with reference to whistle blower policy and vigil mechanism along with the affirmation that no personnel has been denied access to the Audit Committee, have been addressed in the Director's Report which is forming part of this Annual Report. During the year, the Audit Committee received three complaints under the said policy. The policy is available on the website of the Bank at the link: <https://www.jkbank.com/pdfs/policy/WB.pdf>

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS, 2015

The Bank during the reporting period also issued and allotted 2,85,93,267 equity shares at a price of Rs. 32.70 which was at a discount of 4.97% (i.e. Rs. 1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of Rs. 93,49,99,830.90. The Issue opened on March 28, 2022 and closed on March 31, 2022. The allotment was made on April 01, 2022.

The above funds were raised/utilized to meet the needs of growing business, including long term capital requirements for pursuing Bank's growth plans and to maintain the Capital Adequacy Ratio as per the regulatory guidelines/ norms laid down by the Reserve Bank of India.

EMPLOYEES STOCK PURCHASE SCHEME

During the period under report, the Bank implemented J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS, 2023), under which equity shares of the Bank were offered and allotted to the eligible employees, in accordance with the scheme parameters and the regulatory guidelines applicable to ESPS.

The Bank has received a certificate from its Secretarial Auditor to the effect that the scheme has been implemented in accordance with the SEBI Regulations and as per the resolution passed by the Members of the Bank authorizing issuance of the said shares. The details, as required to be disclosed under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the aforesaid certificate from the Secretarial Auditor are available on the Bank's website at <https://www.jkbank.com/investor/investorInfo/ESPS.php>

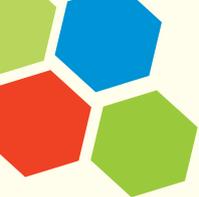
CEO / CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained and was placed before the Board in its meeting dated 04th May, 2023.

DISCLOSURES

The Board of your Bank has in all its endeavor, ensured that true and fair disclosures are made to its constituents through various publications regarding plans, strategies and performance. The Board is pleased to disclose that;

1. The Executive Management of Bank regularly places various reviews before the Board on the performance of the Bank so as to enable it to exercise effective control and check over the working of the Bank.
2. The Bank has not entered into any materially significant transaction with its Directors, Management or with their Relatives, other than the normal course of business of the Bank.
3. The Bank did not enter into any material related party transaction with its Directors or Management or their Relatives that would potentially conflict with and adversely affect interests of the Bank.
4. The Directors did not incur any disqualification under Section 164 of the Companies Act, 2013 or under any other law applicable to the Bank.
5. None of the Directors of the Bank are holding positions as Chairman of more than five and as a Member of more than ten Audit and Stakeholders' Relationship Committees.
6. During the year under review, due to unprecedented and extraordinary reasons beyond its control, the Bank has involuntarily become non-compliant with Regulation 23(9) of SEBI (LODR) Regulations, 2015, for which a fine of Rs.35,400.00 was imposed by NSE & BSE for delayed filing of Related Party Transaction Report. On representation by the Bank for wrong levying of fine, the NSE waived off the fine for two days amounting to Rs. 10,000, while as the representation is under consideration with the BSE Limited. Further due to the reasons beyond its control, the Bank was involuntarily non-compliant with Section 152 of Companies Act, 2013 relating to Composition of Board of Directors, the details whereof are contained in the Secretarial Audit Report annexed to Directors Report. Subject to above, there were no cases of non-compliance by the Bank and no penalties or strictures have been imposed on or proposed against the Bank by the Stock Exchange(s) and / or SEBI and / or any other statutory authorities on matters relating to capital market except to the extent disclosed in the Notes to the Accounts and the Bank has complied with the provisions of relevant Acts, Rules & Regulations framed there under during the financial year 2022-2023.
7. The Bank has complied with all applicable accounting standards and related RBI guidelines.



STRICTURES AND PENALTIES FOR THE LAST 3 FINANCIAL YEARS

Period	Penalty Amount (Amount in Lakhs)	Details
FY 2020-21	4.81	During the Financial year 2020-21, a penalty of Rs. 2.00 lakhs was imposed by FIU INDIA (FIU-INDIA vide No: 13/DIR/FIU-IND/2020 dated 18.12.2020 issued under Section 13 of the PML Act 2002, the said penalty of Rs. 2.00 lakhs has been imposed upon the Bank for failure to submit the requisite reports as stipulated under Alert No. 5/2019 dated 27.03.2019). Further, the Reserve Bank of India had imposed a monetary penalty of Rs. 2.81 lakhs (out of which penalty of Rs. 2.00 lakhs have been waived off by RBI) on currency chests.
FY 2021-22	101.02	During the Financial year 2021-22, a penalty of Rs. 100 lakhs was imposed by the Reserve Bank of India on account of contraventions of RBI circular on Lending to NBFCs. Further, the Reserve Bank of India had imposed a monetary penalty of Rs. 1.02 lakhs on currency chests.
FY 2022-23	49.21	<p>During the Financial year 2022-23, a penalty of Rs. 3,74,921 was imposed by the Reserve Bank of India on Currency Chests and Rs. 42,10,000 was imposed by the Reserve Bank of India on ATM Cash Out</p> <p>Rs. 35,400.00 imposed by NSE & BSE for delayed filing of Related Party Transaction reports out of which National Stock Exchange of India Limited has waived off the penalty for two days i.e., Rs. 10,000/- due to wrong levy of penalty and same is under consideration with The BSE Limited.</p> <p>Rs. 3,00,000.00 imposed by FIU-India in relation with the non-compliance observed in respect of the transactions carried out in a particular account.</p> <p>Rs. 986.00 imposed by CBIC being amount of penalty raised for delayed reporting of GST Transaction for the period 01-04-2022 to 30-06-2022.</p>

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with all the applicable mandatory requirements of the Code of Corporate Governance as prescribed under the SEBI Listing Regulations.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

a) Board of Directors

The Bank has splitted the position of Chairman and Managing Director by amending its Articles of Association. Mr. Baldev Prakash has been appointed as the first Managing Director and CEO of the Bank. The Bank is in the process of appointing a Non-Executive Chairman. The Bank will bear the expenses

relating to maintenance of the office of Non-Executive Chairperson of the Bank and will reimburse all the expenses incurred in performance of his/her duties.

b) Shareholders' Rights

The Bank publishes its results on its website at www.jkbank.com which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent separately to each household of shareholders. The Bank's results for each quarter are published in a National English newspaper having wide circulation and in a local newspaper having wide circulation in the UT of J&K.

c) Audit Qualifications made by SCA's

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - [Standalone and Consolidated separately]

We draw attention to the matter described below, the possible effects of undetected mis-statements on the financial statements due to the inability to obtain sufficient and appropriate audit evidence which is material but, not pervasive either individually or in aggregate.

a) Refer to Note No. 1.4 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1/-) to 9834 employees by the Bank on 21st March, 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).

The Compensation Committee of the Board approved the ESPS issue open date as 15th March, 2023 and the issue close date as 21st March, 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee of Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the

management, it seems that there is violation of:

- Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme;
 - Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/2015-16 /95 DBR.No.Dir.BC.10/13.03.00/2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares;
 - Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21st March 2023 and payment was realised on 22.03.2023 and 23.03.2023 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank;
- b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares for Rs 28.97 per share (at a face value of Rs. 1), aggregating to Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021 -22 so if any similar set of transactions were occurred, we cannot comment on those transactions.
- c) The possible impact of such misstatement referred to in Points 'a' & 'b' above are as follows: If the Regulating Authority declare this issue as illegal & irregular allotment of shares in violation of various statutory provisions aforementioned,
- (1) Refer to Schedule No.1 of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of Re.1 each (i.e. Rs. 5,17,62,954/- of FY 2021-22 & Rs. 7,00,00,000/- of FY2022-23). The Share Capital will be overstated by Rs. 12,17,62,954/- i.e. 11.80% of the total paid-up share capital of the Bank.
 - (2) Refer to Schedule No. 2 of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 2263.53 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23) the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the Bank.
 - (3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio

(Common Equity Tier I & Capital conservation buffer), the financial ratios/prudent limits concerning net worth/capital funds have been adjusted due to observations made above at S no. 1 and 2 in regard to such overstated Share capital 7.00 crores, Share Premium 331.31 crore due to prohibited advances to the employees for the purchase of shares.

- (4) Refer to Note No.9 of the financial statement regarding Advances, a factual position of the Loan and Advances availed by the employees for the purchase of shares is not properly & separately disclosed. In the absence of complete information provided by the management, we are unable to quantify.

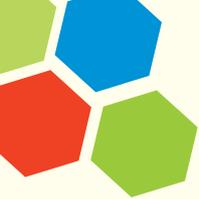
Management Response to Audit Qualifications

In response to above issue, it is pertinent to mention here that, upon conjoint reading of Section 67 of Companies Act, 2013, Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions dated 01.07.2015 and Clause 21 of JKBESPS, 2023, it is clear that the restrictions are imposed upon the Bank for providing any specific financial assistance directly or indirectly to any person including its employees for the purchase of its own shares. The Circulars no.s 690 and 807 dated 20.01.2023 and 14.03.2023 issued by the Bank respectively are part of a general practice adopted by various Financial Institutions including the Bank to provide several benefits to its employees in one form or the other and can in no way be stated to be related to the Scheme floated by the Bank for its employees. This is corroborated by the fact that the Bank has issued circulars of same nature at different times with necessary amendments/revised terms for the benefit of its employees. Furthermore, the employees of the Bank are at discretion to avail the enhanced limit as per their requirement and to use the same in any manner.

It is pertinent to mention here that besides other loan facilities provided to the employees for specific purposes [example Housing loan, education loan, vehicle loan], J&K Bank provides personal Consumption loan and general purpose Cash Credit Facility (Salary Overdraft) for meeting any legal purpose without prescribing any end-use restrictions. There are a good number of employees that were having available credit limits in their pre-existing consumption / Cash credit facilities and have not utilized the enhanced credit loan facility.

Many employees are having deposits with bank which connotes that surplus funds were already available to them which they could utilize for subscription to JKBESPS, 2023. Mere transfer of funds from general purpose cash credit facility to the personal savings bank account does not endorse that Loan facility was provided to employees specifically for JKBESPS, 2023.

From the above stated facts, statutory and regulatory provisions it is clear that the Bank in the process of issuance of shares under JKBESPS, 2023 has nowhere violated any Section/Rule/Clause/RBI Circular as mentioned aforesaid as the Bank through the said circular dated 20.01.2023 has nowhere provided any credit facility to any of its employees for the purpose of, or in connection with, a purchase or



subscription made or to be made, by any person of or for any shares.

We further add that the Bank has advanced loans to its employees in the ordinary course of business and thus reference to Section 67(2) of the Companies Act, 2013 is misconceived. The Bank has lent money as a Banking Company in its ordinary course of business to its employees and the said right has been recognised under Section 67(3) of the Companies Act, 2013. For the removal of doubts, it is hereby clarified that accepting, for the purpose of lending or investment, of deposits of money is the ordinary course of business for a Banking Company.

Further, there is a general practice with most employees of the Bank to park their salaries in the Cash Credit facility account to lessen their interest burden and utilise the credit facility available as per their requirements as it is a general purpose loan facility to be used at the discretion of employees. In this regard, the Bank also sought independent legal opinion from a reputed law firm which clearly validates the Management's stance / position on the matter. The legal opinion was duly shared by the Management with the SCAs.

The Bank received the subscription to the ESPS-2023 in a manner similar to the ASBA facility wherein a lien is marked on the amount of subscription and the account holder is not in a position to withdraw the amount under lien. The ASBA mechanism provides for retrieval of the amount before or after the allotment from the blocked account to the extent of allotment subscription money. So effectively the amount remains within the issuer's right till the lien is effective. The allotment of shares was done by the Compensation Committee on 21st March, 2023 in the late evening and, the blocked amounts were transferred to the Escrow account on 22nd & 23rd March, 2023 - the transaction could not be completed on 22 March, 2023 because of a technical glitch.

The contention of the SCAs regarding the ESPS-2021 issue that they had not issued the Certificate for listing of shares doesn't seem valid because as SCAs they did audit the books of the Bank for FY 2021-22 and the ESPS-2021 was a material transaction which they could not have ignored. Pertinent to mention that ESPS 2021 was exactly similar to ESPS-2023 and validation of the earlier scheme by the SCAs without raising any observations was enough for the Bank Management to deduce that the implementation of ESPS-2021 was not in violation of any rule or statute and this applies mutatis-mutandis to ESPS-2023. The SCAs, in the process, have put a question mark on their own audit of the Bank conducted during FY 2021-22.

Regarding the impact of the two transactions, the Management has made it abundantly clear that after taking due cognizance of the SCAs observations & non- acceptance of Management arguments by the SCAs, the Bank has not reckoned the amount mobilized under ESPS-23 for computation of any analytical ratio involving Net-worth or Capital. The Management as a matter of prudence and ethical Corporate Governance has declared this in the Notes to Accounts as well. The shares allotted to the employees under ESPS-2021 might already have changed hands and currently their ownership may be with some third persons and as such reckoning these for impact on Paid-up Capital or Reserves

(Share Premium) is over stretched.

The Bank has MIS wherein reports can be generated of outstandings against the employees under different schemes / facilities but that will not provide any guidance as to the SCAs claims that any money has been specifically made available to the employees for subscribing to the ESPS issue. The employees make frequent transactions in their general purpose salary overdraft account for multiple purposes and every inflow / outflow in these accounts cannot be matched or linked to any specific sale / purchase.

With regard to the reported communication addressed to the ACB Chairman by the SCAs, the first thing that is to be noted is that the communication was a personal one addressed to the Chairman and not to the Committee. However, the Chairman ACB had directed the Bank Management to look into the issue and respond to the observations made. These directions were passed on by the ACB Chairman to the Bank Management in presence of the SCAs. The Bank duly responded to the observations of the SCAs vide mail dated May 02, 2023 addressed to all the SCAs endorsing a copy of the response to the ACB Chairman. Thus the SCAs averment of not having been provided the response of the ACB is nothing beyond an unsubstantiated allegation.

In the wake of our above submissions all the observations of the SCAs made in the subject communication are just based on assumptions without any valid justification wherein they have not taken cognizance of the facts like the facilities being in existence and available to the employees for over two decades, no facility having been granted for the specific purpose of subscribing to the ESPS, ignoring all the MIS / information / clarifications provided by the management.

d) Reporting of Internal Auditor

The findings of internal/concurrent auditors are consolidated and placed before the Audit Committee by the Bank periodically.

IMPORTANT EVENTS AFTER THE CLOSURE OF FINANCIAL YEAR ENDED 31.03.2023

This report covers the period of financial year of the Bank beginning on 1st April, 2022 to 31st March, 2023. However, few material events listed below happened from 1st April, 2023 till the date of this report.

1. Reserve Bank of India (RBI) has by an order dated June 22, 2023 (received by us on June 23, 2023) imposed a monetary penalty of ₹2.50 crores on the Bank for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks', read with 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting', 'Loans and Advances - Statutory and other Restrictions' and 'Time-bound implementation and strengthening of SWIFT-related operational controls'. The said penalty has been imposed by the RBI in exercise of powers vested under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949.
2. Dr. Pawan Kotwal, IAS (DIN: 02455728) was appointed as an Additional Director in the category

of Rotational Directors by the Board of Directors of the Bank in their meeting held on 24th July, 2023.

shareholders acting either directly or indirectly, and effective means of redress.

SHAREHOLDERS RIGHTS

A shareholder can enjoy the following rights prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, wherever applicable:

- To carry out transmission /transposition and deletion of name on the share certificate(s) and receive the duly endorsed share certificates within the period prescribed in the SEBI Listing Regulations.
- To receive notice of general meetings, annual report, balance sheet, profit and loss account, cash flow statement and auditors' report.
- To appoint proxy to attend and vote at general meetings. In case, the member is a body corporate, to appoint a representative to attend and vote at general meetings of the company on its behalf.
- To attend and speak in person, at general meetings. Proxy cannot vote on show of hands but can vote on a poll.
- To demand poll in respect of any resolution along with other shareholder(s) who collectively hold not less than 1/10th of the total voting power or holding shares on which an aggregate sum of not less than 5 lakh rupees has been paid up.
- To requisition an extraordinary general meeting of the Company by shareholders who collectively hold not less than 1/10th of the total paid up capital of the company.
- To move amendments to resolutions proposed at general meetings.
- To receive dividend and other corporate benefits like rights, bonus shares etc. as and when declared / announced.
- To take inspection of the various Registers of the Company.
- To inspect the minute books of general meetings and to receive copies thereof after complying with the procedure prescribed in the Companies Act, 2013.
- To make nomination in respect of shares held by the shareholder.
- To participate in and be sufficiently informed of the decisions concerning fundamental corporate changes.
- To be informed of the rules, including voting procedures that govern general shareholder meetings.
- To demand adequate mechanism to address the grievances of the shareholders.
- To demand protection of minority shareholders from abusive actions by, or in the interest of, controlling

The rights mentioned above should be exercised only after careful reading of the relevant provisions. These rights are not necessarily absolute.

GENERAL SHAREHOLDER INFORMATION

Details of Stock Exchanges / Depositories

The equity shares of the Bank are listed on the following stock exchanges:

S.No.	Name & Address of Stock Exchange	Scrip Code / Symbol
1.	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	J&KBank
2.	The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai 400 001	532209

The annual fees for 2022-2023 has been paid to the above Stock Exchanges where the shares are listed.

Name of Depositories for dematerialization of equity shares (ISIN Number - INE168A01041):

i	National Securities Depository Limited (NSDL)
ii	Central Depository Services (India) Limited (CDSL)

Registrar and Share Transfer Agent (RTA)

M/s KFin Technologies Limited
Unit: - Jammu and Kashmir Bank Limited
Selenium Tower B, Plot No. 31 - 32,
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad - 500 032, Telangana, India
Phone No. 040-67162222, 3321, 1000

Email ID for Redressal of Investor Grievances

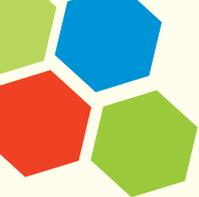
Pursuant to Regulation 85(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Bank has created a separate email ID for redressal of Investor Complaints and Grievances. The email ID for Redressal of Investor Grievances is sharedeptt_gc@jkbmail.com

Compliance Officer

Name:	Mohammad Shafi Mir, Company Secretary
Role:	To ensure compliance to all statutory regulations as far as they relate to Company Secretary and redressal of grievance of Shareholders / Investors
Address:	Jammu and Kashmir Bank Ltd. Board Secretariat, Corporate Headquarters M. A. Road, Srinagar 190 001
Phone	0194-2483775 / 0194-2481930-35 (Extn.)1540

Debenture Trustees

The SEBI Listing Regulations require companies, which have listed their debt securities, to disclose the names of their debenture trustees with contact details in their Annual



Report. The details of debenture trustee for the privately placed bonds of the Bank is as under:

Name : IDBI Trusteeship Services Limited
Address : Asian Building Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai, Maharashtra. PIN: 400001.
Phone : 022-40807004/40807023 / 9892258709
Email ID : rmitra@idbitrustee.com / itsl@idbitrustee.com

Name : Axis Trustee Service Limited
Address : The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai -400028
Phone : 9130352937
Email ID : meet.soni@axistrustee.in

Name : SBICAP Trustee Company Limited
Address : Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai - 400020
Phone : 022-43025555
Email ID : dt@sbicaptrustee.com

Financial Calendar (April 01, 2022 to March 31, 2023)

Board meeting for consideration of Accounts	May 04/05, 2023								
Dispatch of Annual Report / Notice of AGM	Friday, July 28, 2023 onwards								
Date, Time and Venue of the 85 th AGM	Meeting will be held on Thursday, August 24, 2023 at 11:00 AM at Sher-i-Kashmir International Conference Centre (SKICC), Srinagar								
Record date for the purpose of determining eligibility of dividend	Thursday, August 17, 2023								
Book Closure Dates	From Friday, August 18, 2023 to Thursday, August 24, 2023								
Board meeting for considering un-audited results for the first 3 quarters of FY 2022-23	<table border="1"> <thead> <tr> <th>Quarter ending</th> <th>Approval Date</th> </tr> </thead> <tbody> <tr> <td>30th June, 2022</td> <td>10th August, 2022</td> </tr> <tr> <td>30th September, 2022</td> <td>21st October, 2022</td> </tr> <tr> <td>31st December, 2022</td> <td>23rd January, 2023</td> </tr> </tbody> </table>	Quarter ending	Approval Date	30 th June, 2022	10 th August, 2022	30 th September, 2022	21 st October, 2022	31 st December, 2022	23 rd January, 2023
	Quarter ending	Approval Date							
	30 th June, 2022	10 th August, 2022							
	30 th September, 2022	21 st October, 2022							
31 st December, 2022	23 rd January, 2023								

General Body Meetings

Information relating to last three (3) General Body Meetings is furnished below:

Name of Meeting	Day, Date and time of meeting	Venue	Nature of Special Resolutions Passed
82 nd Annual General Meeting	Monday, 28 th September, 2020 at 11:00 AM	Held through Video Conferencing / Other Audio Visual Means	<ul style="list-style-type: none"> Raising of Equity Tier I Capital, upto the tune of ₹3500 Crore Raising of Basel III compliant Tier II Capital, upto the tune of ₹1000 Crore. Alteration in Articles of Association.
83 rd Annual General Meeting	Thursday, 30 th September, 2021 at 11:00 AM	Held through Video Conferencing / Other Audio Visual Means	<ul style="list-style-type: none"> Raising of Equity Tier I Capital, upto the tune of ₹1000 Crore Raising of Basel III compliant Tier II Capital, upto the tune of ₹1000 Crore.
84 th Annual General Meeting	Wednesday, 24 th August, 2022 at 11:00 AM	Held through Video Conferencing / Other Audio Visual Means	<ul style="list-style-type: none"> Raising of Equity Tier I Capital, upto the tune of ₹500 Crore Raising of Basel III compliant Tier II Capital, upto the tune of ₹1500 Crore Alteration in Articles of Association of the Bank Increase in Borrowing Power of the Bank

POSTAL BALLOT

During the period under report, the Bank sought approval of the Members for below mentioned special resolutions via postal ballot notices dated April 28, 2022 and January 27, 2023 through electronic voting (e-voting) only. The Bank followed the procedure as prescribed under the Companies Act, 2013 and the Rules made thereunder, relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, read with circulars issued by the Ministry of Corporate Affairs and the SEBI in this regard. The Board of Directors of the Bank, appointed Mr. DSM Ram (Postal Ballot Notice dated April 28, 2022) and Mr. Ghulam Jeelani Reshi (Postal Ballot Notice dated January 27, 2023), Practicing Company Secretaries as the

Scrutinizers for conducting the postal ballot/e-voting process in a fair and transparent manner. The scrutinizer submitted his reports to the MD & CEO after the completion of the postal ballot exercises and the same were placed on the website of the Bank and also disseminated to the concerned Stock Exchanges.

A. Postal Ballot notice dated April 28, 2022:

The above notice contained the following special resolutions:

- (i) Re-appointment of Mr. Naba Kishore Sahoo (DIN: 07654279) as an Independent Director on the Board of the Bank.
- (ii) Appointment of Mr. Anand Kumar (DIN: 03041018) as an Independent Director on the Board of the Bank.

There were total 2,02,886 shareholders of the Bank as on the record date i.e. April 22, 2022 out of which 411 members comprising of 66,57,70,316 equity shares representing 69.24% of the issued share capital participated in the e-voting process. The breakup of the votes is as mentioned below:

Resolution	No. of valid votes polled	Votes cast in favour	Votes cast against	% of Votes cast in favour	% of Votes cast against
Re-appointment of Mr. Naba Kishore Sahoo (DIN: 07654279) as an Independent Director on the Board of the Bank.	66,57,65,691	66,54,85,407	2,80,284	99.96	0.04
Appointment of Mr. Anand Kumar (DIN: 03041018) as an Independent Director on the Board of the Bank.	66,57,65,806	66,57,32,917	32,889	99.99	0.01

The above special resolutions were passed with requisite majority on May 29, 2022 and results were declared on May 30, 2022 and were communicated to the stock exchanges and displayed on the Bank's website www.jkbank.com.

B. Postal Ballot notice dated January 27, 2023:

The above notice contained the following ordinary and special resolutions:

- (i) Regularisation of Additional Director, Mr. Sudhir Gupta (DIN: 09614492) as a Director on the Board of the Bank. (Ordinary)
- (ii) Regularisation of Additional Director, Ms. Shahla Ayoub (DIN: 09834993) as an Independent Director on the Board of the Bank. (Special)
- (iii) Issue of Shares to Employees and Whole-Time Directors of the Bank (Special)

There were total 1,71,148 shareholders of the Bank as on the record date i.e. January 20, 2023 out of which 304 members comprising of 66,99,98,467 equity shares representing 69.68% of the issued share capital participated in the e-voting process. The breakup of the votes is as mentioned below:

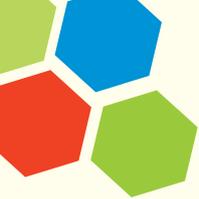
Resolution	No. of valid votes polled	Votes cast in favour	Votes cast against	% of Votes cast in favour	% of Votes cast against
Regularisation of Additional Director, Mr. Sudhir Gupta (DIN: 09614492) as a Director on the Board of the Bank	669990139	669926711	66222	99.99	0.01
Regularisation of Additional Director, Ms. Shahla Ayoub (DIN: 09834993) as an Independent Director on the Board of the Bank	669990139	669910011	79912	99.99	0.01
Issue of Shares to Employees and Whole-Time Directors of the Bank	669997057	662840243	7156608	98.93	1.07

The above resolutions were passed with requisite majority on February 26, 2023 and results were declared on February 26, 2023 and were communicated to the stock exchanges and displayed on the Bank's website www.jkbank.com.

MEANS OF COMMUNICATION

J&K Bank disseminates information about its operations through various means to shareholders, analysts and the society at large. All official news releases and presentations made to institutional investors and analysts are posted on the Bank's website (www.jkbank.com). It also issues press releases and conducts programmes that disseminate information. The quarterly results of the Bank are published in widely circulated National/Local Newspapers and are also placed on the website of the Bank. The Board takes on record the Un-Audited/Reviewed Financial Results in the prescribed

form of the Stock Exchanges within stipulated time period from the closure of the quarter and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The highlights of quarterly results are also published in National and Vernacular Newspapers within 48 hours of the conclusion of the Board Meeting in which they are taken on record and information is also placed on the website of the Bank. The Bank regularly organizes Press / Analyst Meets to apprise Fund Managers, Press and Analysts about the financial performance of the Bank and to receive their suggestions for future growth.



SHARE TRANSFER PROCESS AND SYSTEM

The Bank's shares which are in compulsory dematerialized (Demat) list are transferable through the depository system. Requests for transmission / transposition or for deletion of name in case of physical share certificates are processed by the Registrar and Share Transfer Agent, M/s KFin Technologies Limited and are approved by the Share Transfer Committee of the Bank. The service requests of such nature are processed within a period of seven (7) days from the date of receipt of the relevant documents by Registrar and Share Transfer Agent.

Please note that as per the amended SEBI Listing Regulations, with effect from April 1, 2019, any requests for transfer of securities shall not be processed unless the securities are held in dematerialized form.

FEES FOR STATUTORY AUDITORS

The details of total fees for all services paid by the Bank and its subsidiary/associates, on a consolidated basis, to the Statutory Auditors are provided in the Directors' Report.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Secretarial Auditor of the Bank has certified that the Bank has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations except as mentioned in the said certificate. The same forms a part of this Report.

DIVIDEND HISTORY OF LAST FIVE YEARS

Financial Year	Rate of Dividends (%)	Date of Declaration	Date of Payment
2017-18	Nil	----	----
2018-19	Nil	----	----
2019-20	Nil	----	----
2020-21	Nil	----	----
2021-22	Nil	----	----

DEMATERIALIZED / PHYSICAL SHARES

The shares of the Bank are in compulsory dematerialised segment and are available for trading in depository systems of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2023, the position of dematerialized shares as well as physical shares is as:

(As on 31.03.2023)

Particulars	No. of shares	%age
Physical Shares	96,11,666	0.93
Dematerialized Shares	102,18,68,195	99.07
Total	103,14,79,861	100.000

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023

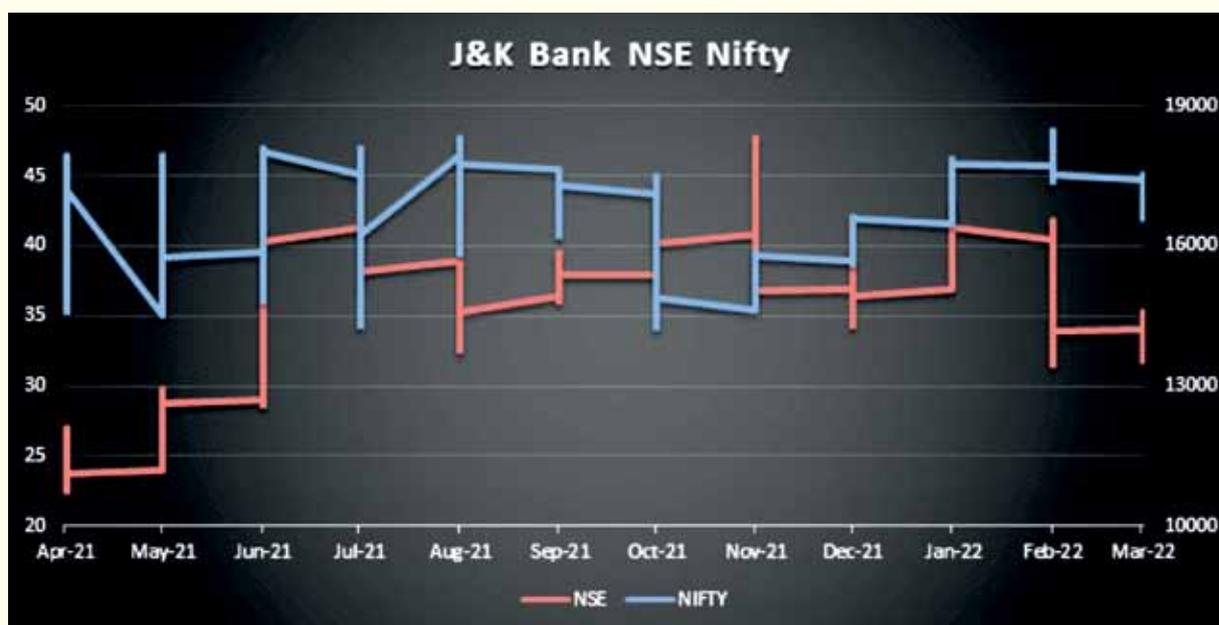
S.NO	Category	No. of Holders	% to Holders	Number of Shares	% to Total
1	Upto 5000	158541	92.14	46566533	4.51
2	5001 - 10000	7089	4.12	51412887	4.98
3	10001 - 20000	4625	2.69	76208811	7.39
4	20001 - 30000	971	0.56	23420250	2.27
5	30001 - 40000	213	0.12	7378643	0.72
6	40001 - 50000	167	0.10	7711344	0.75
7	50001 - 100000	196	0.11	13012869	1.26
8	100001 & Above	272	0.16	805768524	78.12
	Total	1,72,074	100.00	103,14,79,861	100.00

LIST OF SHAREHOLDERS HOLDING MORE THAN 1% AS ON 31.03.2023

S. No.	NAME	SHARES	% TO EQT	CATEGORY
1	Chief Secretary Jammu and Kashmir Govt.	57,14,04,380	55.40	PRO
2	Finance Secretary UT of Ladakh	4,58,29,445	4.44	PRO
3	Secretary Finance Department Jammu and Kashmir Govt.	3,68,64,455	3.57	PRO
4	Life Insurance Corporation Of India	1,46,91,715	1.42	QIB
5	Sanjeev Arora	1,34,38,226	1.30	NRI
	Total	682,228,221	66.13	

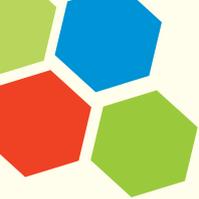
STOCK MARKET DATA
JK Bank on NSE Nifty April 2022 - March 2023

Month	High Price		Low Price		Close Price		Turnover In Rs.
	Rate	Date	Rate	Date	Rate	Date	
April, 2022	36.70	04-04-2022	30.80	29-04-2022	35.95	06-04-2022	80535974
May, 2022	31.20	05-05-2022	25.50	12-05-2022	30.90	02-05-2022	31772252
June, 2022	30.80	02-06-2022	23.80	20-06-2022	30.20	03-06-2022	18150335
July, 2022	29.55	29-07-2022	24.50	01-07-2022	28.95	29-07-2022	19743726
August, 2022	32.75	26-08-2022	28.85	11-08-2023	31.90	29-08-2022	35189049
September, 2022	33.95	15-09-2022	26.70	29-09-2022	33.30	16-09-2022	59606328
October, 2022	40.10	31-10-2022	27.40	03-10-2022	38.75	28-10-2022	125986533
November, 2022	48.85	25-11-2022	38.20	15-11-2022	47.10	28-11-2022	254953294
December, 2022	62.80	13-12-2022	44.75	01-12-2022	61.65	09-12-2022	478918062
January, 2023	59.65	16-01-2023	50.80	27-01-2023	57.90	04-01-2023	165929241
February, 2023	56.65	01-02-2023	46.80	23-02-2023	55.05	01-02-2023	89647471
March, 2023	53.05	09-03-2023	44.55	28-03-2023	52.05	08-03-2023	76974028



J K BANK NSE NIFTY
JK BANK ON BSE SENSEX APRIL 2022 - MARCH 2023

Month	High Price		Low Price		Close Price		Turnover In Rs.
	Rate	Date	Rate	Date	Rate	Date	
April, 2022	36.65	04-04-2022	30.85	29-04-2022	36.00	05-04-2022	463081852
May, 2022	31.60	12-05-2022	26.95	12-05-2022	30.90	05-05-2022	181860247
June, 2022	30.80	02-06-2022	23.80	20-06-2022	30.20	02-06-2022	94479903
July, 2022	29.60	29-07-2022	24.65	01-07-2022	29.00	28-07-2022	83932112
August, 2022	32.70	26-08-2022	28.80	11-08-2022	31.90	26-08-2022	174342147
September, 2022	33.90	15-09-2022	26.70	29-09-2022	33.25	15-09-2022	232839743
October, 2022	40.10	31-10-2022	27.45	03-10-2022	39.65	31-10-2022	525244825
November, 2022	48.85	25-11-2022	38.20	15-11-2022	47.10	25-11-2022	1369505544
December, 2022	62.75	13-12-2022	44.80	01-12-2022	61.55	08-12-2022	3282962300



January, 2023	59.65	16-01-2023	50.85	27-01-2023	57.85	03-01-2023	1164854248
February, 2023	56.65	01-02-2023	46.80	23-02-2023	52.90	01-02-2023	695967390
March, 2023	53.05	09-03-2023	44.59	28-03-2023	52.09	06-03-2023	609807044



**J K BANK BSE SENSEX
SHAREHOLDING PATTERN AS ON 31.03.2023**

1	PROMOTERS	654098280	63.4136
2	RESIDENT INDIVIDUALS	270244015	26.1996
3	BODIES CORPORATES	27308760	2.6475
4	FOREIGN PORTFOLIO - CORP	23169448	2.2462
5	NON RESIDENT INDIANS	16429069	1.5928
6	QUALIFIED INSTITUTIONAL BUYER	14691715	1.4243
7	MUTUAL FUNDS	9540000	0.9249
8	H U F	9484684	0.9195
9	INDIAN COMPANY	2212665	0.2145
10	NON RESIDENT INDIAN NON REPATRIABLE	1602414	0.1554
11	I E P F	1316042	0.1276
12	ALTERNATIVE INVESTMENT FUND	1004050	0.0973
13	CLEARING MEMBERS	230320	0.0223
14	TRUSTS	136502	0.0132
15	KEY MANAGEMENT PERSONNEL	5747	0.0006
16	DIRECTORS	4000	0.0004
17	NBFC	1750	0.0002
18	BANKS	200	0.0000
19	INDIAN FINANCIAL INSTITUTIONS	200	0.0000

Share holding pattern as on 31st March, 2023



- 1 PROMOTERS
- 2 RESIDENT INDIVIDUALS
- 3 BODIES CORPORATES
- 4 FOREIGN PORTFOLIO - CORP
- 5 NON RESIDENT INDIANS
- 6 QUALIFIED INSTITUTIONAL BUYER
- 7 MUTUAL FUNDS
- 8 H U F
- 9 INDIAN COMPANY
- 10 NON RESIDENT INDIAN NON REPATRIABLE
- 11 I E P F
- 12 ALTERNATIVE INVESTMENT FUND
- 13 CLEARING MEMBERS
- 14 TRUSTS
- 15 KEY MANAGEMENT PERSONNEL
- 16 DIRECTORS

LIST OF CREDIT RATINGS OF DEBT INSTRUMENTS ISSUED BY BANK.

S. No.	Particulars	31.03.2023	31.03.2022	Rating Agency
1	Credit rating and change in credit rating (if any):			
	1. Certificate of Deposits	CRISIL A1+	CRISIL A1+(Reaffirmed)	CRISIL
	2. Short Term Deposits	CRISIL A1+	CRISIL A1+(Reaffirmed)	
	3. Long term Deposits	CRISIL AA-/Stable	FAA-/Negative (Reaffirmed)	
	4. Tier II Sub ordinate Debt	BWR AA-/Stable	BWR AA - Negative (Reaffirmed)	Brickwork
		IND A+/Stable	IND A + Stable (outlook changed from Negative to Stable)	India Ratings
		CARE A+/Stable	CARE A+/Stable	Care Ratings
	5. AT1	BWR A/Stable	BWR A Negative (Reaffirmed)	Brickwork

PLANT LOCATION

Being a banking company, the Bank does not have plants. As on March 31, 2023, the Bank has 990 Branches (including IARBs) spread over 18 states and 4 union territories. The location/address of Business Units is available on the website of the Bank.



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
{Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,
The Members of
Jammu and Kashmir Bank Limited
Corporate Headquarters, M. A. Road, Srinagar, Kashmir - 190001

We have examined the relevant registers, records, forms returns and disclosures received from the Directors of JAMMU AND KASHMIR BANK LIMITED having CIN L65110JK1938SGC000048 and having registered office at Corporate Headquarters M. A. Road, Srinagar JK 190001 India (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank, as stated below for the Financial Year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	Name of the Director	DIN	Date of Appointment in the Bank
01	Mr. Baldev Prakash	09421701	December 30, 2021
02	Mr. Rajesh Kumar Chhibber	08190084	June 10, 2019
03	Dr. Rajeev Lochan Bishnoi	00130335	January 21, 2022
04	Mr. Naba Kishore Sahoo	07654279	March 01, 2020
05	Mr. Anil Kumar Goel	00672755	January 21, 2022
06	Mr. Umesh Chandra Pandey	01185085	January 21, 2022
07	Mr. Anand Kumar	03041018	March 03, 2022
08	Mr. Sudhir Gupta	09614492	December 14, 2022
09	Ms. Shahla Ayoub	09834993	December 26, 2022
10	Mr. Atal Dulloo, IAS (Ceased w.e.f May 17, 2022)	03542909	September 01, 2021
11	Mr. Vivek Bharadwaj, IAS (Ceased w.e.f January 25, 2023)	02847409	May 17, 2022
12	Mr. Nitishwar Kumar, IAS (Ceased w.e.f October 13, 2022)	05326456	October 09, 2020
13	Mrs. Sushmita Chadha (Ceased w.e.f September 27, 2022)	02939808	January 31, 2022
14	Dr. Mohmad Ishaq Wani (Ceased w.e.f August 24, 2022)	08944038	November 06, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Reshi & Associates
Company Secretaries

Ghulam Jeelani Reshi
(Proprietor)

Place: Srinagar
Date: 27.06.2023

FCS No.: 8720; C P No.: 10020
UDIN: F008720E000509506

Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To
The Members,
Jammu and Kashmir Bank Limited**

We have examined the compliance of the conditions of Corporate Governance by the Jammu and Kashmir Bank Limited ("Bank") for the Financial Year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management read together with Secretarial Audit Report dated June 27, 2023, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the Financial Year ended on March 31, 2023.

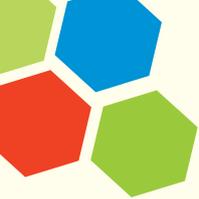
We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For Reshi & Associates
Company Secretaries

Ghulam Jeelani Reshi
(Proprietor)

FCS No.: 8720; C P No.: 10020
Firm Registration No:S2011JK536600
UDIN: F008720E000509528

Place: Srinagar
Date: 27.06.2023



SHAREHOLDER INFORMATION

A) Shareholders' Helpdesk

Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of Registrar and Share Transfer Agents. For lodgment documents or for any grievances/complaints, shareholders/ investors may contact at the following address:

Ms. Rajitha Cholleti / Ms. Sheetal Doba

M/s KFin Technologies Limited
Unit: Jammu and Kashmir Bank Ltd.
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032,
Telangana - India.

Toll Free Number: 1-800-309-4001
E-mail: einward.ris@kfintech.com
Website: <https://www.kfintech.com> and <https://ris.kfintech.com>
Timings: 10:00 a. m. to 4:30 p. m.
(Monday to Friday except public holidays)

For the convenience of investors, certain complaints from investors are accepted at the Bank's Office at the below mentioned address:

Share Grievance Cell, Board Secretariat,
5th floor, Jammu and Kashmir Bank Limited,
Corporate Headquarters,
M.A. Road, Srinagar,
Jammu & Kashmir, 190001.

Telephone: +91-0194-2483775, +91-194-
2481930/31/32/33/34/35, Ext: 753610 and 1542.
Email: sharedeptt_gc@jkbmail.com

Name of the Compliance Officer of the Bank:
Mr. Mohammad Shafi Mir
Company Secretary
Telephone: +91-194-2483775

For IEPF related matters - Mr. Ain Altaf Kamili
Tel: +91-194-2483775
Email: sharedeptt_gc@jkbmail.com

Queries relating to the Bank's operational and financial performance may be addressed to: investorrelations@jkbmail.com.

Banking Customer Helpdesk

In the event of any queries / complaints, banking customers can directly approach the Branch Manager or can call the Bank using the following contact details:
Call at: Our customer care direct line number: +91-194-2481999 (from 10:00 a.m to 5:00 p.m)

Our contact center may be reached at the toll free number: 1800-890-2122 (24*7).

Other numbers where the Banks contact center may be

reached are +91-194-2470182 and +91-194-2713444.

Contact us online

Fill up the "Complaint Form" available at the following website link:

<https://www.jkbank.com/others/common/grievance.php>
Grievances can also be addressed to the bank at the below mentioned e-mail address:

- a. [iamlistening@jkbmail.com](mailto:iamlisting@jkbmail.com) (for clients who have updated/registered their e-mail addresses in their accounts)
- b. jkbcustomer@jkbmail.com (for general clients)

Customers may also lodge their grievance with our contact centre at toll free number : 1800-890-2122. Other numbers where the Bank contact centre may be reached are +91-194-2470182 and +91-194-2713444.

For grievances other than Shareholder grievances please send your communication to the following email addresses:

- 1) Depository Services: helpdesk@jkbfs.com

- 2) ATM: helpdesk@jkbmail.com

For any grievance, fill up the "Complaint Form" available at the following website link:

https://www.jkbank.com/pdfs/forms/atm_cust_compl.pdf

Customers may also lodge their grievance with our contact center at toll free number: 1800-890-2122. Other numbers where the Banks contact center may be reached are +91-194-2470182 and +91-194-2713444.

- 3) Credit Cards/Debit Cards: grievance.creditcards@jkbmail.com

Customers may also call our Toll free number: 1800-890-2122 for any support.

B) Dividends

Receipt of Dividends through Electronic mode

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have directed that listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz., Electronic Clearing System (ECS), LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), Direct Credit, RTGS, NEFT etc.

In order to receive the dividend without loss of time (as and when declared by the Bank), all the eligible shareholders holding shares in Dematerialized mode are requested to update with their respective Depository Participants, their correct core banking account number, including 9 digit MICR Code and 11 digit IFSC, E-Mail ID, Permanent Account Number (PAN) and Mobile No(s). This will facilitate the remittance of the Dividend amount as directed by SEBI directly in the Bank Account electronically. Updation of E-Mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, uncashed dividend etc.

Shareholders holding shares in physical form may communicate details relating to their core banking account, viz., core banking account number, including 9 digit MICR Code and 11 digit IFSC, E-Mail ID, Permanent Account Number

(PAN) and Mobile No(s) to the Registrar and Share Transfer Agents viz., M/s KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana - India, by sending the duly completed and signed ISR Forms in original along with a photocopy of a CANCELLED cheque leaf of their active core banking account and self-attested copy of their PAN card and a self-attested copy of any one of the documents mentioned hereafter: utility payment bills (not more than three months old) / bank pass book / passport / driving license to validate their present address.

Various modes for making payment of Dividend under electronic mode: In case, the shareholder has updated core banking account details (including 9 digit MICR Code and 11 digit IFSC code) for the purpose of payment of dividend (as and when declared by the Bank), then the Bank shall make the payment of dividend to such shareholder under any one of the following modes:

1. National Automated Clearing House (NACH)
2. National Electronic Fund Transfer (NEFT)
3. Direct credit in case the shareholders having an active Bank account with Jammu and Kashmir Bank Limited and have registered the same.

In case, any discrepancy is observed in the details regarding the bank accounts where the dividend amount has to be directly credited or has to be credited through electronic mode, the Bank shall issue a dividend warrant and print the dividend account details which has to be debited. The dividend warrant will be dispatched by the Registrar and Share Transfer Agent to the registered address of the shareholder.

Unclaimed Dividends

As per the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the financial year ended March 31, 2015 has already been transferred to the IEPF on September 01, 2022 and the dividend pertaining to year ended March 31, 2016 shall be transferred to IEPF in the month of July, 2023. The details of unclaimed dividends for the financial year ended 2016 and the last date for claiming such dividends are given below:

Dividend for the year ended	Date of Declaration of dividend	Last date for claiming dividend
March 31, 2016	July 20, 2016	July 16, 2023

(The Bank has not declared any Dividend for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22)

C) Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority

As per the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") which have become effective on October 31, 2017, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed: Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

As per the requirement of Rule 6 of the IEPF Rules, the Bank had sent individual intimation to all the shareholders and also published notice in the leading newspapers in English and regional language having wide circulation for the information to shareholders regarding transfer of shares to IEPF. The shares in respect of the shareholders whose dividend has not been claimed for seven (7) consecutive years, upto financial year 2014-15, were transferred to the designated Dematerialized Account of the IEPF authority on September 20, 2022. As required under the said provisions, all subsequent corporate benefits that may accrue in relation to the above shares shall also be credited to the said IEPF Authority. (Share figures reported are of the face value of Re 1.00 each). Further, the number of shares transferred along with the number of shareholders whose shares have been transferred to Investor Education & Protection Fund Authority are appended below:

Particulars	Records / No. of Shareholders	Equity Shares (Face value of Re. 1.00 each)
Shares Transferred to IEPF in FY 2017-18	412	4,76,266
Shares Transferred to IEPF in FY 2018-19	115	82,207
Shares Transferred to IEPF in FY 2019-20	81	1,19,812
Shares Transferred to IEPF in FY 2020-21	65	83,510
Shares Transferred to IEPF in FY 2021-22	164	1,92,108
Shares Transferred to IEPF in FY 2022-23	478	3,76,967

As per the terms of Section 124(6) of the Companies Act, 2013 and the Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares of the face value of Re 1.00 each stand transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF 5 which is available at [http:// www.iepf.gov.in](http://www.iepf.gov.in).

Guidelines to file your claim

- For claiming the shares and dividend from the IEPF Authority, shareholders can make an online web based application through MCA portal. Shareholders

need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, shareholders have to click on MCA services tab and choose IEPF- 5 option under "Investor Services" in "MCA Services" tab and follow the due process for filing the form.

- Printout of the duly filled Form IEPF - 5 with claimant and joint holders (if any) signature and along with the acknowledgment issued after uploading the form will have to be submitted together with an indemnity bond in original, advance receipt in original, cancelled cheque leaf of active bank account (details of which mentioned by the claimant at the time of uploading the web based form), and other documents as mentioned in the Form IEPF-5 to Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority". Certain information about the Bank which will have to be submitted are as under:
 - (a) Corporate Identification Number (CIN) of Company: L65110JK1938SGC000048
 - (b) Name of the Company: Jammu and Kashmir Bank Limited
 - (c) Address of registered office of the company: Jammu and Kashmir Bank Limited, Corporate Headquarters, M.A Road, Srinagar, Jammu & Kashmir, 190001.
 - (d) Email ID of the Bank: sharedeptt_gc@jkbmail.com

D) Names of Depositories for dematerialization of equity shares (ISIN No. INE168A01041)

- National Securities Depository Limited (NSDL)
- Central Depository Services (India) Limited (CDSL)

INVESTOR SERVICES

M/s Kfin Technologies Limited has been entrusted with the task of overseeing all aspects relating to investor services for and on behalf of the Bank. M/s Kfin Technologies Limited has proper system in place to ensure that required service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the

accepted service criterions.

Investors are requested to write to the registered office of the Bank or to M/s Kfin Technologies Limited for availing any services or may address their correspondence / complaints to einward.ris@kfintech.com.

GREEN INITIATIVES

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including e-mail to those members who have registered their e-mail address either with their Depository Participants (DP) or with the company. Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

The members who have changed their email but have not updated the new e-mail address, the Bank would send the said documents to their e-mail address available with the Bank/Registrar and Share Transfer Agent. Said documents shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. As such, the members are requested update their e-mail ID's with their DP (shares held in electronic form) or with M/s Kfin Technologies Limited (shares held in physical form) forthwith.

Besides, in terms of SEBI circular dated 5 January, 2023, annual report for the fiscal 2023 and the notice convening the 85th AGM, are being sent only through electronic mode to those members, who have registered their e-mail addresses with the Bank/ their respective DP or with the Registrar and Share Transfer Agent.

Accordingly, the physical copy of the said documents is not being sent to members who have not registered their e-mail addresses with the Bank/DP or M/s Kfin Technologies Limited. However, in the event, a member desires to receive a physical copy of the annual report, he/she is requested to write to einward.ris@kfintech.com or sharedeptt_gc@jkbmail.com quoting DP ID and client ID or folio number, as the case may be, to enable the Bank to provide physical copy of the said documents, free of cost. Please note that the said documents are also being uploaded on the Bank's website.

Feedback Form

Dear Member,

J&K Bank requests you to rate the following aspects of this Annual report on the scale given below:

	Below Expectation	Average	Fair	Good	Excellent
Is it informative?	<input type="text"/>				
<hr/>					
How do you rate the Clarity of the contents?	<input type="text"/>				
<hr/>					
Is the financial information Comprehensive?	<input type="text"/>				
<hr/>					
Is the content of this report relevant to you	<input type="text"/>				
<hr/>					
What is your Overall feedback on the report?	<input type="text"/>				
<hr/>					
What is your Overall feedback on the report?					
<hr/>					
What is your Overall feedback on the report?					
<hr/>					

Signature.....

Name.....

Address.....

Folio No./Client ID.....



Form No. SH-13
NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To
The Jammu & Kashmir Bank Ltd:
Corporate Headquarters, M. A. Road,
Srinagar - 190001

I/We.....
..... the holder(s) of the securities particulars of which are given hereunder
wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such
securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S

- (a) Name:.....
- (b) Signature of Nominee:
- (c) Date of Birth:.....
- (d) Father's/Mother's/Spouse's name:.....
- (e) Occupation:.....
- (f) Nationality:.....
- (g) Address:
- (h) E-mail id:.....
- (i) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:.....
- (b) Date of attaining majority:
- (c) Name of guardian:.....
- (d) Signature of guardian:.....
- (e) Address of guardian:.....

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- a) Name:.....
- b) Signature of Nominee:
- c) Date of birth:.....
- d) Father's/Mother's/Spouse's name:.....
- e) Occupation:.....
- f) Nationality:.....
- g) Address:
- h) E-mail id:.....
- i) Relationship with the security holder:
- j) Relationship with the minor nominee:

Security Holder (s)

Signature:.....

Name:.....

Address:.....

.....

.....

Witness:

Signature:.....

Name:.....

Address:.....

.....

.....

INSTRUCTIONS:

1. In case you are holding physical shares, the duly filled-in form be sent to Company Secretary, The Jammu and Kashmir Bank Limited, Board Secretariat, Corporate Headquarters, M.A. Road, Srinagar - 190001 or to our Share Transfer Agent: M/s KFin Technologies Ltd Unit: J&K Bank Ltd, Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India, along with duly completed and signed ISR forms. In Case you are holding shares in Dematerialised form, the duly filled-in form be sent to the Depository Participant where you are having Demat Account.
2. Please use separate form for each folio. Nomination is applicable to the folio, irrespective of the number of shares registered under the folio. Only one nomination per folio per instance would be entertained
3. The nomination can be made by individuals only applying / holding share(s) on their own behalf singly or jointly upto two persons. Non-Individuals including society, trust, body Corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney, cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form
4. A minor can be nominated by a holder of share(s) and in that event the name and address of the guardian shall be given by the holder.
5. The nominee shall not be a trust, society, body Corporate, karta of Hindu undivided family or a power of attorney holder. A nonresident Indian can be a nominee on Repatriable basis (subject to the Reserve Bank of India's approval as applicable).
6. Nomination stands rescinded upon transfer of share(s) or on receipt of Form No. SH-14 (cancellation or variation of Nomination).
7. Transfer of shares in favour of a nominee shall be a valid discharge by a Company against the legal heirs.
8. The form must be complete in all respects and duly witnessed. Incomplete form is not a valid nomination
9. Subject to rules and regulations as applicable from time to time.



Form No. SH-14

CANCELLATION OF VARIATION OF NOMINATION

[Pursuant to sub - section (3) section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

To
The Jammu & Kashmir Bank Ltd:
Corporate Headquarters, M. A. Road,
Srinagar - 190001

I/We hereby cancel the nomination(s) made by me/us in favour of.....
.....(name and address of the nominee) in respect of the below mentioned securities.

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/ our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S

- (a) Name:.....
- (b) Signature of Nominee:
- (c) Date of Birth:.....
- (d) Father's/Mother's/Spouse's name:.....
- (e) Occupation:.....
- (f) Nationality:.....
- (g) Address:
- (h) E-mail id:.....
- (i) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:.....
- (b) Date of attaining majority:
- (c) Name of guardian:.....
- (d) Signature of guardian:.....
- (e) Address of guardian:.....

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- a) Name:.....
- b) Signature of Nominee:
- c) Date of birth:.....
- d) Father's/Mother's/Spouse's name:.....
- e) Occupation:.....
- f) Nationality:.....
- g) Address:
- h) E-mail id:.....
- i) Relationship with the security holder:
- j) Relationship with the minor nominee:

Security Holder (s)

Signature:.....

Name:.....

Address:.....

.....

.....

Witness:

Signature:.....

Name:.....

Address:.....

.....

.....

INSTRUCTIONS:

1. In case you are holding physical shares, the duly filled-in form be sent to Company Secretary, The Jammu and Kashmir Bank Limited, Board Secretariat, Corporate Headquarters, M.A. Road, Srinagar - 190001 or to our Share Transfer Agent: M/s KFin Technologies Ltd Unit: J&K Bank Ltd, Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India, along with duly completed and signed ISR forms. In Case you are holding shares in Dematerialised form, the duly filled-in form be sent to the Depository Participant where you are having Demat Account.
2. Please use separate form for each folio. Nomination is applicable to the folio, irrespective of the number of shares registered under the folio. Only one nomination per folio per instance would be entertained
3. The nomination can be made by individuals only applying / holding share(s) on their own behalf singly or jointly upto two persons. Non-Individuals including society, trust, body Corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney, cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form
4. A minor can be nominated by a holder of share(s) and in that event the name and address of the guardian shall be given by the holder.
5. The nominee shall not be a trust, society, body Corporate, karta of Hindu undivided family or a power of attorney holder. A non resident Indian can be a nominee on Repatriable basis (subject to the Reserve Bank of India's approval as applicable).
6. Nomination stands rescinded upon transfer of share(s) or on receipt of Form No. SH-14 (cancellation or variation of Nomination).
7. Transfer of shares in favour of a nominee shall be a valid discharge by a Company against the legal heirs.
8. The form must be complete in all respects and duly witnessed. Incomplete form is not a valid nomination
9. Subject to rules and regulations as applicable from time to time.

4	Bank details	Account Number: _____ Bank Name: _____ Branch Name: _____ IFS Code: _____ Provide the following: <input type="checkbox"/> original cancelled cheque with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement</u> attested by the Bank #
5	E-mail address	_____ #
6	Mobile	_____ #

* or any date as may be specified by the CBDT (DP: Depository Participant)

In case it is not provided, the details available in the CML will be updated in the folio

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) _____, _____, (use Separate Annexure if extra space is required) in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓		
Name	✓		
Full address	✓		
PIN	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (IPV): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

<ul style="list-style-type: none"> It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios). 	
<ul style="list-style-type: none"> Upon receipt or up-dation of bank details, the RTA will automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. 	
<ul style="list-style-type: none"> RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA. 	
<ul style="list-style-type: none"> RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination. 	
<ul style="list-style-type: none"> Specimen Signature 	<ul style="list-style-type: none"> Provide banker's attestation of the signature of the holder(s) as per Form ISR - 2 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and original cancelled cheque with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement</u> attested by the Bank
<ul style="list-style-type: none"> Nomination** 	<ul style="list-style-type: none"> Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 Cancellation of Existing Nomination: use Form SH-14 & Form ISR - 3

** Nomination (Form SH-13 or SH-14) / 'Declaration to Opt-Out of nomination' (Form ISR - 3), has to be furnished by the holder(s) separately for each listed company.

(Page 3 & 4 is for information to investors; print out of the same is not required)



Objection Memo that can be raised by the RTA
(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

Note
RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN - Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure - 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> • Banker's attestation of the signature of the holder(s) as per Form ISR - 2 • <u>Original cancelled cheque</u> with name of security holder printed on it or <u>Bank Pass-book</u> or <u>Bank Statement attested by the Bank</u>
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; <ul style="list-style-type: none"> • Unique Identification Number (UID) (Aadhaar) • Valid Passport • Driving license • PAN card with photograph • Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions • Marriage certificate • Divorce decree
5	Present address of the holder is not matching with the address available in the folio	RTA shall issue intimation to both the old and new addresses. <ul style="list-style-type: none"> • In case where the letter is undelivered at the old address, RTA shall not insist for any proof of the old address provided the current address proof is in the form of an address proof issued by a Government Authority. The above procedure will be applicable for request for change in address of the holder also

(Page 3 & 4 is for information to investors; print out of the same is not required)

Form ISR - 2

(SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021)
Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch _____

2. Bank contact details

Postal Address _____

Phone Number _____

Email address _____

3. Bank Account Number _____

4. Account opening date _____

5. Account Holder's Name 1. _____

2. _____

3. _____

6. Latest photograph of the account holder(s)

1st Holder
Photo

2nd Holder
Photo

3rd Holder
Photo

Account holder(s) details as per Bank Records

a) Address _____

b) Phone Number _____

c) Email address _____

d) Signature(s) _____

1st Holder
Signature

2nd Holder
Signature

3rd Holder
Signature

Seal of the Bank Place: _____ Date: _____	Signature verified as recorded with the Bank (Signature) _____ Name of the Bank Manager _____ Employee Code _____ Email address _____
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Form ISR - 3
Declaration Form for Opting-out of Nomination
by Holders of Physical Securities in Listed Companies
(SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Company :

Registered Address of the Company :
.....

I/We.....
....., the holder(s) of the securities particulars of which are given hereunder, do not wish to nominate any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

Nature of Securities Tick ✓ as relevant	Folio No	No. of Securities	Certificate No.	Distinctive No(s) (From - To)
Equity / Debentures				

I/ We understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holder(s)

	First Holder	Second Holder	Third Holder
Name			
Address			
	PIN _____	PIN _____	PIN _____
Signature			

Witness Detail:

Name of Witness		Signature	
Address of Witness		Date	
	PIN _____		

Form ISR-4

(Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

**Request for issue of Duplicate Certificate and other Service Requests
(For Securities - Shares / Debentures / Bonds, etc., held in physical form)**

Date: __ / __ / __

A. Mandatory Documents / details required for processing all service request:

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company (tick ✓ as relevant, refer to the instructions):

- Demat Account No. (If available):
- Provide Client Master List (CML) of your Demat Account from the Depository Participant*
- Provide the following details, if they are not already available with the RTA (see SEBI circular dated November 03, 2021 in this regard)

PAN	Specimen Signature
Nomination / Declaration to Opt-out	

* (Your address, e-mail address, mobile number and bank details shall be updated in your folio from the information available in your CML). You can authorize the RTA to update the above details for all your folios. In this regard, please refer to and use Form ISR-1 in SEBI circular dated November 03, 2021.

B. I / We request you for the following (tick ✓ relevant box)

<input type="checkbox"/> Issue of Duplicate certificate	<input type="checkbox"/> Claim from Unclaimed Suspense Account
<input type="checkbox"/> Replacement/ Renewal / Exchange of securities certificate	<input type="checkbox"/> Endorsement
<input type="checkbox"/> Sub-division / Splitting of securities certificate	<input type="checkbox"/> Consolidation of Folios
<input type="checkbox"/> Consolidation of Securities certificate	<input type="checkbox"/> Transmission
<input type="checkbox"/> Transposition (Mention the new order of holders here) <input type="checkbox"/> Change in name <input type="checkbox"/> Change in address	

C. I / We are enclosing certificate(s) as detailed below:**

Name of the Issuer Company	
Folio Number	
Name(s) of the security holder(s) as per the certificate(s)	1. 2. 3.
Certificate numbers	
Distinctive numbers	
Number & Face value of securities	

** Wherever applicable / whichever details are available



D. Document / details required for specific service request:

- Duplicate securities certificate
- Claim from Unclaimed Suspense Account

Securities claimed	(in numbers)
	(in words)

- Replacement / Renewal / Exchange of securities certificate
(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- Endorsement
- Sub-division / Splitting of securities certificate
- Consolidation of securities certificate/Folios
- Transmission
- Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	SecurityHolder 2	SecurityHolder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	□□□□□□□□□□	□□□□□□□□□□	□□□□□□□□□□



Jammu and Kashmir Bank Limited

Registered Office: Corporate Headquarters, M A Road
Srinagar - Jammu & Kashmir - 190001 Tel: +91-194-2481930-35
Email: board.sectt@jkbmail.com Web: www.jkbank.com
CIN: L65110JK1938SGC000048

ATTENDANCE SLIP

(PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND HAND IT OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS)

I/We hereby record my/our presence at the **85th Annual General Meeting** of the JAMMU AND KASHMIR BANK LIMITED held at Sher - i - Kashmir International Conference Centre (SKICC), Srinagar, Kashmir - 190001 on Thursday, 24th August, 2023 at 11:00 A.M.

Name of the Shareholder: _____

Folio No./ Client ID/ DP ID: _____

Name of the Proxy / representative, if any: _____

I certify that I am a registered Shareholder/ Proxy for the Shareholder of the Bank

Signature of the Shareholder / Proxy

Notes:

1. Attendance slip which is not complete in all respects shall not be accepted.
2. The registration counter will remain open between 09:00 A.M to 11:00 A.M.
3. Joint Shareholders may obtain additional attendance slip on request.



Jammu and Kashmir Bank Limited

Registered Office: Corporate Headquarters, M A Road
Srinagar - Jammu & Kashmir - 190001 Tel: +91-194-2481930-35
Email: board.sectt@jkbmail.com Web: www.jkbank.com
CIN: L65110JK1938SGC000048

**MGT-11
PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of _____ shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail ID	
	Signature	or failing him
2.	Name	
	Address	
	E-mail ID	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 85th Annual General Meeting of the Bank to be held on the Thursday, 24th August, 2023 at 11:00 A.M. at Sher-i-Kashmir International Conference Centre (SKICC), Srinagar, Kashmir - 190001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Type of Resolution	I/ We assent to the resolution (For)	I/ We Dissent to the resolution (Against)
1.	Adoption of Financial Statements for the year ended 31 st March, 2023.	Ordinary		
2.	To declare dividend on Equity Shares of the Bank.	Ordinary		
3.	Re-appointment of Mr. R K Chhibber (DIN: 08190084) who retires by rotation.	Ordinary		
4.	Appointment & Fixation of Remuneration to Statutory Auditors for the Financial Year 2023-24.	Ordinary		
5.	To raise funds (Tier - I), subject to the maximum of Rs.750 Crores.	Special		
6.	To raise funds (Tier - II), subject to the maximum of Rs.1000 Crores.	Special		
7.	Appointment of Mr. Pawan Kotwal (DIN: 02455728) as a Director, liable to retire by rotation.	Ordinary		
8.	To amend the Articles of Association of the Bank.	Special		

Signature of the Shareholder:

Signature of the Proxy Holder(s):



Signed this.....day of....., 2023

NOTE: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

Form No. MGT - 12 Polling Paper
[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Jammu and Kashmir Bank Limited Registered Office: M.A. Road, Srinagar-190001 CIN: L65110JK1938SGC000048				
BALLOT PAPER				
S No	Particulars	Details		
1.	Name of the first named Shareholder (In Block Letters)			
2.	Postal Address			
3.	Registered Folio No. / Client ID No. (applicable to investors holding shares in dematerialized form)			
4.	Class of Share	Equity Shares		
5.	Number of Shares			
I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:				
No.	Item No.	I assent to the resolution	I dissent from the resolution	
1.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that approval of Members be and is hereby accorded to Standalone and Consolidated Financial Statements as at 31 st March, 2023 together with Auditor's Report and comments of C&AG thereon, together with Report of Directors, be and are hereby approved and adopted."			
2.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that approval of Members be and is hereby accorded for payment of Final Dividend of 50% (i.e. Rs.0.50 per Equity Share of Face Value Re.1/-)"			
3.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that Mr. R K Chhibber (DIN: 08190084),, who retires by rotation and being eligible, offers himself for re-appointment be and hereby re-appointed as Director of the Bank, subject to retiring by rotation."			
4.	To pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and Section 30(1A) of the Banking Regulation Act, 1949, the Board of Directors, be and are hereby authorized to appoint & pay Remuneration to Statutory Auditors for the Financial Year ending 31 st March 2024, as per the schedule of the RBI applicable to Public Sector Banks, including remuneration for the Limited Review of Quarterly Financial Results for the periods ending 30 th June, 2023, 30 th September, 2023 and 31 st December, 2023."			
5.	To consider and pass with or without modification(s) the following resolution as a Special Resolution: "Resolved that approval of Members be and is hereby accorded to create, offer, issue and allot equity shares aggregating to an amount not exceeding Rs.750 Crores (Rupees Seven Hundred and Fifty Crores Only) during the Financial Year 2023-24."			



6.	To consider and pass with or without modification(s) the following resolution as a Special Resolution: "Resolved that approval of Members be and is hereby accorded for issue of Non-Convertible, Redeemable, Unsecured, BASEL III Compliant, TIER 2 bonds in the nature of debentures ("debentures") on a private placement basis for an amount up to Rs.1000 Crores (Rupees One Thousand Crores) during the Financial Year 2023-24."			
7.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that that approval of Members be and is hereby accorded for appointment of Mr. Pawan Kotwal (DIN: 02455728) as a Director, who shall be liable to retire by rotation."			
8.	To consider and pass with or without modification(s) the following resolution as a Special Resolution: "Resolved that that approval of Members be and is hereby accorded to the alterations in the Articles of Association of the Bank, subject to the approval of the Reserve Bank of India, wherever required."			

Place: Srinagar
Date: 24th August, 2023

(Signature of the Shareholder)

AUDITORS

O Aggarwal & Co.
Chartered Accountants

Arora Vohra & Co.
Chartered Accountants

Dharam Raj & Co.
Chartered Accountants

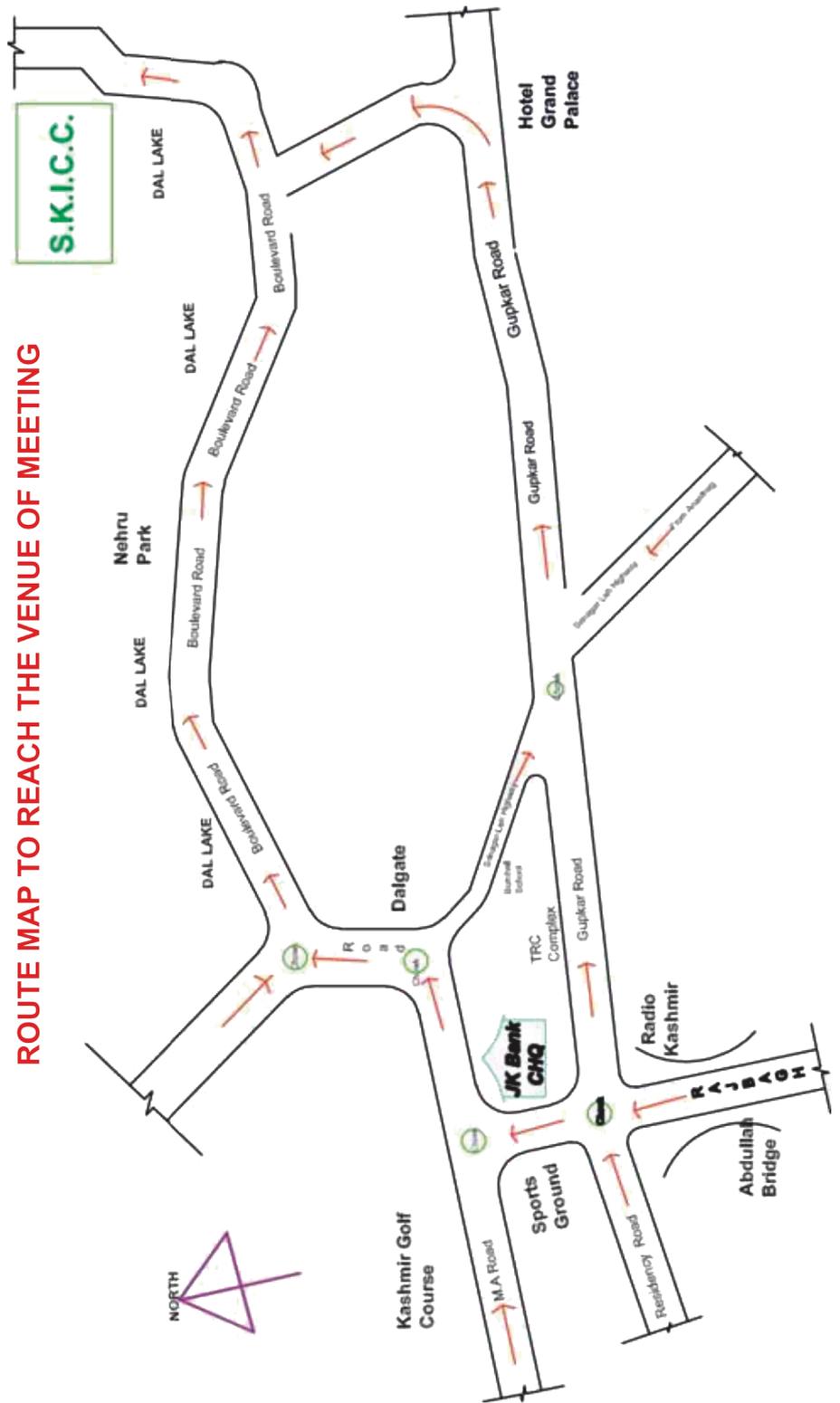
REGISTRAR AND TRANSFER AGENT

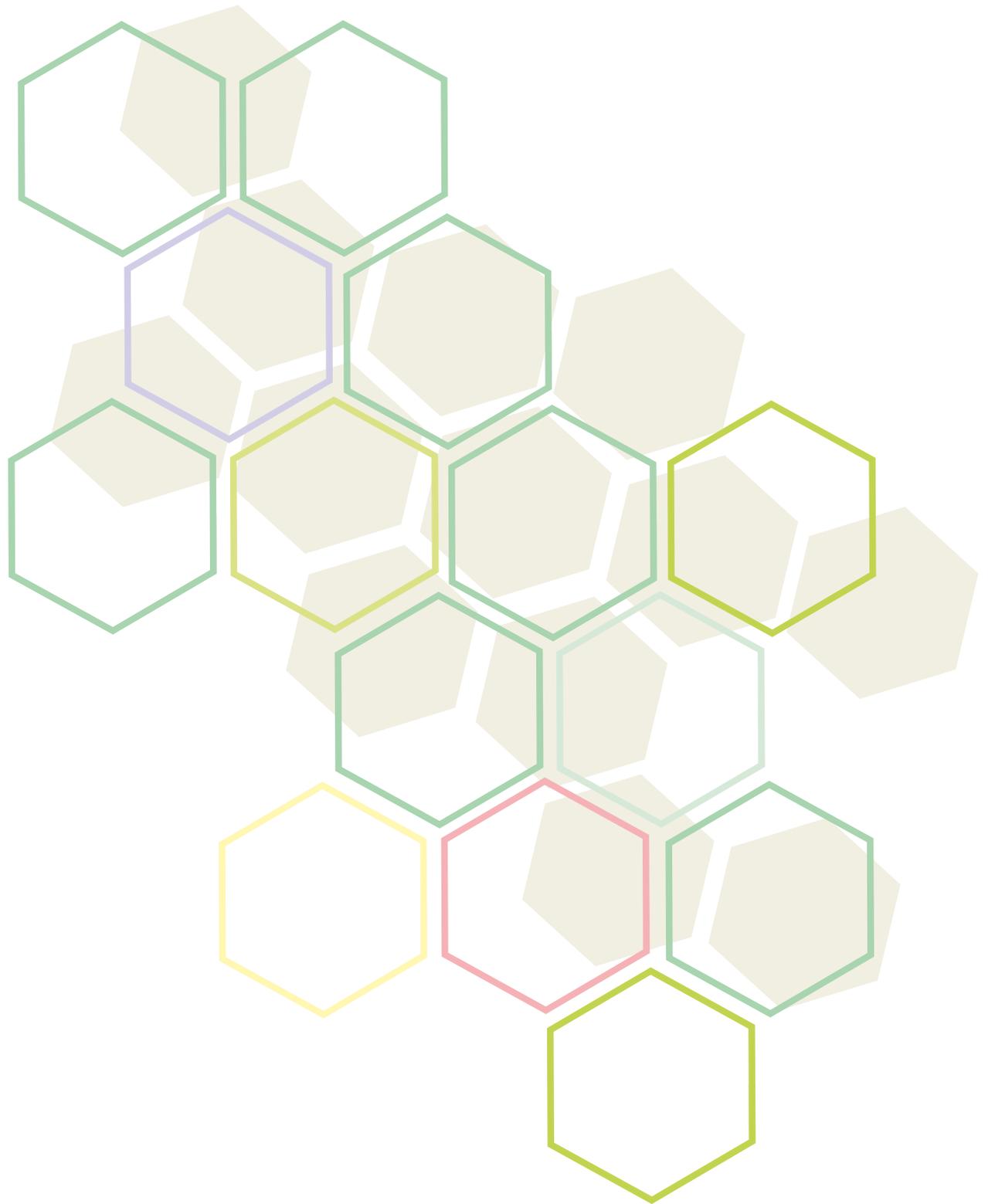
M/s Kfin Technologies Limited
Selenium Tower B. Plot No. 31 & 32,
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad - 500 032 India
Email : einward.ris@kfintech.com
Website : www.kfintech.com
Toll Free Number : 18003094001

REGISTERED OFFICE:

Jammu and Kashmir Bank Limited,
Corporate Headquarters, M.A. Road
Srinagar, Jammu and Kashmir - 190001
CIN : L65110JK1938SGC000048
Phone : +91-194-2481930-35 Extn: 1541-1547
Fax : 0194-2481928
Email : sharedeptt_gc@jkbmail.com
Website : www.jkbank.com

ROUTE MAP TO REACH THE VENUE OF MEETING





Jammu & Kashmir Bank Limited
Corporate Headquarters
M.A. Road, Srinagar 190 001