

Aiming Beyond the HORIZON



84TH
ANNUAL
GENERAL
MEETING
(AGM)
OF THE
SHAREHOLDERS

CONTENTS

M.D. Speaks	2
Board of Directors	4
Notice	5
Director's Report	18
Management Discussion and Analysis	53
Corporate Functions Report	61
Standalone Financial Statements	73
Consolidated Financial Statements	132
Basel III	191
Report on Corporate Governance	192
Shareholders Information	211

QUICK INFORMATION

Sr. No.	Particulars	Details
1	Day, Date and Time of AGM	Wednesday, August 24, 2022 at 11.00 A.M. (IST)
2	Mode	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
3	Participation through VC / OAVM	Members can login from 10.50 A.M. (IST) on the date of the AGM at https://emeetings.kfintech.com by clicking on the tab "video conference" and using their remote e-voting login credentials.
4	Contact information for VC or e-voting related issues	E: emeetings@kfintech.com or Helpline: 1800-309-4001
5	Speaker Shareholder Registration before AGM	Registration link viz. https://emeetings.kfintech.com is accessible from Saturday, August 20, 2022 (9:00 A.M. IST) to Tuesday, August 23, 2022 (5:00 P.M. IST)
6	Cut-Off Date for E-voting	Wednesday, August 17, 2022
7	Remote E-voting start date and time	Saturday, August 20, 2022 at 09:00 A.M. IST
8	Remote E-voting end date and time	Tuesday, August 23, 2022 at 05:00 P.M. IST
9	Remote E-voting website	https://evoting.kfintech.com/
10	Name of E-voting Service Provider	M/s Kfin Technologies Limited
11	Name of Registrar and Transfer Agent	M/s Kfin Technologies Limited
12	Registration of Members' e-mail IDs	Members who have not updated their latest e-mail ID in the records of the Bank/ their depository participant are requested to update the same on the website at the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx



Message from MD & CEO



Dear Shareholder

It gives me immense pleasure to present the 84th Annual Report of the Bank and place before you the highlights of the Bank's performance for the FY2021-22. Details of the initiatives and achievements are provided in the enclosed Annual Report of the Bank.

It has been over six months since I assumed the responsibility of this wonderful institution as its first MD & CEO to take forward the momentum which your bank has gained in FY21.

Economic Outlook

After witnessing the slowdown in economy during the last two years due to COVID-19 pandemic, global economy has been on the path of recovery in FY2022. Going by the FY2021-22 results of banks, there is an unmistakable improvement in key financial metrics especially asset quality with reduced NPAs and improved profitability. And with strengthened balance-sheets, improved consumer and business confidence outlook from rating agencies backed by domestic demand; the banking sector looks poised for accelerated growth.

Although continuing Geo-Political strife marked by protracted Russia-Ukraine conflict coupled with the inflationary pressures have injected some moderation in the economic growth forecasts for FY 2023, however the easing of pandemic woes and some stability in the operating conditions of economy point towards a comparatively stable future outlook. Registering a growth of 8.7% in FY2022 as against the contraction of 6.6% in FY2021, Indian economy is expected to grow at 7.5% in FY2023, making it the fastest growing economy.

Bank's Performance

With your unflinching support and dedicated efforts of our staff, we have been able to register growth in all business segments in FY22, coinciding with the improvement in the economic activity. Profitability of your Bank has increased by 16%, registering a net profit of Rs. 501.56 Crore during FY2022. Net interest income of your Bank registered a growth of 6% to Rs. 975.50 Crores. Credit costs have declined significantly with Return on Assets as well as Return on equity increasing in FY2022 compared to FY2021. Your bank continued its focus on improving the asset quality while keeping special focus on recoveries and arresting fresh slippages.

Meanwhile, during the FY2021-22, your Bank registered a growth of over 6% in deposits with CASA ratio at 56.85% as of March 2022, which is among the best in the industry. Advances of your Bank also increased with 11% growth in retail advances - in line with the industry average. Priority sector loans grew by 9% during the year while as the corporate sector registered de-growth of 4%, owing to the bank's decision to focus lending primarily in retail sectors and mid-sized rated corporates only. Investment portfolio of your Bank increased by 10% to 0.33 Lakh Crore in FY2022, which are all domestic investments. The yield on investments is in line with the interest rate scenario and has come down to 5.65% from 6.25% in FY2021.

Moreover, Capital of your Bank improved by way of fresh infusion of capital by the J&K Government and also through Employee Stock Purchase Scheme (ESPS) and plow-back of profits resulting in Capital Adequacy Ratio (CAR) of 13.23%, an improvement of 123 bps over March 2021. Through capital planning, Tier I capital base of your Bank also improved to 11.73% in March 2022 from 10.28% in the previous year.

Strategic Initiatives

During FY2022, some key initiatives of strategic significance taken included placement of General Managers in Kashmir & Jammu Divisions and in Rest-of-India for better monitoring of business, management of business and follow-up, shifting of Treasury Operations to Mumbai for better business prospects, creation of Marketing Teams across the Zones for generation of fresh business leads and mobilization of business,

establishment of Large Credit Units across the Zones for handling of corporate portfolio of Rs. 5 crore & above, extending Phone-pe-Loan facility to all J&K government employees and a complementary accidental insurance cover of 15 lakh to employees under the initiative 'Azadi ka Amrit Mahotsav'.

Interestingly, Bank successfully concluded its maiden "Strategy Conclave" in the month of May where brain-storming sessions were carried out with the top Management and other employees. The conclave was convened to recollect, deliberate, analyze and express understandings of the major issues and challenges that confront our organisation from within and outside. Besides boosting the morale of the workforce through acknowledgements and rewards programs for top achievers, career progression of all the cadres has been undertaken as part of larger succession planning within the Bank.

All these steps from strategic to operational levels have been taken to fit into the larger organizational strides that are becoming inevitable in the highly competitive ecosystem of contemporary banking.

Technology Upgradation

Undertaking a major strategic initiative for long-term growth, your Bank has upgraded its core banking software from Finacle 7 to Finacle 10, the state-of-art version of Core Banking. The upgraded software has enhanced security features and supports third party applications integration resulting eventually in improved digital banking experience with seamless service-offerings to customer.

Your Bank has also upgraded its flagship mobile banking product J&K Bank mPay - one-click application for all banking needs of a customer. EWS (Early Warning System) and other technical upgrades have also been deployed for better monitoring of loan accounts and better compliance to Cyber Security Frameworks of the regulator.

Customer Focus

Continuing focus on customer convenience, your Bank is committed to turn customer experience into customer delight. In this direction, Bank has taken a number of measures which include customer segmentation for differentiated product and service offerings. The Bank is introducing personalized cheques books, cash lifting services and door step banking services for its customers to enrich their banking experience.

Your Bank is also working continuously to improve the quality of service through customer satisfaction surveys and customer advisory forum meets regularly conducted at operative levels as per regulatory guidelines.

Way Forward

FY2022 has marked continued and sustained traction towards improved profitability by transcending the milestone of Rs. 500 crores PAT after a 7-year gap. Going forward we are envisaging better results on all parameters in FY 2022-23.

Initiating various ambitious projects under Business Process Re-engineering to pave way for the structural and technological transformation of the Bank, the focus of the Bank will continue to remain on sustainable-growth, improving asset quality, enhancing human capacities through up skilling, upgrading technological platforms to meet growth objectives and achieving the envisaged institutional excellence. Your Bank will also augment its capital further during the CFY so as to build resilience, achieve financial health reinforcement and improve upon all the financial parameters to deliver better value to all our stakeholders. I am hopeful that the Bank shall carry forward the momentum of FY2022 and shall improve its performance to achieve the set milestones in FY23.

Dear Shareholders,

Backed by the illustrious legacy of more than eight decades and your support, your Bank holds a great promise for not only its own future but for the region as an institution of systemic importance. For your support, I extend heartfelt gratitude to all of you and other stakeholders and express my resolve to deepen the trust reposed in us by all our stake-holders. Lastly but most importantly, I would like to thank our promoters, the Government of UTs of J&K and Ladakh for lending their gracious support. I am also grateful to the esteemed Board of Directors for their guidance. And I am highly thankful to the workforce of the Bank, whose commitment, sincerity and honest efforts have made the Bank's annual performance possible. As I look forward, I can see this Bank has the potential to scale the greater heights.

Thank You!

Baldev Prakash

Managing Director & CEO





Board of Directors



Mr. Baldev Prakash
Managing Director & CEO



Mr. Vivek Bharadwaj (IAS)
Non-Executive Non-Independent
Director



Mr. Nitishwar Kumar (IAS)
Non-Executive Non-Independent
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



Dr. Mohamad Ishaq Wani
Non-Executive Non-Independent
Director



Mr. Umesh Chandra Pandey
Non-Executive Independent
Director



Mr. Anil Kumar Goel
Non-Executive Independent
Director



Mrs. Sushmita Chadha
Non-Executive Independent
Director



Mr. Anand Kumar
Non-Executive Independent
Director

Notice

NOTICE is hereby given that the 84th Annual General Meeting (AGM) of the Shareholders of the Jammu and Kashmir Bank Limited (the "Bank") will be held on Wednesday, August 24, 2022 at 11:00 A.M through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), 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, 2022 including Balance Sheet as at 31st March, 2022 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 appoint a Director in place of Dr. Mohmad Ishaq Wani (DIN: 08944038), who retires by rotation and being eligible, has offered himself for re-appointment.
3. 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 2022-23.

SPECIAL BUSINESS:

4. **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 for 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 ₹ 500 Crore (Rupees Five Hundred Crore 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 authorised 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, Ministry of Commerce (DIPP) 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 issue price shall be subject to appropriate adjustments, if the Bank:
 - 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 authorised 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 authorised 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 authorised 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 deems 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 authorised 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."

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 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 ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores) in the financial year 2022-23.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 authorised 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."

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {"SEBI (SBEB&SE) Regulations"}, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {"Listing Regulations"}, relevant provisions of Memorandum of Association and Articles of Association of the Bank and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) from the appropriate authorities, the consent of the Members of the Bank, be and is hereby, accorded for the approval of J&K Bank Employee Stock Option Scheme - 2022 ("JKB ESOS 2022" or "ESOS Scheme") and the Board of Directors of the Bank (hereinafter referred to as the "Board of Directors or Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ("NRC" or "the Committee"), which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution)), be and is hereby, authorised to create, grant, offer, issue and allot under the ESOS Scheme, in one or more tranches, a maximum of 2,00,00,000 (Two Crores) Employee Stock Options ("Options") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Bank as may be applicable from time to time) to such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not (but excluding Independent Director and Non-Executive Director of the Bank, its Subsidiary Company(ies) and an Employee who is a Promoter or a person belonging to the Promoter Group, or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Bank), and to such other persons as may from time to time be allowed to be eligible for the benefits of the ESOS Scheme under applicable laws and regulations prevailing from time to time ("Employees"), exercisable into 2,00,00,000 (Two Crores) Equity Shares of face value ₹ 1/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Bank as may be applicable from time to time), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the ESOS Scheme.

RESOLVED FURTHER THAT the ESOS Scheme shall be administered by the Nomination and Remuneration Committee of the Bank who shall have all necessary powers as defined in the ESOS Scheme and is hereby designated as the Compensation Committee in pursuance of the SEBI (SBEB&SE) Regulations for the purpose of administration and superintendence of the ESOS Scheme.



RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Bank in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Bank.

RESOLVED FURTHER THAT the Bank shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, regarding creation, offer, issue, allotment and listing of such shares, the Board be and is hereby authorised to evolve, decide upon and bring into effect the ESOS Scheme and to make any modifications, changes, variation, alteration or revisions in it or to suspend, withdraw or revive the same from time to time in accordance with applicable laws and/or as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary, desirable, usual or proper in relation thereto with the liberty to the Board on behalf of the Bank to settle any question, difficulties or doubts whatsoever may arise with regard to such creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Bank.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under ESOS Scheme are passed on to the Employees.

RESOLVED FURTHER THAT the Board, be and is hereby, authorised to take necessary steps for listing of the shares allotted under ESOS Scheme on the Stock Exchanges as per the provisions of SEBI Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board, be and is hereby, authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Bank."

7. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time and the rules notified thereunder along with the Articles of Association of the Bank, the approval of the Members of the Bank

be and is hereby accorded to the Board of Directors of the Bank for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or money borrowed by the Bank from any Banking Company or from Reserve Bank of India in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Bank, free reserves and securities premium; provided that the total outstanding amount so borrowed by the Bank shall not at any time exceed ₹ 2,500 crore (Rupees Two Thousand Five Hundred crore) over and above the aggregate of the paid up capital, free reserves and securities premium of the Bank.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution".

8. 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 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 consequent to the approval of the Reserve Bank of India, approval of the Members of the Bank, be and is hereby, accorded to the alterations in the Articles of Association of the Bank as under:

In the last sentence of Article 69 (i) of the Articles of Association, the word "Atleast" shall be deleted so as to read the sentence as under:

'One Director on the Board of the Bank shall be appointed by the Government of Union Territory of Ladakh or be from the Union Territory of Ladakh.'

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajesh Kumar Chhibber (DIN: 08190084) who was appointed as an Additional Director effective from 30th December, 2021 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 28th December, 2021 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".

By order of the Board of Directors

Mohammad Shafi Mir
Company Secretary
FCS: 8516

NOTES

1. Corporate members are requested to send a scanned certified copy of the Board resolution (PDF/JPEG format) through email authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act, at sharedeptt_gc@jkbmail.com, with a copy marked to einward.ris@kfintech.com.
2. 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.
3. 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.
4. All relevant documents referred to in this Notice requiring the approval of the Members at the AGM shall be available for inspection by the Members. Members who wish to inspect the documents are requested to send an email to sharedeptt_gc@jkbmail.com mentioning their name, Folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email. The Notice and the Annual Report are also available on the Bank's website at the link - <https://www.jkbank.com/investor/financials/annualReports.php> and on the websites of the Stock Exchanges i.e. The BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.
5. 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.
6. Members holding shares in physical form are requested to send an email communication duly signed by all the holder(s) intimating about the change of address immediately to the Registrar & Share Transfer agent (RTA) / Bank along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained, ISR forms and the copy of the supporting documents evidencing change in address. Communication details of RTA are as under:

M/s KFin Technologies Limited
 (formerly known as KFin Technologies Private 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
7. 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 year 2013-

2014 has already been transferred to the IEPF on August 20, 2021. The unclaimed dividend in respect of the Financial Year 2014-2015 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.

8. 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> and on the website of the IEPF Authority. 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 RTA, before the unclaimed dividends are transferred to the IEPF. The Bank has also intimated by sending an individual communication to all the Members whose dividends have remained un-encashed, with a request to send the requisite documents to them for claiming un-encashed dividends.
9. 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.
10. 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 2013-14, were transferred to the designated Dematerialized Account of the IEPF authority on August 25, 2021.
11. 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 alongwith self-attested copy of PAN card and address proof, duly filled in, to the RTA at the address mentioned at point no. 6 in the Notes. The prescribed form in this regard is attached and forms part of this annual report. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
12. Members desiring any information relating to the annual accounts of the Bank are requested to send an email to the Bank at investorrelations@jkbmail.com at least ten (10) days before the meeting.
13. In view of the continuing global Covid-19 pandemic, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.11/2021 dated January 15, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No.2/2022 dated May 5, 2022 (collectively referred to as "MCA



Circulars”), Circulars issued by Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2022/ 62 dated 13th May, 2022, SEBI/ HO/ DDHS/ P/ CIR/ 2022/ 0063 dated 13th May, 2022 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (collectively referred to as “SEBI Circulars”) holding of the Annual General Meetings (AGM) is permitted through video conferencing (VC) or other audio visual means (OAVM) till December 31, 2022, without the physical presence of the Members at a common venue. In view of the above, the 84th AGM of the Bank is being conducted through VC / OAVM. M/s Kfin Technologies Limited will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 21 onwards and is also available on the website of the Bank at www.jkbank.com.

14. As the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this notice.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. The Bank is pleased to provide two-way facility of video conferencing (VC) / other audio-visual means (OAVM) and live webcast of the proceedings of the AGM on Wednesday, August 24, 2022 from 11:00 a.m onwards at the web link - <https://emeetings.kfintech.com/>.

Electronic dispatch of Annual Report and process for registration of email ID for obtaining annual report.

17. In accordance with the above mentioned MCA/SEBI Circulars, the financial statements (including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith), including the Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Bank or the Depository Participant(s) unless the member has specifically requested for a hard copy of the Annual report.
18. Members who have not registered their email addresses, may kindly register the same at the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> as the copy of this Notice along with other documents will not be sent to them in physical mode and will be sent only by email, in accordance with the MCA/SEBI Circulars.
19. Members who have not updated their latest email addresses in the records of the Bank / Depository Participants, are requested to update the same at the earliest by Tuesday, August 16, 2022. The notice and documents will be sent by email only to those Members who register their email addresses prior to this date.
20. The Notice of AGM along with Annual Report for the financial year 2021-22 is available on the website of the Bank at www.jkbank.com, on the websites of Stock Exchanges i.e. The BSE Limited and National Stock Exchange of India Limited and on the website of M/s KFin Technologies Ltd. at <https://evoting.kfintech.com>

PROCEDURE FOR REMOTE E-VOTING AND E VOTING DURING THE AGM

21. Pursuant to the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and amendments and Regulation 44 of the SEBI (LODR) Regulations, 2015 shareholders are provided with the facility to cast their

vote electronically, through the e-voting services provided by M/s KFin Technologies Limited in respect of all resolutions set forth in this Notice. The facility of casting votes by shareholders using an electronic voting system from a place other than the venue of the AGM is termed as ‘Remote Electronic Voting’ (e-voting).

Mr. DSM Ram, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

22. The remote e-voting period commences on Saturday, August 20, 2022 (9:00 a.m) and ends Tuesday, August 23, 2022 (5:00 p.m). During this period, shareholders of the Bank holding shares either in physical form or in dematerialized form as on the cut-off date of Wednesday, August 17, 2022, may cast their votes electronically. The remote e-voting module will be disabled by M/s Kfin Technologies Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.
23. In addition, the facility for e-voting through electronic voting system will be available during the AGM. Members attending the AGM remotely who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form and institutional shareholders are requested to access the remote e-voting facility provided by the Bank through M/s Kfin Technologies Limited and individual shareholders holding their shares in demat form are requested to access the remote e-voting facility through their depositories or their depository participants.
24. **Instructions for e-voting and joining the e-AGM are as follows:**

A. Voting through electronic means:

- i. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called ‘the Rules’ for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Bank is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on Wednesday, August 17, 2022 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by M/s Kfin Technologies Limited to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- ii. The details of the process and manner for remote e-voting are given below:

e-Voting procedure for Individual shareholders holding securities in Demat:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login procedure for individual shareholders holding the securities in demat mode directly from the website of depositories:

NSDL	CDSL
<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> URL: https://eservices.nsd.com Click on the "Beneficial Owner" icon under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". 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>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link: https://eservices.nsd.com Select "Register Online for IDeAS" Proceed with completing the required fields. <p>3. By visiting the e-Voting website of NSDL</p> <ol style="list-style-type: none"> URL: https://www.evoting.nsd.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with user id and password. Option will be made available to reach e-Voting page without any further authentication. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. <p>3. By visiting the e-Voting website of CDSL</p> <ol style="list-style-type: none"> URL: www.cdslindia.com Provide demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.

Method of Login for individual shareholders holding the securities in demat mode through their depository participants

Shareholders can also login using the login credentials of their demat account through Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Website after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important Note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forgot Password option available at above mentioned website.

For technical Assistance

Members facing any technical issue in login can contact the respective helpdesk by sending a request on the email id's or contact on the phone no's provided below:

NSDL	CDSL
Email: evoting@nsdl.co.in Toll free no.'s: 1800 1020 990 1800 22 44 30	Email: helpdesk.evoting@cdslindia.com Phone No: 022- 23058738 022-23058542-43

e-Voting procedure for Institutional Shareholders and shareholders holding securities in Physical form:

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108,110 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules, the Bank is pleased to provide e-voting facility to all its shareholders holding securities in physical form and to the Institutional Shareholders, to enable them to cast their votes electronically. The Bank has engaged the services of M/s KFin Technologies Limited for the purpose of providing e-voting facility to all its members.

The details of the process and manner for e-voting are given below:

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with M/s KFin Technologies Limited for e-voting, you can use your existing User ID and password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. J&K - Bank
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR' / 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.



- x. Cast your votes 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 confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who is/are authorised to vote, to the Scrutinizer through e-mail at ram.devata@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLIENT EVENT No.'
- xii. Members can cast their vote online from Saturday, August 20, 2022 (9:00 a.m) till Tuesday, August 23, 2022 (5:00 p.m). Voting beyond the said date/time shall not be allowed and the e-voting facility shall be blocked.
- xiii. Members who have not registered their email addresses may kindly register the same and their mobile numbers at the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> as the Notice and any other documents will not be sent to them in physical mode. The same shall be sent only by email, in view of the COVID-19 (Corona Virus) pandemic and the applicable Circulars.
- xiv. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

B. Voting at e-AGM:

- xv. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.
- xvi. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- xvii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- xviii. Upon declaration by the Chairman of the meeting about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- xix. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

C. Instructions for members for attending the e-AGM:

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of AGM provided by M/s KFin Technologies Limited at <https://emeetings.kfintech.com> by clicking on the tab "video conference" and using their remote e-voting login credentials. The link for e-AGM will be available in member's login where the EVENT and the name of the Company can be selected. Members who do not have

User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.

- ii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iii. Further, members will be required to allow camera, if any, use internet with a good speed to avoid any disturbance during the meeting.
- iv. While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- v. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab "Speaker Registration" during the period starting from Saturday, August 20, 2022 (9:00 a.m) upto Tuesday, August 23, 2022 (5:00 p.m). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.
- vi. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>
- vii. Members who need technical assistance before or during the Eighty Fourth e-AGM can contact M/s KFin Technologies Limited at emeetings@kfintech.com or Helpline: 1800 309 4001.

D. General Instructions:

- i. The Board of Directors has appointed Mr. D S M Ram, Practising Company Secretary (ACS No. 14939, CP No. 4239) as the Scrutinizer to the e-voting process at the e-AGM in a fair and transparent manner.
 - ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 84th e-AGM and announce the start of the casting of vote through the e-voting system of M/s KFin Technologies Limited.
 - iii. The Scrutinizer shall, immediately after the conclusion of e-voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Bank and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the meeting, who shall countersign the same.
 - iv. The Scrutinizer shall submit his report to the Chairman of the meeting, who shall declare the result of the e-voting.
25. 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 Chairman or a person authorised by the Chairman. The results will also be immediately forwarded to The BSE Ltd. and National Stock Exchange of India Ltd.

Annexure to Notice

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

ITEM NO. 03

Though not strictly necessary, Explanatory Statement is being given for Item No. 03 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.

Historically, the Shareholders of the Bank at Annual General Meetings used to empower the Board of Directors of the Bank to pay remuneration to Statutory Auditors for the yearly audit and quarterly review of financial results for the relevant financial year as per the RBI Circular applicable to Public Sector Banks.

However, the Bank is of the opinion that for a Bank of our size, the payment of audit fee as per the RBI circular applicable to Public Sector Banks results in substantially higher expense on Audit Fee vis-à-vis the peer banks and therefore necessitates its realignment to industry norms based on market due diligence.

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 2022-23 including remuneration for the Limited Review of Quarterly Financial Results for the period ending 30th June, 2022, 30th September, 2022 and 31st December, 2022.

The Board of Directors recommends the passing of the proposed Resolution at Item No.03.

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

ITEM NO. 04 & 05

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 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-22	March-21	March-20	March-19	March-18
CET Capital	7498.58	6079.37	5773.42	6213.72	5800.11
Tier I	8498.58	7079.37	6773.42	7213.72	5800.11
Tier II	1084.99	1322.90	1047.29	1264.95	1366.09
Capital Funds	9583.57	8402.27	7820.71	8478.67	7166.21
Credit Risk weighted Assets	62795.14	60428.44	61108.00	60442.58	54892.13
Market Risk Weighted Assets	1776.78	1162.70	962.35	1693.16	2016.79
Operational Risk Weighted Assets	7885.81	7301.72	6515.88	5912.84	5836.87
Total RWAs	72457.73	68892.86	68586.23	68048.58	62745.78
CET Ratio (%)	10.35%	8.82%	8.42%	9.13%	9.24%
Tier I Ratio (%)	11.73%	10.28%	9.88%	10.60%	9.24%
Tier II Ratio (%)	1.50%	1.92%	1.53%	1.86%	2.18%
CRAR (%)	13.23%	12.20%	11.40%	12.46%	11.42%



Bank during FY2021-22 has raised an aggregate amount of INR 1103.50 crores of capital. During Q2FY 2021-22 Bank raised Equity capital of INR 650 crores - INR 500 crores through Government of Jammu and Kashmir on preferential basis and INR 150 crores through ESPS to eligible employees of the Bank and during Q4FY 2021-22 Bank infused INR 360 crores Tier II capital. Further during Q4 FY 21-22 Bank infused INR 93.50 crores Equity capital through QIP, the allotment of which was however made on 1st April 2022. The capital infused along with the internal accruals for FY 2021-22 substantiated the capital base of the Bank as on 31st March 2022 enabling the Bank to have capital buffer in place over and above regulatory minima (CRAR of 13.23%) as of March 31, 2022.

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 2022-23.

In the back drop of perusing envisaged balance sheet growth during FY 2022-23, the Bank envisages to further augment the Capital base by infusion of INR 2000 crores - INR 1500 crores of Tier II capital during Q2 FY2022-23 and INR 500 crores Equity capital by approaching the market during Q3 FY2022-23 via FPO/QIP or any other means. With the projected infusion the 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 Resolutions at Item No. 04 & 05.

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

ITEM NO. 6

Equity-based remuneration includes alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Bank. The Board of Directors of your Bank understands the need to enhance the employee engagement, to reward the employees for their association and performance, as well as to motivate them to contribute to the growth and profitability of the Bank.

In order to reward and retain the key employees and to create a sense of ownership and participation amongst them, the Board of Directors of the Bank at its meeting held on 8th February 2022, has proposed to seek approval of the Members for an Employee Stock Option Scheme for the benefit of such employee(s) who are in permanent employment, and to the Directors whether a Whole Time Director or not but excluding Independent Director and Non-Executive Director, of the Bank, as specified under Compensation Policy of the Bank, and to such other persons as may from time to time be allowed to be eligible for the benefits of the ESOS Scheme under applicable laws and regulations prevailing from time to time ("Employees").

Accordingly, a proposal in this regard was forwarded to the Members through postal ballot notice dated February 17, 2022. However, the said resolution was defeated and consequent to which, the ESOS policy could not be made operational in the Bank.

The attention of the Members is drawn towards the RBI compensation guidelines issued vide circular no. DOR.Appt. BC.No.23/29.67.001/2019-22 dated November 04, 2019 mandating inter-alia the private sector banks to formulate and adopt a comprehensive policy covering all their employees and conduct annual review thereof. The policy should cover all aspects of the compensation structure such as fixed pay, perquisites, bonus, share linked instruments (employee stock option plan) etc. The Bank accordingly formulated a policy in line with the said guidelines. It was in this context that approval of the Members was sought for the ESOS Scheme.

Keeping in view the RBI guidelines and requirements under the compensation policy of the Bank, the ESOS Scheme is again submitted for the consideration of the Members.

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBE&BSE) Regulations") and Section 62 and other applicable provisions of the Companies Act, 2013, for issue of Equity Shares to the Employees of the Bank, the approval of the existing Members by way of Special Resolution is required. The Special Resolution set out at Item No. 06 is seeking your approval for the formulation and implementation of the ESOS Scheme and issuance of Equity Shares thereunder.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) and Regulation 14 of SEBI (SBE&BSE) Regulations are as under:

(i) Brief description of the Scheme;

This proposed Scheme called the J&K Bank Employee Stock Option Scheme - 2022 ("JKB ESOS-2022/ ESOS Scheme") is intended to attract talent, as also to reward employees for their long-term performance and motivate them to contribute to the growth and profitability of the Bank. The Bank views employee stock options as instruments that would enable the Employees to share the value they would create and contribute for the Bank in the years to come.

(ii) Total number of options to be granted;

Under the ESOS Scheme a maximum of 2,00,00,000 (two crores only) Employee Stock Options ("Options") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Bank as may be applicable from time to time) shall be offered to Employees in one or more tranches. Each Option would entitle an Employee to acquire one equity share of the Bank of face value of ₹1/- each fully paid-up. The Nomination & Remuneration Committee ("NRC" or "the Committee") shall determine the Options to be granted to the employees of the Bank, as applicable, under JKB ESOS-2022.

(iii) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme;

All the employees and Directors, as defined under the Companies Act 2013 and Rules made thereunder and SEBI (SBE&BSE) Regulations, of the Bank (present & future), as identified under Compensation Policy, will be entitled to participate in JKB ESOS-2022, subject to fulfilment of such eligibility criteria(s) as may be specified in the SEBI (SBE&BSE) Regulations and/or as may be determined by NRC from time to time.

(iv) Requirements of vesting and period of vesting;

The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to the performance of the employees, their continued employment with the Bank, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 4 years from the date of the grant of the options. The options could vest in tranches.

The number of stock options and terms of the same made available to employees (including the vesting period) could vary as per the terms formulated by the NRC.

The ESOS shall have an inbuilt deferral design; grant shall be accorded immediately following the reference performance year with no immediate vesting, 30% vesting after end of first year following the reference performance year, next 30% vesting after end of second year and balance 40% vesting after the end of third year.

(v) Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested;

The maximum period within which the options shall be vested, shall not be more than four (4) years from the date of grant.

(vi) Exercise price or pricing formula;

In line with RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advising banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021, the Bank shall value the stock options granted under the scheme (ESOS) estimating the fair value on the date of grant using Black-Scholes model and recognising it as employee cost over the vesting period.

Exercise price of the options shall be the market price of share on the trading day immediately preceding the date of grant, or as may be decided by the Nomination & Remuneration Committee of the Board in the manner as may be advised by Reserve Bank of India, or as prescribed in the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(vii) Exercise period and process of exercise;

The exercise period shall be 3 years and vesting shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments. The options will be exercisable by the employees by a written application to the Bank to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the NRC from time to time. The options will lapse if not exercised within the specified exercise period.

(viii) The appraisal process for determining the eligibility of employees for the Scheme;

There shall be clear linkage between the Banks annual business targets with the KRAs of the identified class of employees covered under the policy along with risk boundaries within which the business targets are required to be achieved through KRAs. The options granted to the identified class of employees shall be subject to a ceiling of 100% of fixed pay in terms of the Compensation Policy of the Bank.

(ix) Maximum number of options to be issued per employee and in aggregate;

There is no maximum limit for grant per employee or in aggregate, however, grant of options to identified employees, during any one year, equal to or exceeding one percent of the issued capital of the Bank at the time of grant of option can happen only with the approval of the shareholders by a separate resolution.

(x) Maximum quantum of benefits to be provided per employee under the Scheme;

As per approved Compensation Policy and terms set by NRC for performance.

(xi) Lock-in period, if any;

Shares issued under an ESOS shall not be subject to any lock-in, provided that:
In the event of death of the employee while in employment,

all the options granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

In case the employee suffers a permanent incapacity while in employment, all the options granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day.

(xii) The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;

In the event of resignation or termination of an employee, all the options benefit which are granted and yet not vested as on that day, shall expire. In event of suspension or issuance of a charge sheet notice to an employee, the unvested options shall stand suspended and shall not be paid unless the suspension is revoked or disciplinary proceedings initiated against the employee are concluded and the concerned employee has been absolved of all the allegations.

(xiii) Whether the Scheme is to be implemented and administered directly by the Bank or through a trust;

The ESOS Scheme is to be implemented and administered directly by the Bank.

(xiv) Whether the Scheme involves new issue of shares by the Bank or secondary acquisition by the trust or both;

The ESOS Scheme involves new issue of shares by the Bank.

(xv) The amount of loan to be provided for implementation of the Scheme by the Bank to the trust, its tenure, utilization, repayment terms, etc;

NIL

(xvi) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme;

Not Applicable

(xvii) A statement to the effect that the Bank shall conform to the accounting policies;

The Bank shall comply with the relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

(xviii) The method which the Bank shall use to value its options;

Employee stock options shall be fair valued on the date of grant by the Bank using Black-Scholes model. The Bank may re-price the options which have yet not been exercised by the option grantees, if the options are rendered unattractive due to fall in the price of the shares of the Bank.

(xix) The following statement, if applicable;

"In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Board's Report and the impact of this difference on profits and on earnings per share ('EPS') of the company shall also be disclosed in the Board's Report".

The above said Statement is not applicable to the Bank. As mentioned at Sr. No. xviii, the Bank is required to recognize share based employee benefits expense using fair value of options as per Black-Scholes model.

(xx) Listing of shares;

Subject to the approval of the Stock Exchanges, the relevant equity shares on exercise of the Options shall be listed on the Stock Exchanges on which the securities of the Bank are listed.



(xxi) Terms & conditions for buy-back, if any, of specified securities covered under these regulations;
Not Applicable

Accordingly, it is proposed to adopt the scheme by the name of J&K Bank Employee Stock Option Scheme - 2022 ("JKB ESOS -2022") under the SEBI (SBE&BSE) Regulations, for the purposes of granting options to the Employees/Directors of the Bank.

The Board of Directors recommends passing of the Special Resolution as contained in the Notice at Item No. 06.

The Managing Director & CEO and other Key Managerial Persons (KMPs) of the Bank are concerned or interested in the Resolution(s) as it is intended for their benefit. Other Directors are not concerned or interested in the Resolution.

ITEM NO. 7

In terms of Section 180(1)(c) of the Companies Act, 2013, borrowings by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or money borrowed by the Bank from any Banking Company or from Reserve Bank of India in the ordinary course of business), in excess of the paid-up capital of the Bank, free reserves and securities premium, require the approval of the Members by way of Special Resolution. Under Section 180 of the Act, the aforementioned powers of the Board can be exercised only with the prior consent of the Members of the Bank by a Special Resolution. Considering the growth in business and operations of the Bank, opportunity to raise borrowings at attractive terms especially after the expected rating upgrade of debt instrument issuances of the Bank as also the recent guidelines of the RBI on Issue of Long Term Bonds by Banks for financing including that of Infrastructure and Affordable Housing, relaxation in Basel III guidelines on limit of Additional Tier I and /or Tier II capital to be considered for Capital Fund purpose as well as opportunity to obtain refinance from term lending institutions, approval of the Members is being sought to increase the borrowing limits as specified in the Resolution as an enabler to capitalize on future prospects as and when these arise.

The Board of Directors recommends the passing of the proposed Special Resolution at Item No.07.

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

ITEM NO. 8

SO 339 dated October 30, 2020 ("Government Notification") issued by the Government of Jammu and Kashmir, pursuant to the provisions of the J&K Reorganization Act, 2019 provides that "One post of Director on the Board of J&K Bank shall be earmarked for the UT of Ladakh". To comply with the said requirements, Article 69(i) of the Articles of Association of the Bank was amended by way of inserting clauses that "atleast one Director on the Board of the Bank shall be appointed by the Government of Union Territory of Ladakh or be from the UT of Ladakh".

However, Reserve Bank of India while approving the aforesaid amendment in the Articles of Association directed the Bank to make suitable changes in Article 69(i) as per the Government of J&K order dated October 30, 2020. Therefore, to align the Articles of the Bank fully with the Government notification, in the last sentence of Article 69 (i) of the Articles of Association, the word "Atleast" is recommended to be deleted so as to read the sentence as under:

'One Director on the Board of the Bank shall be appointed by the Government of Union Territory of Ladakh or be from the Union Territory of Ladakh.'

The Board of Directors recommends the passing of the proposed Special Resolution at Item No. 08.

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

ITEM NO. 9

Mr. Rajesh Kumar Chhibber (DIN: 08190084) was appointed as an Additional Director on the Board of the Bank effective from 30th December, 2021. 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 Mr. Rajesh Kumar Chhibber (DIN: 08190084) 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 Mr. Rajesh Kumar Chhibber (DIN: 08190084) is provided in the Corporate Governance Report forming a part of Annual Report 2021-22.

The Board upon the recommendations of the Nomination and Remuneration Committee, recommends the resolution as set out in Item No. 09 of the Notice for approval of members as an ordinary resolution.

Except Mr. Rajesh Kumar Chhibber, 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.

By order of the Board of Directors

Mohammad Shafi Mir
Company Secretary
M. No: 8516

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

Particulars	Details of Director seeking appointment/re-appointment at the AGM	
Name	Mohmad Ishaq Wani	Rajesh Kumar Chhibber
Category	Non-Executive Non Independent Director	
DIN	08944038	08190084
Date of Birth	03.03.1958	09.10.1959
Qualification	M.Sc, M.Phil, Ph.d	BSc, CAIIB Part I
Nature of Expertise/ Experience*	More than 30 years' experience in different capacities at State Government Level.	More than 39 years' of banking experience in different capacities .
Terms and conditions of appointment / re-appointment	Re-appointment as Director liable to retire by rotation.	Appointment as Director liable to retire by rotation.
Details of Remuneration paid sitting fees and Commission during the year 2021-22 (in Rs.)	Sitting Fee of 18,40,000.00 and Commission of 3,97,260.00 (for FY 2020-21 and paid in FY 2021-22)	Sitting Fee of 4,80,000.00 and Salary of 49,33,193.00. Mr. R. K. Chhibber was Chairman and MD till 30 th December, 2021 and additional director thereafter.
Remuneration proposed to be paid	The Non-Executive Directors will be paid sitting fees as well as reimbursement of expenses incurred for attending each meeting of the Board or a Committee thereof. In addition they 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 ₹ 10 Lakhs per annum per Director.	
Date of First Appointment on the Board	06.11.2020	10.06.2019
Shareholding in the Bank	Nil	11000 Shares
Relationship with other Directors, Key Managerial Personnel	Nil	Nil
Directorship in other Companies	Nil	Nil
No. of Board Meetings attended during the year 2021- 22	14	14

* for detailed profile and Nature of Expertise in Specific Functional areas, refer to Corporate Governance section of Annual Report.



Director's Report

To the Members,

Your Board of Directors has pleasure in presenting the 84th 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, 2022.

Performance at a Glance

- The aggregate business of the Bank stood at Rs. 185111.06 Crore at the end of the financial year 2021-22.
- The total deposits of the Bank grew by Rs. 6649.23 Crore from Rs.108061.15 Crore as on 31st March, 2021 to Rs. 114710.38 Crore as on 31st March, 2022, a growth of 6.15 percent.
- CASA deposits of the Bank stood at Rs. 64874.61 Crore and constituted 56.56 percent of total deposits of the Bank.
- Cost of deposits for the FY 2021-22 stood at 3.65 percent.
- The net advances of the Bank stood at Rs. 70400.68 Crore as on 31st March, 2022.
- Yield on advances for the FY 2021-22 stood at 8.32 percent.
- Average Priority Sector advances stood at Rs. 33982.00 Crore as on 31st March, 2022.
- The Bank effected cumulative cash recovery, up-gradation of NPA's and technical write-off of Rs. 2939.28 Crore during FY 2021-22.
- Investment portfolio of the Bank stood at Rs. 33834.99 Crore as on 31st March, 2022.

Insurance Business

The Bank earned a commission income of Rs 62.13 Crore from Insurance Business by mobilizing a business of Rs 477.79 Crore in life insurance (including fresh retail life business of Rs 133.94 Crore, Credit life business of Rs 82.85 Crore and renewal business of Rs 261 Crore) and Rs 223.99 Crore in non-life insurance during financial year 2021-22.

Income Analysis

- The Interest income of the Bank stood at Rs.8013.48 Crore in the year 2021-22. Interest expenses stood at Rs. 4102.25 Crore for FY2021-22. The Net Interest Income stood at Rs. 3911.23 Crore for FY2021-22.
- The Net Income from operations [Interest Spread plus Non-interest Income] stood at Rs. 4692.16 Crore in the financial year 2021-22.
- The Operating Expenses registered an increase of Rs.714.24 Crore during the financial year 2021-22 and stood at Rs.3592.78 Crore as compared to Rs. 2878.54 Crore in 2020-21.
- The Cost to Income ratio (Operating Expenses to Net Operating Income) stood at 76.57 percent in the financial year 2021-22.

Gross Profit

The Gross Profit for the financial year 2021-22 stood at Rs. 1099.38 Crore.

Provisions

The Provision for Loan Losses, Standard Assets, Taxation and others aggregated to Rs.597.82 Crore in the financial year 2021-22.

Net Profit/Loss

The Bank registered a Net Profit of Rs.501.56 Crore for the financial year 2021-22.

Dividend

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 supporting its future growth. The said Policy has been hosted on the website of the Bank at <https://www.jkbank.com/pdfs/policy/Dividend%20Distribution%20Policy.pdf> In order to conserve/ augment capital base of the Bank, your Directors do not recommend any dividends for the financial year 2021-22.

Branch/ATM Network

During the financial year 2021-22, 25 new branches were established, thereby taking the number of branches to 980 (including IARBs) as on 31.03.2022, 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 2021-22 is as under:

Area	Business Units (including IARBs)
Metro	174
Urban	108
Semi-Urban	162
Rural	536
Total	980

During the financial year FY 2021-22, 6 EBU/USBs were established taking the total number of EBU/USBs to 77, 21 ATMs were commissioned thereby taking the number of ATMs to 1404 as on 31.03.2022.

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 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.

In order to comply with the requirements of section 12(1) (i) of the Banking Regulation Act, 1949, the authorized capital of the Bank was reduced from ₹ 250,00,00,000 to ₹ 185,00,00,000 after seeking Shareholders/ Reserve Bank of India approval.

As at March 31, 2022, the Subscribed and Paid-up Capital of the Bank stood at Rs.93,28,86,594.00 comprising of 93,28,86,594 equity shares, which is 21,94,35,656 equity shares more than as at March 31, 2021. The said capital was raised by way of:

- Allotment of 16,76,72,702 equity shares at a price of Rs.29.82 to Government of Jammu and Kashmir on preferential basis amounting to a total of Rs. 499,99,99,973.64, and
- Allotment of 5,17,62,954 equity shares at a price of Rs. 28.97 to the eligible employees of the Bank under J&K Bank Employee Stock Purchase Scheme, 2021 (JKBESPS 2021) amounting to a total of Rs.149,95,72,777.38.

The Bank also 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 amount of Rs. 93,49,99,830.90. The issue opened on March 28, 2022 and closed on March 31, 2022. The allotment was, however, made on April 01, 2022.

Net Worth and Capital Adequacy Ratio (CRAR)

- The Net Worth of the Bank stood at Rs.7063.82 Crore on 31st March 2022.
- Capital Adequacy Ratio under Basel III stood at 13.23 percent as on March, 2022. The tier I component of CRAR is 11.73 percent as on 31st March 2022.
- Book Value per Share for the financial year 2021-22 stood at Rs.75.72.

Board of Directors

Your Bank has Eleven (11) Directors consisting of MD & CEO and 10 Non-Executive Directors as on 31st March, 2022.

Non-Independent Executive Director

Mr. Baldev Prakash, Non Independent Executive Director has been serving as the MD & CEO of the Bank since December 30, 2021, with the approval of The Reserve Bank of India (RBI).

Non-Independent Non-Executive Director

- 1) Mr. Atal Dulloo, IAS, Financial Commissioner (Additional Chief Secretary) to Govt. of J&K, Finance Department,
- 2) Mr. Nitishwar Kumar, IAS, Principal Secretary to Lt. Governor Govt. of J&K,
- 3) Mr. R K Chhibber
- 4) Mr. Mohmad Ishaq Wani

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 of the Bank:-

1. Dr. Rajeev Lochan Bishnoi
2. Mr. Naba Kishore Sahoo
3. Mr. Umesh Chandra Pandey
4. Mr. Anil Kumar Goel
5. Mrs. Sushmita Chadha
6. Mr. Anand Kumar

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 2021-22, there were following changes in the composition of the Board:

- Mr. Rigzian Sampheal, IAS, (DIN: 08157221) ceased to be the Director on the Board of the Bank w.e.f April 21, 2021 consequent upon his resignation from the Board of Directors of the Bank.
- Mr. Atal Dulloo, IAS (DIN: 03542909) was appointed as Govt. Nominee Director w.e.f September, 01, 2021 in place of Dr. Arun Kumar Mehta, IAS (DIN: 02712778).
- Mr. Vikram Gujral (DIN: 03637222) ceased to be Director on the Board of the Bank w.e.f September 30, 2021 consequent upon his non re-appointment at the 83rd Annual General Meeting of the Bank.
- Mr. Baldev Prakash (DIN: 09421701) was appointed as a Govt. Nominee Director on December 27, 2021 and further as Managing Director and CEO ('MD&CEO') of the Bank to be effective from the date of his actual joining. Upon his joining as the MD&CEO of the Bank on December 30, 2021, Mr. R K Chhibber ceased to be Chairman and Managing Director of the Bank.
- Mr. Anil Kumar Misra (DIN: 08066460) ceased to be RBI appointed Additional Director on the Board of the Bank w.e.f January 04, 2022 consequent upon withdrawal of his nomination by The Reserve Bank of India.
- Dr. Rajeev Lochan Bishnoi (DIN: 00130335) and Ms. Monica Dhawan (DIN: 01963007) ceased to be Independent Directors on the Board of the Bank w.e.f January 11, 2022 consequent upon completion of their terms.
- Dr. Rajeev Lochan Bishnoi (DIN: 00130335) was appointed as an Independent Director on the Board of the Bank for a second term w.e.f. January 21, 2022.
- Mr. Umesh Chandra Pandey (DIN: 01185085) and Mr. Anil Kumar Goel (DIN: 00672755) were appointed as Independent Directors on the Board of the Bank w.e.f January 21, 2022.
- Mrs. Sushmita Chadha (DIN: 02939808) was appointed as an Independent Director on the Board of the Bank w.e.f January 31, 2022.
- Mr. Naba Kishore Sahoo (DIN: 07654279) was re-appointed as an Independent Director on the Board of the Bank w.e.f March 01, 2022.
- Mr. Anand Kumar (DIN: 03041018) was appointed as an Independent Director on the Board of the Bank w.e.f March 03, 2022.

During the year under report, no Independent Director resigned before the expiry of his/her tenure.

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

Mr. Vivek Bharadwaj, IAS (DIN: 02847409) was appointed as Government Nominee Director vide order no. 567-JK(GAD) of 2022 dated May 17, 2022 on the Board of the Bank in place of Mr. Atal Dulloo, IAS (DIN: 03542909) w.e.f May 17, 2022.



Directors seeking appointment/re-appointment at AGM

Mr. Rajesh Kumar Chhibber (DIN: 08190084), Additional Director on the Board of Bank being eligible has offered himself for appointment as Director liable to retire by rotation. Dr. Mohamad Ishaq Wani (DIN: 08944038) 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 Notice & Corporate Governance Report.

Number of Meetings of the Board

During the year under review, Fourteen (14) Board Meetings were held, in due compliance with statutory provisions, on the following dates:

04.06.2021, 17 & 18.06.2021, 13.08.2021, 02.09.2021, 13 & 14.09.2021, 18.10.2021, 12.11.2021, 16.11.2021, 28.12.2021, 21.01.2022, 31.01.2022, 08.02.2022, 03.03.2022 and 17.03.2022.

Committees of the Board

During the period under review, the Bank had 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 Committee
- Integrated Risk Management Committee
- Customer Service Committee
- Nomination & Remuneration Committee
- Legal and Impaired Assets Resolution Committee
- Human Resource Development Committee
- Investment Committee
- GST Steering Committee

Besides the above, the Bank had few specific purpose Committee of the Board:

- Special Committee of Board (Constituted to devise a roadmap for alignment of pay structure of the Bank compliant with the IBA pay scales)
- Compensation Committee
- Special Committee of Board (Constituted for the purpose of reviewing the down-gradation of M/s Bharat Hotels Ltd.)
- Capital Issuance Committee (Erstwhile Share Allotment Committee)

The composition, power, role, 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, Chairman of the Board, Managing Director & CEO 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 Directors being evaluated.
- Independent Directors evaluate the performance of Non-Independent Directors, Chairman of the Board, Managing

Director & CEO and Board as a whole and submit 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, 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.
Managing Director & CEO	Participation at Board / Committee Meetings, Managing Relationships, Knowledge and Skills, Personal Attributes, Contribution, Leadership and Initiative
Individual Directors	Participation in meetings, managing relationships, knowledge & skills and personal attributes, etc.

The responses received to the questionnaires on evaluation of the Board, its Committees, individual Directors Chairman and MD & CEO 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 RBI guidelines. The declarations from the Directors other than Members of the N&RC are placed before the N&RC and the declarations of the Members of the N&RC are placed before the Board. Assessment on whether the Directors fulfill the said criteria is made by the N&RC/Board on an annual basis.

Change in Key Managerial Personnel

As at March 31, 2022, Mr. Baldev Prakash, Managing Director & CEO, Mr. Balvir Singh Gandhi, Chief Financial Officer and Mr. Mohammad Shafi Mir, Company Secretary were the Key Managerial Personnel of the Bank.

Mr. Baldev Prakash was appointed Managing Director & Chief Executive Officer of the Bank in the Board meeting held on December 28, 2021 to be effective from December 30, 2021 (Date of actual joining) thereby relieving Mr. R K Chhibber as Chairman and Managing Director of the Bank. Mr. Balvir Singh Gandhi was appointed as Chief Financial Officer of the Bank on December 28, 2021 in place of Mrs. Rajni Saraf, who ceased to be the Chief Financial Officer of the Bank. 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

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 (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.

Performance of Associate /Subsidiary Companies

Subsidiary:

As on March 31, 2022, the Bank has one unlisted wholly owned subsidiary - JKB Financial Services Limited (JKBFSL), which was incorporated on August 27, 2008. It is a member of the National Stock exchange (NSE) & Bombay Stock Exchange (BSE). A leading broker in the Union Territory of J&K, JKBFSL provides broking services in equity (cash/delivery, intra-day, futures and option), distributes Mutual Funds of leading Asset Management Companies & also banking products of J&K Bank.

Following are the performance highlights of the company during the year:

Income:

- The income from Equity broking for the financial year 2021-22 is ₹ 604.17 lacs compared with ₹ 705.75 lacs during previous FY 2020-21 thereby registering a YoY decline of 14.39 %.
- Income from MTF (Margin Trade Funding) is ₹ 180.42 lacs for the financial year 2021-22 as compared to ₹ 106.57 lacs in FY 2020-21 thereby registering a YoY growth of 69.30 %
- The depository income grew from ₹108.52 lakhs to ₹141.23 lakhs during the year registering a YOY growth of 30.14%.
- Revenue from 3rd party products has been marked as a growth area for the company. The company has recorded AUM growth of around 150% on YoY basis and accordingly the mutual fund commission grew from ₹12.30 lakhs to ₹22.37 lakhs thereby recording a YOY growth of 81.86%.
- The total income of the Company grew from ₹ 984.30 lakhs to ₹ 991.25 lakhs.

Expenditure:

- The total expenses during the financial year 2021-22 is ₹ 590.03 lacs as compared to ₹ 562.23 lacs in the previous financial year. The company has increased its investments in technology platforms & human capital.

Profits:

- The Company registered profit before tax of ₹ 401.22 lakhs during the given financial year and the net profit achieved was ₹287.61 lakhs in comparison to a net profit of ₹ 267.13 lakhs during the previous financial year.

Associates:

As on March 31, 2022, the Bank has two associates viz. J&K Grameen Bank (Regional Rural Bank Sponsored by J&K Bank)

and M/s Jammu and Kashmir Asset Reconstruction Limited. The performance highlights of the associates during the year are provided as under:

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

The J&K Grameen Bank 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 31 st March, 2022):	217
No. of Employees (as on 31 st March, 2022):	1127 (includes 21 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 Rs.5.00 Crore (which stands amended to Rs. Two Thousand 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 Rs.97.16 Crore fully subscribed by the Central Government, State Government and Sponsor Bank in the ratio of 50:15:35 respectively. The details are tabulated hereunder:

1.	Authorized Share Capital	Rs. 2000 Crore
	Subscribed / Paid up Share Capital	Rs. 97.16 Crore
2.	Central Government (50%)	Rs. 48.58 Crore
	State Government (15%)	Rs. 14.57 Crore
	Sponsor Bank (35%)	Rs. 34.01 Crore

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., Rs. 11.67 crore has been provided by J&K Bank (Sponsor Bank) in the form of perpetual debt (bonds) eligible as Tier - II of the sponsored bank.

Performance of the J&K Grameen Bank as on 31.03.2022

Business:

The total business of the bank as on 31st March 2022 stood at Rs.7646.50 Crore against Rs.7036.94 Crore as on 31st March 2021, thereby registering a growth of 8.66% during the financial year 2021-22.



Deposits:

The deposits of the bank have increased from Rs.4472.43 Crore to Rs.4767.90 Crore during the financial year 2021-22 thereby registering a growth rate of 6.61%.

Advances:

The gross advances of the Bank as on 31st March 2022 stood at Rs.2878.60 Crore as against Rs. 2564.51 Crore as on the corresponding date of the previous year recording a growth of 12.25%

CD Ratio:

The C.D. Ratio of the bank has increased by 303 bps from 57.34% as on 31st March 2021 to 60.37% as on 31st March, 2022.

Priority Sector Advances:

The priority sector advances outstanding as on 31st March 2022 stood at Rs. 2327.61 Crore against Rs. 2050.90 Crore outstanding as on 31st March 2021, registering a growth of 13.49% on Y-o-Y basis. RRB specific benchmark of 75% portion of priority sector advances to total advances outstanding has been well maintained with 80.86% as on 31st March, 2022.

NPA Management:

Gross NPAs of the Bank as on 31.03.2022 stood at Rs. 152.07 Crore (5.28%) against Rs. 184.42 Crore (7.19%) as on 31st March, 2021. Accordingly Net NPAs as on 31st March, 2022 stood at Rs. 69.75 Crore (2.49%) against Rs. 98.47 Crore (3.97%) as on 31st March, 2021.

Business per Employee:

The business per employee as on 31st March 2022 stood at Rs.6.78 Crore against Rs.6.65 Crore as on corresponding date of the previous year.

Business per Branch:

The business per branch as on 31st March 2022 stood as Rs. 35.24 Crore against Rs. 32.43 Crore as on corresponding date of the previous year.

Profitability:

Mainly due to the pension provision liability of Rs. 92.85 Crore during the year 2021-22, Bank has incurred a net loss of Rs. 27.39 Crore as on 31st March, 2022.

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 2021-22 was launched on 1st April, 2021, envisaging a total credit target of Rs. 44,980.57 Crore for 14,97,700 beneficiaries. During FY 2021-22, banks operating in UT of J&K have disbursed total credit of Rs.36,758.34 Crore in favour of 12,53,654

beneficiaries, registering an achievement of 82% in financial terms and 84% in physical terms. This includes disbursement of Rs.19,095.87 Crore in favour of 8,46,050 beneficiaries against the annual target of Rs.35,482.62 Crore for 12, 11,772 beneficiaries under Priority Sector and Rs.17,662.47 Crore in favour of 4,07,604 beneficiaries against the annual target of Rs.9,497.95 Crore for 2,85,928 beneficiaries under Non-Priority Sector thereby registering achievement of 54% and 186% in financial terms respectively.

J&K Bank was assigned annual target of Rs.22,346.39 Crore for 7,54,694 beneficiaries under Priority and Non-Priority Sectors of economy during FY 2021-22 against which Rs.23,633.84 Crore were disbursed in favour of 8,71,928 beneficiaries registering an achievement of 106% in financial terms and 116% in physical terms.

During the FY 2021-22, following meetings were conducted:

- 3rd Meeting of J&K UTLBC held on 23rd June 2021 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 2021.
- 4th Meeting of J&K UTLBC held on 20th September 2021 to review the performance of Banks/ FIs in UT of J&K during the quarter ending June 2021.
- 5th Meeting of J&K UTLBC held on 30th November 2021 to review of the performance of Banks/ FIs in UT of J&K during the quarter ending September 2021.
- 6th Meeting of J&K UTLBC held on 30th March 2022 to review the performance of Banks/ FIs in UT of J&K during the quarter ending December 2021.
- Special Meeting of J&K UTLBC held on 7th January 2022 to review Action Taken by Banks/ Government Departments on the Actionable Points emerged during the visit of Hon'ble Union Finance Minister to UT of J&K on 23rd November 2021.
- Two Meetings of Sub-Committee of J&K UTLBC on Priority Sector were held on 30th December 2021 and 25th February 2022 to review the performance of banks in disbursement of credit to Priority Sector against Annual Credit Plan.

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 2021-22.

Implementation of Financial Inclusion Plans (FIPs):

1. After successful implementation of FIP-I and FIP-II, under the directions from Reserve Bank of India, a roadmap for opening "Brick & Mortar" branches or CBS-enabled Banking Outlets in the identified 104 villages having population over 5000 in UT of J&K is presently under implementation. These villages have been allocated to 8 major scheduled commercial banks operating in UT of J&K viz. J&K Bank-48, SBI-15, PNB-11, HDFC Bank-11, ICICI Bank-05, Canara Bank-05, UCO Bank-05 and CBI-04. As of 31.03.2022, 99 villages have been covered for banking

services with opening of 13 brick & mortar branches and 86 CBS-enabled Banking outlets including 22 Access Points of India Post Payments Bank (IPPB). Out of the 99 covered villages, 48 villages have been covered by J&K Bank, 14 by SBI, 11 villages each by PNB & HDFC Bank, 4 villages each by ICICI Bank & Canara bank, 5 villages by UCO Bank and 2 village by Central bank of India.

2. Providing Banking Services within a radius of 5 KMs of every village:

Though the banking services as per Sub Service Area (SSA) Plan were provided across the erstwhile J&K State by 2016, however in the year 2019, National Informatics Centre (NIC) conducted a GPS (Latitude/ Longitude) based verification of available Banking Touch Points uploaded by banks on Jan Dhan Darshak App - (GIS App) and a fresh list of uncovered villages (i.e. villages not having a Bank Branch/BC/Post Office within 5 KMs distance) was arrived at by DFS and shared with respective SLBC/ UTLBC in the month of October 2019 for assigning same to banks for providing the necessary Banking Touch Points as per the 5 KM criteria fixed by DFS. Once the banks provide/ deploy the necessary Banking Touch Point in the allocated villages, the details of the same including Latitude/ Longitude Positions are to be uploaded/ updated to Jan Dhan Darshak App by the concerned bank so that village is reflected as "covered" as per the GPS Mapping.

For UT of J&K, 147 villages were identified by DFS as "uncovered" under GPS system of identification. All 147 locations stand covered by 6 banks i.e. J&K Bank-75, SBI-20, PNB-7, JKGB-28, IPPB-16 and EDB-1 by providing Banking Touch Points

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 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 31.03.2022 takes the total number of FLCs in 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 Crop.

Banks/ FIs in J&K has issued 68,186 fresh KCCs during FY 2021-22 involving an amount of Rs.591.41 Crore. This includes Rs.363.02 Crore disbursed in favour of 35,634 beneficiaries under KCC Crop and Rs.228.39 Crore to 32,552 beneficiaries under KCC-AH & F.

With the above achievement during FY 2021-22 the total number of active KCCs in J&K has reached to 9,52,896 as on 31.03.2022 with an outstanding credit of Rs.6,506.48 Crore.

Advertising and Publicity

To enhance the already established identity and image of the Bank, we branded and positioned our Bank in a way so that it stands out financially, aesthetically and intellectually within the public domain. By being relevant and compelling in our vigorous brand promotion through advertising and publicity, we have successfully improved our brand exposure during the FY 2021-22 thereby enhancing our brand perception and increasing our brand value. We have been successful in strengthening the bond of trust with all our stakeholders by leveraging all the means and channels of communications available for uninterrupted communication throughout the financial year. Besides, the Bank's products, services and facilities were successfully advertised and publicized through mass marketing strategies across the operational geography of the Bank. Also, the advertising campaigns initiated by the Bank to enhance the overall business, while meeting the set targets, were duly publicized with proper follow-up communications. Moreover, 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 the Union Territory and relevant channels across 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 were successful in increasing our presence in the social-media universe by further strengthening and streamlining our online presence through highly popular mediums of social connectivity platforms especially Facebook, Twitter, Instagram and YouTube.

Brand Building

Brand perception forms the fulcrum of any communication marketing strategy. Bank has, as has been case over the years, undertook various promotional activities to position its brand further favourably among the masses, complementing ever-strengthening significance of our institution on financial landscape of UTs of J&K, Ladakh and beyond.

While Brand J&K Bank continues to hold the sway among the masses, Bank has ensured it put an effective and efficient communication strategy in place to bolster the brand recall.

While the thrust for using digital channels to communicate with the masses 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 also put in use traditional advertisement genres like outdoor advertising (OOH) through hoardings



to garner 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 & 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.

With Covid-19 ruling the roost in most of FY 2021-22, Bank earned public goodwill through continuity of its relentless Banking service amidst the crisis. Bank's role in mitigating the problems during the unprecedented Pandemic was effectively highlighted through appropriate communication channels which added to the brand value and engineering a positive perception and imagination which only furthered and strengthened the trust and bond between Bank and its stake-holders.

The key components of brand identity like logo, its colours, font and other aspects weren't compromised while positioning the brand among the stakeholders.

Awards & Certifications received by the Bank during FY 2021-22

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 2021-22, the Bank outperformed its competitors to grab the headlines in following categories;

'Best Digital Financial Inclusion Initiatives' Award

J&K Bank won 'Best Digital Financial Inclusion Initiatives' Award at Indian Banks' Association's 17th Annual Banking Technology Conference and Awards 2020-21.

'Best IT Risk & Cyber Security Initiatives' Award

J&K Bank was adjudged as Runner Up for 'Best IT Risk & Cyber Security Initiatives' Award at Indian Bank's Association's 17th Annual Banking Technology Conference and Awards: 2020-21' under Small Bank Category.

'Utkarsh Puraskar' of DigiDhan Award - 2020-21

J&K Bank won 'UtkarshPuraskar' of DigiDhan Award - 2020-21 for achieving 2nd highest percentage of digital payment transactions under the category of Small & Micro banks from Union Minister for Communications, Electronics & Information Technology and Railways (GoI), Ashwini Vaishnav.

Khadi India Award - Pan India Category

J&K Bank won 4th position under Khadi India Awards from Khadi & Village Industries Commission (KVIC) Mumbai, Ministry of MSME (GoI), for implementing Prime Ministers Employment Generation Programme (PMEGP) across the country during FY 2020-21.

Khadi India Award - North India Category

J&K Bank ranked No. 1 by the Ministry of Micro, Small & Medium Enterprises (GoI) under Khadi India Awards for its excellent performance in implementing the Prime Minister's Employment Generation Programme (PMEGP) in North India during FY 2020-21.

National Award for SHG Bank Linkage

J&K Bank bagged 'National Award for Outstanding

Performance in Self Help Group (SHG) Bank Linkage for FY 2020-21' by the Ministry of Rural Development (GoI).

ISO 27001:2013 Certification

J&K Bank has received the latest certification of prestigious ISO 27001:2013 from Intertek - a reputed London-based Total Quality Assurance provider - for being compliant with the best industry standards in terms of privacy and security protocols.

Corporate Social Responsibility (CSR)

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.

The Corporate Social Responsibility (CSR) policy of the Bank envisages not only an inclusive and sustainable socio-economic empowerment of the underprivileged, but also 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 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) 2021-22, the Bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. The statutory disclosures in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this report at Annexure 1. The policy is available on the Bank's website at https://www.jkbank.com/pdfs/policy/JKB_CSR_Policy_V3.pdf

Key areas of intervention under the CSR Programme

- a) Livelihood Generation
- b) Preventive Healthcare

Details of activities undertaken under CSR during the FY 2021-22

Initiatives undertaken under CSR during the FY 2021-22 include:

Livelihood Generation

J&K Bank has been steadfast in its approach to empower communities and create opportunities for sustainable livelihoods. Offering every individual a chance to earn an honest living and inspiring people to lead a life of dignity and self-sufficiency has been the key role of the organization. The Bank considers it a mission to measurably improve the lives of under-privileged and differently abled persons by addressing their needs so as to facilitate their movement from margins of society towards the socio-economic mainstream. With this vision, J&K Bank undertook the project of providing financial assistance to Humanity Welfare Organization Helpline, an NGO, for their project of providing vocational training cum

livelihood generation for specially-abled youth.

On the same lines, J&K Bank also contributed towards the construction of the NAR (National Academy of RUDSETI) building at Bengaluru. National Academy of RUDSETI is providing its services to all the RSETIs across the country. RSETIs act as dedicated institutions designed to ensure necessary skill training and skill up gradation of the rural BPL youth to mitigate the problem of unemployment. To eliminate poverty, it is necessary to create livelihood opportunities on sustainable basis for the people living below the poverty line as it will enable them to fulfill basic need of life i.e. food, health and shelter and that is what RSETIs deal with - training of youth for self-employment.

Preventive Healthcare

Preventive healthcare is an important dimension of health that needs significant attention and investment from all sections of the society. J & K Bank considers working in this sector as an ethical obligation to provide extensive support and assistance with regard to protecting and promoting health. The Bank remains at the forefront in this sector to help Institutes upgrade the healthcare facilities thereby enabling people to have access to the best-in-class medical treatment. The bank, as such, continued to extend support in this sector by helping procure the 'Platelet/Therapeutic Plasma Apheresis Kits' for the treatment of patients suffering from blood cancer and other blood dysfunctional diseases at SKIMS, Srinagar and GMC Jammu.

The world has changed dramatically since the emergence of the Coronavirus Disease 2019 (COVID-19) pandemic. The pandemic swiftly and harshly interrupted life and economies, forcing businesses and governments to quickly make difficult choices to balance risks to individual health and economic health. While health organizations and Governments across globe are trying hard to curb the disease and deflate its impact, corporates too have contributed their bit to ensure human safety. Looking at the situation emerging because of this deadly virus, J & K Bank decided to do its bit and started an initiative called "Wear a Mask". The Bank procured and distributed face masks (three layer surgical masks) in and around health facilities, educational institutions etc in the capital cities of J&K i.e., Srinagar and Jammu, which have seen the bulk of Covid-19 cases in the UT.

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 value. Several matters have been voluntary included in the statement on corporate governance annexed to this report, besides certificate from the Central Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Management discussion and analysis

The Management Discussion and Analysis Report for the year under review 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 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 "Whistle Blower Policy" has been formulated 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, Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. However, no case under the Whistle Blower Mechanism was referred to the Audit Committee of the Bank during the year.

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. No complaint has been referred to the Bank under the "Protected Disclosure Scheme".

Risk Management

A well-defined, comprehensive risk management framework of our bank is based on accepting various risks, controlled risk assessment, measurement and monitoring of these risks. 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, Committees of the Board of Directors and Senior Management Committees - Credit Risk Management Committee, Market Risk Management Committee, Operational Risk Management Committee and Asset Liability Committee (ALCO). These policies approved from time to time by Board of Directors, Committees of Board 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. Risk Management is administered by Executive/ Senior Management Committees & Chief Risk Officer (CRO) through Integrated Risk Management Department (IRMD). The Bank has structured 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 that operate within the broad risk management framework of the Bank to assess and minimize these 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 IRMD. 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 Report

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 Report (BRR) as a part of the Annual Report. The Bank's Business Responsibility Report describing the initiatives taken by the Bank from an environmental, Social and governance perspective is enclosed as Annexure - 6.

Employees Stock Purchase Scheme

During the period under report, the Bank implemented J&K Bank Employee Stock Purchase Scheme, 2021 (JKBESPS, 2021), 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 authorising 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 (erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014), including the aforesaid certificate from the Secretarial Auditor are available on the Bank's website at <https://www.jkbank.com/investor/investorinfo/ESPS.php>

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.

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. The particulars of investments made by the Bank are disclosed in notes number 5 to 8 of Schedule 18 of the Financial Statements as per the applicable provisions of the Banking Regulation Act, 1949.

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 <https://www.jkbank.com/pdfs/policy/Related%20Party%20Transactions%20Policy.pdf>

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, 2022 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	27	Resolution process (Pending with NCLT)	2682.57	Nil
2	19	Liquidation Process	1501.56	2.08
3	0	Resolution approved / implemented during the year	0	0

Frauds reported by the Bank

The Bank during the financial year 2021-22 has detected/ reported 19 cases of frauds to Reserve Bank of India involving an amount of Rs 246.16 Crore.

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 ensuing 84th 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 together 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, 2022 form part of this Annual Report.

Statutory Auditors

The Central Statutory 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 four (4) Central Statutory auditors appointed by the C&AG of India for the year under review as given below:

1. O AGGARWAL & CO, Chartered Accountants
2. DHARAM RAJ & CO, Chartered Accountants
3. ARORA VOHRA & CO, Chartered Accountants
4. HEM SANDEEP & CO, Chartered Accountants

Fees paid to Statutory Auditors

The details of total fees, 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	M/s K K Goel & Associates*	M/s P C Bindal & Co*	M/s Verma Associates*	M/s O P Garg & Co*	Total
1	Statutory Audit / Limited Review / Certification & Attestation Charges	72.80	85.85	85.71	88.36	24.55	26.91	24.55	24.55	433.28
2	Fee payment by J & K Grameen Bank (Associate) to Central Statutory Auditors of the Bank	4.55	---	---	---	---	---	---	---	4.55

* Fee paid on account of limited review for the 1st quarter of the financial year 2021-22 to previous year Statutory Central Auditors.



Comments of C&AG

Comptroller and Auditor General of India has Comments under Section 143 (6) of The Companies Act, 2013 on the accounts of the Bank for the year ended 31st March 2022 and the Bank's replies to the comments are furnished as under:

S.No.	CAG Comments	Auditors'/Banks' Remarks
1.	The statutory auditors at Point No. 2 have reported that the waiver / write off of debts had resulted in loss of Rs.229.88 crore. However, the waiver/write-off of debts by the Bank had resulted in loss of Rs.29.60 crore, the remaining amount of Rs.200.28 crore being unapplied interest was not recognized by the Bank.	For effecting recovery in Non-Performing Assets (NPAs) the Bank takes recourse to various options which includes One-Time Settlements where the Bank endeavours to recoup the maximum outstandings in the shortest possible time. However, in some chronic NPAs the recovery entails some sacrifice of the unapplied interest and sometimes a part of the principal NPA balance is also waived. As the Bank does not recognize the interest income on NPAs in line with the Income Recognition & Asset Classification guidelines of the RBI, therefore the waiver of unapplied interest does not affect the Profit & Loss of the Bank. It is essentially a notional loss. However, the waiver of principal NPA balance results in Loss which has been rightly pointed out by the C&AG to be Rs. 29.60 Crore for the FY ended March'2022.
2.	The statutory auditors at Point No. 10 have stated that no case of greening of advances and up-gradation of loan account at the fag end of the year or delay/ non-declaration of NPA as per RBI guidelines has been reported. The statement made by the Statutory Auditors is incorrect as advances amounting to Rs.586.64 crore were not declared as NPA by the Bank as per RBI guidelines. Assets worth Rs.586.64 crore were downgraded after identification by the auditors during the audit of Branch units. As such the final accounts show these loans as NPA and should have been disclosed by the Statutory Auditor in the declaration under Section 143(5).	In line with the 'Income Recognition & Asset Classification' guidelines of the RBI, the Bank has automated the Asset classification (downgrade / upgrade) of all borrowal accounts. The accounts identified by the Statutory Auditors for downgrading were mainly on account of non-financial reasons. Ever-greening of loan accounts happens when the accounts are maintained as Standard through circumvention or ad-hoc credits by sanctioning some additional credit facilities. The downgrade on non-financial grounds does not in any way suggest that the Bank resorted to any greening or upgradation of accounts towards fag-end of the year. Hence the statement of the Statutory Auditors that no case of greening of loan accounts have been observed is factually correct.
3.	Other Assets (Schedule-11) includes amount of Rs.1716.11 crore as pension dues from Government of UT of Jammu & Kashmir and Government of UT of Ladakh. However, this material fact has neither been disclosed in Notes to Account nor qualified by the statutory auditors.	The same has been duly mentioned in the Notes to Accounts at Point No. 22 to the Notes to Accounts in the audited financial results.

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 Auditor to conduct the Secretarial Audit of the Bank for the FY 2021-22. 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 2021-22 is annexed to this report as Annexure 2. The Bank's replies to the comments of Secretarial Auditor are furnished as under:

S.No.	Comments/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.	The non-compliance in the period under report was mainly on account of reasons beyond the control of the Bank. However, the Bank is in the process of complying with Section 152 of the Companies Act, 2013.
2	The Bank filed the Forms DIR-12 relating to the appointment/ cessation of CFO & appointment of Govt. Nominee Director with Registrar of Companies beyond the stipulated time period under the Act with additional fee due to system issues/technical reasons.	The comments are self-explanatory and thus, do not require any further explanations.
3	Due to non-reappointment of Mr. Vikram Gujral at the 83 rd Annual General Meeting held on September 30, 2021 the composition of Nomination & Remuneration Committee had fallen below the minimum required level. The Committee was reconstituted on December 28, 2021 with the requisite membership.	

Compliance with Secretarial Standards

The Bank is in compliance with all applicable Secretarial Standards as notified from time to time except to the extent stated in the secretarial audit report.

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 3" forming part of this report.

Statutory Disclosures

1. 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 of energy efficient IT equipment

Various initiatives taken in this regard by the Bank are given below:

- Bank's Data Center is hosted at a high energy efficient hosting facility in Noida which operate on the ITIL based service delivery framework and follow ISO 9001 and ISO 2000 standards.
- Bank is shifting its Disaster Recovery Site to a new co-location site in Mumbai which is Asia's Largest Rated 4 Hyper scale Datacenter aligned to TIA-942 standard having strong focus on various environmental considerations
- Integration with Government Digi locker Platform has been achieved to increase the usage of digitized documents for providing various banking facilities to customers which shall help to reduce the need of printing various documents.
- Usage of Digital Signage Screens has been increased across the Bank to display various regulatory notifications /advisories digitally therefore eliminating the paper usage.
- Energy star compliant computing and communication hardware is used by the Bank across all offices and banking outlets.

(ii) The steps taken by the Bank 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 achieved.

(iii) The capital investment on energy conservation equipment.

Bank is continuously striving to ensure energy conservation equipment are used across enterprise like Virtual Servers, Thin Clients, Multi-purpose Printers, multi-purpose kiosks, scanners, etc.

B. Technology Absorption :-

With increased adoption & demand for digital channels by customers, our Bank has been at forefront to introduce new digital services, leverage advanced technological platforms for better & enhanced customer experience

Many new digital services have been introduced with customer centric focus which includes new Mobile banking platform (mPay Delight), Contactless Card transactions, RuPay Debit Card, Digilocker, GRAS, Enterprise Fraud Risk Monitoring, Contact Centre feature enhancement etc.

As part of the long term IT Strategy Bank has recently migrated to the latest version of Core Banking Solution (Finacle 10) that has powerful transformational capabilities for increased productivity, rapid innovation and a comprehensive set of offerings to meet diverse customer demands.

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 31.03.2022 the Bank earned Rs.78.51 lacs and spent Rs.152.86 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. One complaint of sexual harassment was lodged with the Internal Complaints Committee during the year 2021-22 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 2021-22 in the prescribed Form MGT-7 is 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 Bank at the end of the financial year and of the profit and loss of the Bank 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;
- (e) the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively and;
- (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. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Bank has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

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 Mrs. Rajni Saraf, CFO of the Bank, for the financial year under review, was placed before the Board of Directors at its meeting held on 12th May, 2022 in terms of Regulation 17(8) of the Listing Regulations.

Important Events after the Closure of Financial Year ended 31-03-2022

This report covers the period of financial year of the Bank beginning on 1st April, 2021 to 31st March, 2022. However, few material events listed below happened from 1st April, 2022 till the date of this report:

- a) The Board of Directors of the Bank on 27th April, 2022 decided to obtain consent of the Members of the Bank through Postal Ballot by way of special resolutions:
 - Re-appointment of Mr. Naba Kishore Sahoo (DIN: 07654279) as an Independent Director on the Board of the Bank
 - Appointment of Mr. Anand Kumar (DIN: 03041018) as an Independent Director on the Board of the Bank

The shareholders of the Bank approved the above mentioned resolutions on 29th May, 2022.

- b) The Government of Jammu & Kashmir vide order no. 567-JK(GAD) of 2022 dated 17th May, 2022 has nominated Mr. Vivek Bharadwaj, IAS {Financial Commissioner (Additional Chief Secretary), Finance Department} as Government Nominee Director on the Board of Directors of the Bank in place of Mr. Atal Dulloo, IAS (Additional Chief Secretary) with effect from 17th May, 2022 and the same was taken on record by the Board of Directors of the Bank in their meeting held on 10th June, 2022.
- c) On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crore Eighty Five Lac Ninety Three Thousand Two Hundred And Sixty Seven) equity shares at a price of Rs. 32.70 (Rupees Thirty Two and Seventy Paise Only) 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 (Rupees Ninety Three Crore 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.
- d) 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.
- e) 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.

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. As per the said notification, 8.23% shareholding of Jammu & Kashmir Bank Ltd as on the date of enforcement of Jammu & Kashmir Reorganisation Act, 2019 i.e. October 31, 2019 (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 then the remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The Reserve Bank of India vide letter no. DOR. HOL.No.S481/16.01.063/2021- 22 dated July 26, 2021, has accorded approval for the said apportionment. For want of formalities, the shares earmarked to the Union Territory of Ladakh are yet to be transferred.

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

Date: 30th July, 2022



Annexure 1

Annual Report on CSR activities for the financial year ended 31 March 2022

1. Brief outline on CSR Policy of the Company.

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 ecosystem. This represents the core principle and forms the basis of the Bank's CSR policy. The Corporate Social Responsibility (CSR) policy of the

Bank envisages not only an inclusive and sustainable socio-economic empowerment of the underprivileged but strives to help achieve a vibrant and environmentally conscious ecosystem.

During the financial year (FY) 2021-22, 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 CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	R K Chhibber	Chairman CSR Committee	3	3
2	Mohmad Ishaq Wani	Member	3	3
3	Anil Kumar Goel	Member	3	1

CSR Committee met three (03) times during the FY 2021-22. Ms. Monica Dhawan and Dr. Rajeev Lochan Bishnoi were also the members of the CSR Committee till 11.01.2022 and attended 2 meetings each till their tenure in the committee ended on 11.01.2022. Mr. Anil Kumar Goel became a part of the committee on 31.01.2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://www.jkbank.com/others/common/csr.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):
Nil/Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable / NIL			

6. Average net profit of the company as per section 135(5). = Rs.31.5 Cr.

7. (a) Two percent of average net profit of the company as per section 135(5) = Rs. 0.63 Cr.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. = Nil

(c) Amount required to be set off for the financial year, if any = Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). = Rs. 0.63 Cr.

8. (a) CSR amount spent or unspent for the financial year:

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

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
S No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable / Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
S No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Wear a mask initiative	Preventive healthcare	Yes	J&K	Srinagar & Jammu	245000	Yes	-	-
2	Vocational cum livelihood generation program	Livelihood Generation	Yes	J&K	Anantnag	2000000	No	Humanity Welfare Helpline Organization	CSR00019663
3	Apheresis/Plasma Pheresis kits to poor patients of SKIMS Soura & GMC Jammu	Healthcare	Yes	J&K	Srinagar & Jammu	1570000	No	SKIMS Soura & GMC Jammu	Not Applicable (government hospitals)
4	Contribution to National academy of RUDSETI	Skill Development/ Employment generation	-	Pan India	-	2400000	No	National Academy of RUDSETI	Not Applicable (Ministry of Rural Development initiative)
5	Miscellaneous/ others		Yes	J&K	Pan J&K	57073	Yes	-	-

(d) Amount spent in Administrative Overheads = Nil

(e) Amount spent on Impact Assessment, if applicable = Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = Rs. 0.63 Cr.

(g) Excess amount for set off, if any = Nil



Sl. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0.63 Cr.
(ii)	Total amount spent for the Financial Year	0.63 Cr.
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Not Applicable / NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs)	Status of the project - Completed /Ongoing.
Not Applicable / NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable / NIL

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). : Not Applicable / Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. : Not Applicable / Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable / Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : Not Applicable / Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). = Not Applicable

Sd/-
(Managing Director & CEO)

Sd/-
(Chairman CSR Committee)

Annexure 2

FORM NO MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, 2022 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, 2022 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.*
 - (b) The Bank filed the Forms DIR-12 relating to the appointment/cessation of CFO & appointment of Govt. Nominee Director with Registrar of Companies beyond the stipulated time period under the Act with additional fee due to system issues/technical reasons.
 - (c) Due to non-reappointment of Mr. Vikram Gujral at the 83rd Annual General Meeting held on September 30, 2021 the composition of Nomination & Remuneration Committee had fallen below the minimum required level. The Committee was reconstituted on December 28, 2021 with the requisite membership.

- (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;
 The Bank issued and allotted 16,76,72,702 Equity shares to the Government of Jammu & Kashmir. The said allotment has increased the shareholding of the promoter by 6.06% in the capital of the Bank. The Bank for and on behalf of the Government of J&K, the majority shareholder, made an application to SEBI for issuing the shares beyond 5% of the paid-up capital. The Securities and Exchange Board of India vide its order No. WTM/SKM/CFD/45/2021-22 dated August 03, 2021 under Section 11(1) and Section 11(2)(h) of the SEBI Act, 1992 read with Regulation 11(5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 granted exemption to the Government of Jammu & Kashmir, from complying with the requirements of Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with respect to the acquisition of 16,76,72,702 equity shares in the Bank during the Financial Year 2021-22 though preferential allotment.
- (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 16,76,72,702 equity shares on preferential basis to the Government of Jammu and Kashmir, the promoter of the Bank for cash at a price of Rs.29.82 per equity share including a premium of Rs. 28.82 per share after obtaining the necessary statutory and regulatory approvals.



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. 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 aforesaid issues and allotments were made in compliance with the above regulations.

- 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 under review the Reserve Bank of India has also imposed fine of Rs.1,02,062 on currency chests managed by the Bank.

- (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 5,17,62,954 equity shares at a price of Rs.28.97 to the eligible employees of the Bank under Jammu and Kashmir Bank Employee Stock Purchase Scheme, 2021 (JKBESPS, 2021) amounting to a total of Rs.149,95,72,777.38.

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

- (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 360 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 360,00,00,000.

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:

- 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. The Bank has complied with said provisions except mentioned in the report.
- (j) The Bank has complied all the provisions of the listing agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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.
- 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.

- (i) The Bank has reduced its authorized capital from Rs. 250,00,00,000.00 to Rs. 185,00,00,000.00 after obtaining the approval of the shareholders and the Reserve Bank of India.
- (ii) 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. As per the said notification, 8.23% shareholding of Jammu & Kashmir Bank Ltd as on the date of enforcement of Jammu & Kashmir Reorganisation Act, 2019 i.e. October 31, 2019 (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 Reserve Bank of India vide letter no. DOR. HOL.No.S481/16.01.063/2021- 22 dated July 26, 2021, has accorded approval for the said apportionment. For want of formalities, the shares earmarked to the Union Territory of Ladakh are yet to be transferred.

For Reshi & Associates
Company Secretaries

Ghulam Jeelani Reshi
(Proprietor)
FCS No -8720; C P No: 10020
Firm Registration No: S2011JK536600
UDIN: F008720D000500794

Place: Srinagar
Date: 17.06.2022

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: F008720D000500794

Place: Srinagar
Date: 17.06.2022

Annexure 3

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, 2022, 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 director 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 Chairman & MD/MD & CEO) in terms of remuneration drawn during the FY 2021-22 with following fields:

S. No.	Name	Designation (as on 31 st March, 2022)	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.	SUNIL GUPTA	General Manager	38,67,245	Permanent	PG-Dip in Business Mgt (PGDBM) ()/BCOM ()/ JAIIB/	01/10/1986	60	-	0.0021	-
2.	ANUP BHAT	Deputy General Manager	38,21,626	Permanent	BSC (Non-Medical)/ MSC (Electronics) / JAIIB/	18/10/1989	55	-	0.0018	-
3.	SHAKEEL AHMAD	Deputy General Manager	36,15,569	Permanent	MSC (Physics)/ BSC (Non-Medical)/ JAIIB/	19/10/1989	55	-	0.0015	-
4.	TASADUQ AHMAD DAR	Deputy General Manager	36,01,427	Permanent	BSC (Agriculture)/ CAIIB/	18/10/1989	59	-	0.0015	-
5.	RAJNI SARAF	General Manager	35,75,882	Permanent	Masters in Commerce ()/ Bachelor of Arts ()/ CAIIB/	01/10/1986	59	-	0.0016	-
6.	KARANJIT SINGH	General Manager	35,38,327	Permanent	MSC (Zoology)/ BSC (Medical)/ CAIIB/ AML and KYC/ JAIIB/	20/10/1989	60	-	0.0016	-
7.	ANIL DEEP MEHTA	General Manager	34,63,949	Permanent	BSC (Non-Medical)/ MSC (Maths)/ JAIIB/	23/10/1989	59	-	0.0015	-
8.	SUNIT KUMAR	General Manager	34,29,990	Permanent	Pg. Dip. Comp.Sc& Applications (Computer Science)/ BSC (Non-Medical)/ JAIIB/	27/10/1989	55	-	0.0015	-
9.	NARJAY GUPTA	General Manager	34,10,479	Permanent	LLB (Law)/BSC (Non-Medical) / CAIIB	25/10/1989	55	-	0.0018	-
10	IMTIYAZ AHMAD BHAT	Deputy General Manager	33,39,638	Permanent	Master of Business Admin (Banking & Finance) / Bachelor of Arts (ENGLISH LITERATURE-) / PG Dip in Comp Applications () / BSC (Medical)/CAIIB/	20/10/1989	54	-	0.0016	-

C. The ratio of the remuneration of each director to the median remuneration of employees and other details in terms of sub-section 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	Chairman & MD	3.41#
		MD & CEO	0.30
		Mr. Anil Kumar Misra	0.52
		Mr. R K Chhibber	0.11#
		Mr. Vikram Gujral	2.10
		Mr. Sonam Wangchuk	0.43
		Dr. Rajeev Lochan Bishnoi	2.95
		Ms. Monica Dhawan	2.58
		Mr. Naba Kishore Sahoo	3.50
		Dr. Mohmad Ishaq Wani	2.06
		Mr. Umesh Chandra Pandey	0.52
		Mr. Anil Kumar Goel	0.48
		Mrs. Sushmita Chadha	0.37
		Mr. Anand Kumar	0.04
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	Chairman & MD	-10.27%*
		CFO	-10.04%*
		CS	-4.31%*
		During the FY 2021-22, Non-Executive / Independent and Non-Independent Directors were paid sitting fee of Rs.40,000/- for attending each Board and Committee meeting thereon except the Directors who are in full time employment of Union Territories of Jammu & Kashmir and Ladakh. Besides, this eligible Directors were paid Profit related commission for the Financial Year 2020-21. During FY 2021-22, there was no change in sitting fee of Directors.	
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 -9.48%*.	
IV	The number of permanent employees on the rolls of the Bank	There were 12977 employees as on March 31, 2022.	
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 -9.48%*. 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	

* Decrease in the percentage of median remuneration of employees for the financial year in comparison with the previous year is because Bank has paid wage revision arrears in the Financial Year 2020-21.

Mr. R K Chhibber was the Chairman and MD till 30th December, 2021 and Additional Director from that date till the end of financial year. Therefore, the calculation for median remuneration for Mr. R K Chhibber are made separately for both the tenures.

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 Rs. Lakhs)

S. No	Particulars	Remarks
1.	Name of the subsidiary	JKB Financial Services Ltd.
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	₹ 2000
5.	Reserves & surplus	₹ (31.64)
6.	Total assets	₹ 3856.80
7.	Total Liabilities	₹ 3856.80
8.	Investments	NIL
9.	Turnover	₹ 991.25
10.	Profit before taxation	₹ 401.21
11.	Tax Expenses	₹ (113.60)
12.	Profit after taxation	₹ 287.61
13.	Proposed Dividend	NIL
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 Ltd.	
1.	Latest audited Balance Sheet Date	31.03.2022	NA	
2.	Shares of Associate/Joint Ventures held by the Bank on the year end : Number Amount Extend of Holding %	340.1 Lakhs Rs. 34.01 Crores 35 %	00. 00. 00.	
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	Bank subscribed 49% capital in the company	
4.	Reason why the associate is not consolidated		As per note below*	
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	(2249.95) Lakhs i.e. 35% of Total Net Worth of Rs (6428.43) Lakhs		
6.	Profit / Loss for the year	Rs. (2739.16) 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. The Bank has incurred AN EXPENDITURE OF ₹ 82,18,047.00 towards incorporation expenses for the company. An amount of Rs 41,91,203.97/-(being 51% of incorporation expenses), is receivable from Government of J&K. The Promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not paid up for their respective shares towards the capital of the company. In the meantime the promoters have also decided to windup the company and the Bank in turn 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 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

Dr. Mohamad Ishaq Wani
Director
DIN: 08944038

Rajni Saraf
President/CFO

Mohammad Shafi Mir
Company Secretary

Place : Srinagar
Date: 12th May 2022

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 Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862

CA. Hardeep Aggarwal
Partner
M.No. 088243

CA. Mantreshwar Karna
Partner
M.No. 512175

CA. Dharam Raj
Partner
M.No. 094108

Place : Srinagar
Date: 12th May 2022

Annexure 5

FORM 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)

- Details of contracts or arrangements or transactions not at arm's length basis:
-----Not Applicable-----
- 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"

(Rs. In Crores)

Items/Related Party		J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1158.98	7.61	As per note below
	Maximum Balance during the year	1277.06	22.91	
Advances	Balance as on date	11.67*	7.60	
	Maximum Balance during the year	149.17	10.15	
Investments	Balance as on date	34.01	20.00	
	Maximum Balance during the year	34.01	20.00	
Interest Paid		61.89	0.12	
Interest/Commission Received		0.54	0.39	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.30	
Transfer of Current Assets/ Liabilities(Net)		NIL	0.00	
IT Support Services		0.89	NIL	
Outstanding with Associate/Subsidiary		NIL	0.00	

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. The Bank has incurred AN EXPENDITURE OF ₹ 82,18,047.00 towards incorporation expenses for the company. An amount of Rs 41,91,203.97/-(being 51% of incorporation expenses), is receivable from Government of J&K. The Promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not paid up for their respective shares towards the capital of the company. In the meantime the promoters have also decided to windup the company and the Bank in turn 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 under consideration with ROC.



3. Salary to Key Managerial Person (KMP)

(Amt in Lakhs)

Items/Related Party	K.M.P				
	Mr. Rajesh Kumar Chhibber (Chairman & MD)	Mr. Baldev Prakash (MD & CEO)	Ms. Rajni Saraf (CFO)	Mr. Balvir Singh Gandhi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2021-22	From 01.04.2021 to 30.12.2021	From 30.12.2021 to 31.03.2022	From 01.04.2021 to 29.12.2021	From 29.12.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022
Salary	49.33	12.99*	25.61*	8.14*	24.33

* In addition to the above, superannuation and / or other perquisites of Rs. 1.74 lakhs, 2.56 lakhs and 1.04 lakhs were paid to Mr. Baldev Prakash, Ms. Rajni Saraf and Mr. Balvir Singh Gandhi respectively.

FOR & ON BEHALF OF THE BOARD

Baldev Prakash
Managing Director & CEO
DIN: 09421701

Place: Srinagar
Date: 12/05/2022

Annexure 6

Business Responsibility Report

{Under Regulation 34 (2) of SEBI (LODR) Regulation, 2015}

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L65110JK1938SGC000048
2.	Name of the Company	:	Jammu and Kashmir Bank Limited
3.	Registered address	:	Corporate Headquarters, M. A. Road, Srinagar, Kashmir -190001
4.	Website	:	www.jkbank.com
5.	E-mail id	:	board.sectt@jkbankmail.com
6.	Financial Year reported	:	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Code: 64191-Jammu and Kashmir Bank Limited is a banking company governed by the Banking Regulation Act, 1949.
8.	List three key products/services that the Company manufactures/provides	:	Jammu and Kashmir Bank Limited (J&K Bank), incorporated in Jammu & Kashmir, India, is a publicly held banking company engaged in providing a wide range of banking services including Retail Banking, Corporate Banking & Treasury Operations.

9. Total number of locations where business activity is undertaken by the Company
- Number of International Locations (Provide details of major 5)
Nil
 - Number of National Locations
As on 31st March, 2022, J&K Bank had a network of 980 branches (including IARBs) which are spread over 18 States and 4 Union Territory in India.
10. Markets served by the Company Local/State/National/International
J&K Bank serves customers in national locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) : Rs.9328.87 Lacs
- *Total Turnover (INR) : Rs.829284.47 Lacs

*Total turnover represents the sum of "Interest earned" (Schedule 13 of the accounts) and "Other income" (Schedule 14 of the accounts).

- Total Profit after taxes (INR) : Rs. 50156.21 Lacs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
The Bank had not allocated any budget for CSR activities for FY 2021-22 in conformity with the regulatory guidelines set to arrive at the budget for CSR spend.
- List of activities in which expenditure in 4 above has been incurred:
NA

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
Yes
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
No
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]
No

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**
 - Details of the Director/Directors responsible for implementation of the BR policy/policies



Certain of the principles or components of the principles of the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business have more relevance to a manufacturing company and the same has been specified under the respective sections. The Company has in place the policies and processes to address such principles of the NVGs on social, environmental and economic responsibilities of business which are applicable.

DIN : 09421701
Name : Mr. Baldev Prakash
Designation : Managing Director and Chief Executive Officer

b) Details of the BR Head

S. No	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. Syed Rais Maqbool
3	Designation	President
4	Telephone number	+91-194-2481930-35
5	E-mail id	srais@jkbmail.com

2. **Principle-wise (as per NVGs) BR Policy/policies**
(Reply in Y/N)

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle wise responses are mentioned in the Annexure to this report.

2a. If answer to S.No. 1 of the annexure against any principle, is 'No', the reasons for the same have been

mentioned therein.

3. **Governance related to BR**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the BRR is published annually and the hyperlink to view the report online is <https://www.jkbank.com/investor/financials/annualReports.php>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/ Others?

The policy sets forth obligations on part of every employee for prevention, detection and reporting of any act of bribery or corruption. In addition to this, the policy also covers complaints made by any officials/ employees/ directors/ specified third parties of the Bank, like Suppliers/ Contractors/ NGOs/ Others etc., including the subsidiaries/ affiliates/ sponsored Bank.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

20 customer complaints were pending at the beginning of the financial year 2021-22 and 636 Service Requests/ Complaints were received during the year. A total of 645 were redressed comprising of 98.32% and 11 complaints were pending at the end of the FY 2021-22.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

The vision of the Bank "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.

The Bank believes in sustained development and in order to cater to different range of customers, it has laid an extensive network of Banking Outlets which include wide network of BUs, Easy Banking Units (USBs), ATMs, Cash Recyclers across the country. Besides Bank offers customized products including home loans, project loans and it is ensured that wherever required, all necessary statutory and other approvals/permissions including those from Pollution Control Boards have been obtained by the customer.

Asides, the Bank offers multiple interfaces to its customers viz. e-banking, mobile banking etc. The Bank further prefers use of electronic media through social platforms over print media and also provides customers

option to subscribe statements over e-mails and e-bills for credit cards etc.

Some of our products and services incorporating social and environmental concerns are given below:

1. J&K Bank Ladli Beti Scheme:

Bank in collaboration with the Administration of J&K has rolled out 'LadliBeti' Scheme as a noble cause with the objective to arrest the decline in female sex ratio and reduce the financial burden on the girls' parents. Under the scheme, Govt. is providing monthly assistance of Rs.1000/- per girl child born in designated domicile districts upto a period of 14 years which is then placed in a fixed deposit for a further period of 7 years. The benefits have been envisaged to be paid to the beneficiary girl at the age of 21 years.

2. J&K Bank Budshah School Education Finance Scheme:

This product addresses the issue of ensuring adequate opportunities to underprivileged children for completing primary education. Being a socio-economic Bank of the UT, J&K Bank has embarked on the issue and entrusted upon itself the responsibility of providing fair opportunities to all children to complete primary education. The Bank also has educational loan product to provide financial assistance to needy and deserving students for taking up Professional /Technical courses and /or higher studies in India.

3. J&K Bank Kissan Credit Card / Apple Finance Scheme:

J&K Bank Apple Advance Scheme/Kisan Credit Card Scheme has helped in changing the micro economics of the Uts of J&K and Ladakh with respect to the rural scenario. The schemes have uplifted the weaker agrarian groups, decreased their dependence on middle men/ intermediaries and made them self-sufficient, bolder and confident. This has not only effected the economy of the UT in a positive manner but has also changed the mindset of the economically backward agricultural sector. Today the said segment is not only living a secure life but is also dreaming of a better one. Bank under its initiative of Corporate Social Responsibility has been trying to help the people belonging to all sections of society irrespective of the economic class with primary focus on preventive healthcare, education, community development, skill development, sanitation etc. Besides, in order to provide basic amenities to its people in the Uts of J&K and Ladakh, by way of creation and maintenance of world class civic amenities like parks, providing ambulances to various hospitals/ NGO's and various other events of social and economic importance. Bank, as Convenor Bank of J&K UTLBC, ensures equitable growth to people in UT of J&K.

4. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

NA

Considering the nature of business of the Bank and the products/initiatives referred to above, some of the questions below are not applicable to the Bank.

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

NA

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NA

5. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes what percentage of your inputs was sourced sustainably?

NA

6. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

NA

7. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

NA

Principle 3

1. Please indicate the total number of employees:

The Bank had 13,573 employees (including contractual employees) as on March 31, 2022.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

The Bank had 749 employees as on March 31, 2022 on fixed term contract.

3. Please indicate the number of permanent women employees:

The Bank had 3,231 women employees as on March 31, 2022.

4. Please indicate the number of permanent employees with disabilities:

The Employees disability status is being maintained/ recorded in Banks HRMS solution (Peoples System).The Bank is an equal opportunity employer and treats all employees at par. Based on the HRMS data at present the Bank has 50 employees with self-disability.

5. Do you have an employee association that is recognised by management?

Yes.

There are two Federations which are recognized by the Management.

All India Jammu & Kashmir Bank Officers Federation (AIJKBOF)

All India Jammu & Kashmir Bank Employees Federation (AIJKBEF).

6. What percentages of your permanent employees are members of this recognised employee association?

98.72 % (**see note at the end).

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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 off within the requisite time frame of 90 days.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?
- Permanent employees
 - Permanent women employees
 - Casual/temporary/contractual employees
 - Employees with disabilities

Type of Employees	Number Trained (FY 2021-22)
Permanent Employees	4021
Permanent Women Employees	801 (Out of 4021)
Casual/temporary/contractual employees	---
Employees with disability.	---

The Human Resources function in the Bank remains focused on creating and developing human capital with focus on building learning infrastructure by imparting trainings to its employees on regular basis within and outside the state. Trainings are being imparted to employees on regular basis at various institutions viz NIBM, CRISIL, CAFRAL & NIBSCOM and at Bank's own training institutions. During the FY 2021-22, 7491 employees were imparted Finacle 10 training and 4021 employees across all cadres have been imparted trainings in varied fields.

Furthermore out of the 4021 employees trained, 801 were women employees.

It is pertinent to mention here that officials of the bank are pursuing courses enlisted under Capacity Building Programme of RBI, thus creating a pool of resource persons in fields like Risk, Credit, and Forex etc.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Bank is guided by Reserve Bank of India (RBI) prescribed guidelines on priority sector lending, lending to small and marginal farmers, lending to weaker section etc., and government-led initiatives to improve access to financial services, and insurance and pension cover for reaching out to disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

J&K Bank undertakes a number of initiatives for the under-privileged and socio-economically weaker sections including a large scale skill development initiative. The Bank has established twelve Rural Self-Employment Training Institutes across the union territory of Jammu and Kashmir which focus on skill & re-skill development trainings to the under privileged and marginalized sections of the society. The Institutes have so far conducted 1718 training programs since inception i.e. July 2011 to 31.03.2022 where 47436 candidates have been imparted entrepreneurship / skill development trainings. Out of which 34643 candidates are settled. 31020 pass out trainees are self-employed, out of which 12341 candidates have utilized their own resources for establishing their own ventures. 18679 trained candidates have set up their establishments with the help of Credit assistance by the Bank. About 3623 candidates trained in these Institutes got settled under wage employment.

During the year, the Institutes have conducted 141 training programs where 3265 candidates have been imparted entrepreneurship / skill development trainings. Out of which 2323 candidates are settled. 2300 pass out trainees are self-employed, out of which 1094 candidates have utilized their own resources for establishing their own ventures. 1206 trained candidates have set up their establishments with the help of Credit assistance by the Bank. About 23 candidates trained in these Institutes got settled under wage employment.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Bank does not have a specific policy however, the Bank's philosophy of non-discrimination among employees, meritocracy and mechanisms for redressal of employee issues applies across the Bank and its subsidiaries.

J&K Bank follows the code issued by The Banking Codes and Standards Board of India which covers aspects like good & fair banking practices, transparency in services & products, high operating standards, cordial relationship with consumers & measures which build confidence of the consumer in the banking system.

The Bank also seeks to ensure that there is no discrimination in selection of suppliers and vendors, and has put in place a grievance redressal mechanism for the same.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
Please refer response to question number 2 under Principle 1.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Bank implements the applicable environmental regulations/guidelines in respect of its premises and operations. Further, the Bank participates in initiatives towards addressing environmental issues.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

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:

- i. Bank's Data Center is hosted at a high energy efficient hosting facility in Noida which operate on the ITIL based service delivery framework and follow ISO 9001 and ISO 20000 standards.
- ii. Bank is shifting its Disaster Recovery Site to a new co-location site in Mumbai which is Asia's Largest Rated 4 Hyper scale Datacenter aligned to TIA-942 standard having strong focus on various environmental considerations
- iii. Integration with Government Digi-locker Platform has been achieved to increase the usage of digitized documents across banks for providing various banking facilities to customers which shall help to reduce the need of printing various documents.
- iv. Usage of Digital Signage Screens has been increased across bank to display various regulatory notifications / advisories digitally therefore eliminating the paper usage.
- v. Energy star compliant computing and communication hardware is used by the bank across all offices and banking outlets.

3. Does the company identify and assess potential environmental risks? Y/N

The Bank implements the applicable environmental regulations/policies issued by the Government and its agencies in respect of its premises and operations. The Bank also requires the borrowers of project loans to comply with the various national environmental standards.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The question is not applicable to the Bank as it is not a manufacturing company. However, over the last couple of decades, the Bank, as a conscious Corporate, has been proactive and very sensitive to preserve and promote pollution free environment in the UTs of J&K and Ladakh for the larger welfare of the society. So far under the "Environmental Excellence Programme" the Bank has been undertaking number of measures like planting trees and also undertaking cleanliness drives etc. All these programmes/initiatives are aimed at making our surroundings and environment not only hygienic but it also envisions the commitment of the Bank for green surroundings for the larger welfare of the community.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Bank participates in several initiatives in the area of environment sustainability.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Bank complies with applicable environmental regulations in respect of its premises and operations.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Bank is a member of Indian Banks' Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) Our Bank is member of Indian Banking Association only, hence not applicable.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

J&K Bank undertakes a number of initiatives for the under-privileged and socio-economically weaker sections including a large scale skill development initiative. The Bank has established twelve Rural Self-Employment Training Institutes across the union territory of Jammu and Kashmir which focus on skill & re-skill development trainings to the under privileged and marginalized sections of the society. The Institutes have so far conducted 1718 training programs since inception i.e. July 2011 to 31.03.2022 where 47436 candidates have been imparted entrepreneurship / skill development trainings. Out of which 34643 candidates are settled. 31020 pass out trainees are self-employed, out of which 12341 candidates have utilized their own sources for establishing their own ventures. 18679 trained candidates have set up their establishments with the help of Credit assistance by the Bank. About 3623 candidates trained in these Institutes got settled under wage employment.

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2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?
Post Ministry of Corporate Affairs' decision to make CSR registration mandatory for NGOs to get CSR funds from the corporates, the Bank prefers implementation of its CSR projects through NGOs registered with Ministry of Corporate Affairs. However, depending upon the nature of the project, project implementation is also done through collaboration with government structures and in-house mode.
3. Have you done any impact assessment of your initiative?
Since the bank had NIL budget for CSR during the FY2019-20 and subsequently a meagre budget of Rs.0.63 Cr for FY2020-21, no project qualified for impact assessment study in so far as regulatory guidelines to this effect are concerned (MCA has made it mandatory, with effect from April 1, 2021, to conduct impact assessment of activities where project cost is more than Rs.1.00 Cr or in case overall CSR budget is more than Rs.10Cr for past three consecutive financial years). However, Bank has voluntarily undertaken Third Party Social Audit/ Impact Assessment study of the CSR activities done by it during the FY2015-16 to FY2018-19.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
Technically speaking Bank did not undertake any project/ activity under community development sector during FY2021-22. However, notwithstanding meagre budget of Rs.0.63 Cr, Bank undertook some well-conceived projects in healthcare (providing of Apheresis kits to poor patients suffering from blood cancer and other blood dysfunctional diseases through two Government-run premier healthcare institutions of the UT of Jammu and Kashmir), employment generation initiative (for specially-abled youth in collaboration with Humanity Welfare Organization Helpline, which is an MCA registered and reputed NGO), encouraging skill

development in collaboration with National Academy of Rural Self Employment Training Institutes (RUDSETI) and a project titled "Wear A mask" under Preventive Healthcare sector aimed at pre-emptively contributing our bit to generating awareness about the likely fourth wave of Covid-19.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?
All the CSR projects are designed to reflect the needs of each target population. Bank always encourages the active engagement of all the stakeholders to make such initiatives successful and sustainable.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
1.67% Service Requests/ customer complaints were pending at the end of Financial Year 2021-22 comprising of 11 cases.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).
Not applicable. The Bank complies with disclosure requirements relating to its products and services.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
Nil
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
The Customer Satisfaction Survey of the Bank was conducted through an external agency which was completed in June 2021. Overall satisfaction level of the customer has been assigned a score of 8.2 (on a scale of 1-10)

ANNEXURE

		P1- Please refer Note P1	P2- Please refer Note P2	P3- Please refer Note P3	P4- Please refer Note P4	P5- Please refer Note P5	P6- Please refer Note P6	P7- Please refer Note P7	P8- Please refer Note P8	P9- Please refer Note P8
1	Do you have a policy/policies for	Y	N	Y	Y	Y	N	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y*	-	Y*	Y*	Y*	-	-	Y*	Y*
4	Has the policy been approved by the Board?	Y	-	Y	Y	Y	-	-	Y	Y
	If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	Y
5	Does the Company have a specified committee of the Board / Director/Official to oversee the implementation of the policy	Y	-	Y	Y	Y	-	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Note 2	-	Note 1	Note 1	Note 1	-	-	Note 2	Note 2
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
8	Does the company have inhouse structure to implement the policy/policies?	Y	-	Y	Y	Y	-	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	Y	-	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? Please see *	Y	-	Y	Y	Y	-	-	Y	Y
	P1	We have Whistle Blower Policy. The Whistle Blower Policy broadly conforms to the standards set by the Protected Disclosure Scheme of Reserve Bank of India. The Whistle Blower Policy also conforms to the requirements as stipulated by the Companies Act, 2013 and its rules.								
	P2	We have internal guidelines on procurement of energy efficient equipment. Considering the nature of our business, this principle has limited applicability to us.								
	P3	It has been the endeavor of the Bank to review the amenities extended to staff and also to consider new facilities which will boost their morale for business excellence and improved customer service of international standards. We have 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.								



P4	We adhere to the RBI guidelines on the priority sector lending and Financial Inclusion, which are aimed at marginalized and vulnerable stakeholders.
P5	Our Code of Conduct and Ethics manual details a policy on respect for human rights, which adheres to the principles in the United nations universal declaration of human rights.
P6	The aspects outlined under this Principle are not substantially relevant to the Bank given the nature of its business. The Bank complies with applicable environmental regulations in respect of its premises and operations. Further, the Bank participates in initiatives towards addressing environmental issues. The Bank also requires the borrowers of project loans to comply with the various national environmental standards.
P7	While there is no specific policy outlined for this principle, the Bank, through forums and associations, puts forth a number of suggestions with respect to the economy in general and the banking sector in particular. The Bank has been working on several initiatives for promotion of inclusive growth.
P8	We have a CSR policy which guides all our CSR activities and includes activities we undertake for marginalized and vulnerable stakeholders.
P9	The Bank has Customer Rights Policy, Customer Compensation Policy, Customer Protection Policy and Customer Grievance Redressal Policy as per the guidelines of Reserve Bank of India which have been consolidated under 'Customer Service Policy' as distinct chapters. The policy can be viewed online http://www.jkbank.net/others/common/policy.php

* All Policies have been developed as a result of detailed consultations and research on the best practices adopted by banks and organizations across the industry, and as per the requirements of the Bank and are subject to audits and reviews done internally in the Bank from time to time.

** Employees above the level of Chief Managers are not members of employee associations.
Note 1 These policies of the Bank are internal documents and are not accessible to the public.
Note 2 <http://www.jkbank.net/others/common/policy.php>

Management Discussion and Analysis

GLOBAL ECONOMIC OUTLOOK

The macroeconomic and financial landscape during the financial year 2021-22 continued to face unprecedented upheavals. This time mounting geopolitical tensions towards the end of the year, which flared up into a full-fledged conflict between Russia & Ukraine in the last quarter of the financial year 2021-22, proved a major cause of concern to the global economy. Even as the economy was on recovery path in the first half of the financial year after getting unprecedented beating in the preceding year, the outbreak of Russia - Ukraine conflict not only slowed down the recovery, but it also pushed it back to the wall.

In other words, the global recovery after receiving a sharp setback due to the virulent Delta variant of the coronavirus regained some traction in the beginning of 2021 owing to monetary & fiscal stimuli pushed by governments across various geographies. And above all, access to vaccines was main driver of the recovery process. But, the growth recovery lost its momentum in the second half of the year, when the highly transmissible variant of COVID-19 - Omicron emerged on the scene and proved yet another disaster on the global economy. Despite these virus attacks which disrupted global supply chain and logistics, global trade recovered in the second half of the year and grew by 10.1 per cent in 2021. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in FY2021-22 from 4.2 per cent in FY2020-21.

In addition to the conflict, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

The economic effects of the conflict are spreading far and wide—like seismic waves that emanate from the epicenter of an earthquake—mainly through commodity markets, trade, and financial linkages. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. The conflict adds to the series of supply shocks that have struck the global economy over the course of the pandemic, contributing to more shortages beyond the energy and agricultural sectors. Through closely integrated global supply chains, production disruptions in one country can very quickly cascade globally.

Even prior to the conflict, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food. Immediately after the invasion, capital outflows increased markedly from emerging market and developing economies, tightening financial conditions for vulnerable borrowers and net importers of commodities, and putting downward pressure on the currencies of the most exposed countries. So far, this re-pricing has been mostly orderly.

On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022-23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies.

Growth could slow significantly more while inflation could turn out higher than expected if, for instance, sanctions aimed at ending the war extend to an even broader volume of Russian energy and other exports. Moreover, the pandemic still exists. There is every possibility that the continued spread of the virus could give rise to more lethal variants that escape vaccines or immunity from past infections, prompting new lockdowns and production disruptions.

As per KPMG report, global GDP growth could range between 2.5%-3.2% in 2023, depending on the scenario. It is possible to envisage that the conflict between Russia and Ukraine escalates may further impact, with cuts to energy supplies for example causing a significant disruption to production in parts of Europe. The COVID-19 pandemic is still causing shutdowns in major economies such as China, and a new wave could undo the progress in easing global supply chain blockages.

Domestic Economic Outlook

Global economic outlook during the period of this Annual Report under review includes the status of the Indian economy too. As already stated, the deteriorating geopolitical situation owing to ongoing Russia-Ukraine armed conflict from late February 2022 has delivered a brutal blow to the world economy, battered as it has been through 2021 by multiple waves of the pandemic, supply chain and logistics disruptions, elevated inflation and bouts of financial market turbulence, triggered by diverging paths of monetary policy normalisation.

However, as per various expert analysis of the situation, the Indian economy is relatively better placed to strengthen the recovery that is underway and improve macroeconomic prospects going forward. The Reserve Bank of India (RBI) in its Annual Report review said that the Indian economy renewed its tryst with the recovery from the pandemic in 2021-22, albeit interrupted by a virulent second wave of infections and a relatively milder third wave. There has been some loss of momentum in the recovery that has been gaining traction from the second quarter of 2021-22. Furthermore, steadfast policy support put a floor underneath aggregate demand and economic activity. In other words, the experience of 2021-22, as per the RBI, has yielded valuable lessons that will illuminate the path of the Indian economy in the year ahead.

The monetary policy remained accommodative and fostered congenial financial conditions for the recovery to take root, while being vigilant that inflation remains within the target going forward. According to the apex bank, the sustained strength of exports and revival in inbound remittances underpinned the viability of the balance of payments, with net capital flows also contributing to the accretion to foreign exchange reserves.



During the period under review, the government and the RBI together rolled out extraordinary measures, including some unconventional one, which supported the real GDP to bounce back in Q2:2021-22 and grew at 1.3 per cent over Q2:2019-20. The recovery was further entrenched in Q3 with GDP exceeding the corresponding pre-pandemic quarter by 6.2 per cent. In Q4, however, the third wave of the pandemic driven by the Omicron variant coupled with the ongoing Russia-Ukraine war slowed down the recovery process a bit.

Money markets, as per the RBI's outlook, were flush with abundant liquidity, with short-term interest rates aligned to the floor of the Reserve Bank's liquidity adjustment facility (LAF), although they did firm up in the second half of the year as a result of rebalancing of liquidity towards auctions and away from the fixed rate reverse repo, a cessation of large liquidity injections through secondary market asset purchases and the lapsing of some extraordinary measures on due dates.

The Indian rupee (INR) traded range-bound, displaying strong mean reversion after every bout of volatility from global developments. The INR was also buoyed by sustained capital inflows in the form of foreign direct investment and portfolio flows attracted by a spate of initial public offerings (IPOs).

Here are some major facts and figures reflecting the overall domestic economic outlook for the period under review:

- Aggregate demand registered a growth of 8.9 per cent in 2021-22, up from a contraction of 6.6 per cent in the previous year. Consequently, the GDP level surpassed the pre-pandemic level of 2019-20 by 1.8 per cent. In the first half of 2021-22, real GDP registered double-digit growth which tapered in the second half due to the gradual waning of base effects and is expected to remain at 7.3% during FY22-23.
- Government consumption expenditure accelerated in 2021-22, providing an upward thrust to aggregate demand. Exports recovered strongly in spite of hostile international environment and entered into positive growth territory from Q4 of 2020-21. Propelled by surging import demand and rising international commodity prices, especially of crude, the current account shifted from a surplus to modest deficits from Q2:2021-22.
- Private consumption is considered as the mainstay of aggregate demand in India. A combination of factors, viz., robust growth in agriculture and allied activities, support from the government in the form of cut in excise duty on petrol and diesel, and continuation of direct benefit transfer (DBT) schemes helped shore up confidence and boost consumption spending.
- Capacity utilization in manufacturing recovered to 68.3 per cent in Q2 and further to 72.4 per cent in Q3:2021-22 after a drop to 60.0 per cent in Q1:2021-22 in the wake of the second wave of the COVID-19.
- Aggregate supply expanded by 8.3 per cent in 2021-22 after registering a contraction of 4.8 per cent in 2020-21.
- Agriculture and allied activities posted a robust performance in 2021-22, even though the second wave of the pandemic affected rural areas on a larger scale than during the first wave. The sector registered a growth of 3.3 per cent in 2021-22, with record production in food-grains.
- Industrial output measured by the index of industrial production (IIP) expanded by 11.4 per cent during 2021-22 as against a contraction of 8.4 per cent in the previous year. However, manufacturing capacity utilization continues to drag.
- Services sector regained some lost ground in 2021-22. Despite the virulent second wave during Q1, the recovery of the services sector was broad-based as all the sub-segments except trade, hotels, transport, communication, and services related to broadcasting surpassed their pre-pandemic levels of 2019-20.
- The residential housing sector registered recovery in Q4 with sales and launches improving sequentially, and inventory overhang declining to the lowest in eight quarters. Pradhan Mantri Awas Yojana, with an allocation of ₹48,000 crore, is expected to support growth in the construction sector along with generation of mass employment in the economy. Financial, real estate and professional services surpassed their pre-pandemic levels. The performance of information technology (IT) companies has been better than hospitality and aviation segments.
- In the financial sector, while bank credit to commercial sector improved, aggregate deposits moderated with the ebbing of precautionary savings.

The above facts and figures suggest that the economic recovery after the onslaught of the pandemic has sustained in 2021-22, with an outlook to continue the recover in 2022-23. Aggregate demand is expected to improve in the backdrop of focus on demand side measures as per the envisioned roadmap for 'India at 100' in the Union Budget 2023-24.

The future path of growth will be conditioned by addressing supply-side bottlenecks and by calibrating monetary and fiscal policy support to aggregate demand and structural reforms. Such reforms are also warranted in the labour market so as to adapt to the pandemic by reskilling workers. The pandemic also provides a unique opportunity to boost digitalisation and adopt new technologies for raising productivity growth as per RBI's review report for the financial year 2021-22.

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. Even as we witnessed consistency in such efforts, the impact of the pandemic and now geopolitical situation owing to the Russia - Ukraine conflict, has caused some impediments in pursuing the economic goals as in any geography across the country. Precisely, the pandemic and the conflict together has hampered the economic growth of the region to the desired levels.

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

handicrafts, industries and government jobs. About 65 to 70 per cent population is supported by agriculture and horticulture. Although the service sector contributes around 50% to the Union Territory's GDP, this sector employs a significant proportion of the population. 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 21%, 22% and 57% 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.

India is implementing several new projects in Jammu and Kashmir to meet the demands of the post-Covid economy. In February this year, Union Finance Minister presented a Rs 1.12 lakh crore (USD 13.33 billion) Budget for the Union Territory of Jammu and Kashmir for the year 2022-23. The Budget aims at building the economy and creating jobs in the Himalayan region.

The JK Budget focuses on education, home, and public health engineering, with power development getting the highest allocations for the financial year 2022-23.

JK's economy is expected to grow by 7.5 per cent on current prices during 2021-22, reported Asian Lite International.

In JK, four National Highway projects are expected to be completed in 2022. Ten new road/tunnel projects have been agreed upon by the Ministry of Road Transport and Highways of India under Bharatmala. The world's highest 1315-meter long Railway Bridge over River Chenab is targeted for completion by September 2022. Projects under the Prime Minister's Development Package have seen an expenditure of Rs. 36,112 crore. A total of 25 projects have been completed/substantially and another four projects are likely to be completed by the end of the current financial year.

Despite unfavourable situation prevailing on the economic front, Union Territory of J&K has its own tale of economic transformation as investors have been flocking to the region to roll out their projects in various sectors. Government data reveals that they have investment proposals worth ₹53,000 crore just in one year. Land has been made available for ₹38,082-crore investment. The government is targeting ₹75,000crore of private investment by this year-end, which is five times more than what took place in the past 75 years. This has put J&K on a transformational path in one year which provides ample opportunities for banks on account of financial radar.

J&K is ranked among the top ease-of-doing-business regions. Remarkably, the government had held a global investment summit in Srinagar in March during which proposals of ₹ 27,000 crore were cleared.

Till last October, the UT had received 2,507 applications for investment in hospitals, medical colleges, food-based industry, controlled atmosphere (CA) stores, manufacturing and agro-based industries. A land bank is ready and another is being created to meet the demand of investors who are keen to establish their units in J&K.

Government data also reveals that there are 20 proposals for hospitals in the three medi-cities at Bemina, Sempora and Lelhar, taking J&K's capacity to 6,000 beds and 1,000 medical seats.

Meanwhile, some of the major initiatives taken by the Government to promote Jammu & Kashmir as an investment destination:

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI inflow in J&K was valued at US\$ 0.21 million between October 2019 and March 2021.
- J&K has an industrial policy that offers attractive incentives along with a single-window clearance mechanism. Land is allotted at concessional rates in industrial areas on lease for 90 years.
- National Highway Infrastructure Development Corporation (NHIDCL) is developing five tunnels in the UT at a cost of US\$ 3.42 million. The tunnels will have all weather access and will be completed by 2024.
- In April 2021, the government of Jammu & Kashmir signed 456 memoranda of understanding (MOUs) with various firms for a potential investment worth Rs. 23,152 crore (US\$ 3.17 billion).
- In October 2020, construction work has started on the Zozila Tunnel at J&K. The tunnel will provide all-weather connectivity on NH-1 between Srinagar Valley and Leh (Ladakh Plateau) and will bring about an all-round Jammu & Kashmir economic and sociocultural integration (UTs of J&K and Ladakh). It involves building a 14.15-km long tunnel under the Zojila pass on NH-1, linking Srinagar and Leh via Dras & Kargil.
- About 150,000 metres of silk cloth is produced per annum in J&K. During FY20, 117 MT of raw silk was produced in the J&K and had a production target of 142 MT for FY21.

(Source Jammu And Kashmir Presentation And Economic Growth Report | India Brand Equity Foundation (IBEF))



Banking Sector Outlook

The financial year 2021-22 confronted many challenges with recurring COVID waves, supply chain disruptions and recently elevated inflationary pressures. The government and the regulator's immediate response in providing stimulus packages and relief measures to the vulnerable sections of the society has helped alleviate the stress.

Indian economy has shown resilience to macroeconomic shocks and retains the tag of world's fastest growing economy. As per the provisional estimates released, Indian economy witnessed real GDP expansion of 8.7 per cent in FY 2021-22 and expected to grow at 7.5 per cent in FY 2022-23 after contracting in FY 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Though, the geopolitical tension between Russia and Ukraine pose fresh challenges.

Banking industry in India has historically been one of the most stable systems globally. Banks' resilience was tested by the pandemic in an unforeseen way but banks have emerged stronger. Banks in FY 2021-22 witnessed improved asset quality, stronger capital and provision buffers and increased profitability. The credit and deposit growth accelerated in FY 2021-22. During FY 2021-22 credit off-take has taken place in almost all major sectors compared to FY 2020-21. Industrial sector credit turned positive after contracting over the previous two years. Timely restructuring of loans for the entities impacted by the second COVID-19 wave under Resolution Framework (RF) 2.0 helped the borrowers sail through the downturns. Scheduled Commercial Banks (SCBs) continued to bolster their capital through a mix of internal accruals and capital raising, including Tier I and II bonds, resulting in the capital to risk-weighted assets ratio (CRAR) rising to new peak levels. The return on assets (RoA) and return on equity (RoE) have showed improvements. The cost of funds and yield on assets declined across the sector to reach their lowest levels in the last two decades.

The banking sector is expected to have positive growth in FY 2022-23 with an uptick in the economic activity. The economic growth in FY 2022-23 is projected to be in the range of 7 - 8 per cent, with RBI projecting the growth at 7.2 per cent.

Going forward, banks need to take into account the changes emerging in the financial system - rapid growth in digitalization, advent of innovative micro-products, and entrance of Fintech players, fusion of technologies and proliferation of increasingly inter-wired ecosystems.

Banking sector in J&K

Role of banks operating in J&K and Ladakh assumes extra significance. They have a crucial role to bail out the region from economic backwardness and bring in prosperity in all sectors of economy. Over a period of time, the region has developed a robust banking network with 2025 branches as at the end of March 31, 2022, spread across its nook and corner. The banking sector consists of 37 banks, which includes 12 public sector banks, 11 private sector banks, 10 Cooperative banks, two regional rural banks, one State Financial Corporation and India Posts Payment bank.

A glimpse of the aggregate analysis of the advances and deposits position of the banks as on March 31, 2022 reflects some interesting and peculiar behavioral aspects. All

banks together have granted loans to the tune of over Rs. 89,972.36 crore, including Rs. 2,231.47 crore as RIDF support and Rs.5,799.79 crore of corporate advances to various sectors of economy with a deposit base of Rs. 1,57,744.26 crore as at the end of March 2022. The credit - deposit (CD) ratio stands at 57.04%.

At the end of the March 2022, public sector (Nationalized) banks having 433 branches in the region are having a deposit base of Rs. 36,728.23 crore and their outstanding loans recorded at Rs. 22,545.42 crore.

J&K Bank - Business Strategy

Based on the economic outlook, the principal goal of the Bank over the 3-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 focussed on the following:

- Measures under Business Process Engineering which included Finacle software upgrade, updation of technological systems, centralization of processes, etc. to achieve greater efficiency and increase productivity
- Accelerated growth across various business segments like Retail credit, Priority sector, agriculture, MSME, housing, car/two wheeler etc.
- Reduce fresh slippages by monitoring & vigil on SMA portfolio and focus on recoveries.
- Segmented approach to identify different customer segments and provide them customized facilities matching their requirements.
- Rationalization of human resources and competence mapping to match their skills with organizational requirements.
- Increase retail and CASA deposit base in order to reduce cost of funds and improve margins & profitability.
- Improve the sales culture at operative levels by creation of marketing teams across the bank.
- Reduce cost of operations by mass on boarding of customers to digital channels by issuance of credit cards, debit cards and encouraging use of ATMs, CDMs, POS, mPay and e-banking to minimize the footfall in the Business Units.
- To maximize public outreach through local print media, electronic media and social media platforms and create awareness among the public/target groups/customers about the various products/facilities being offered by the bank.
- To extend every possible support to viable MSMEs & other borrowers in line with their merit based requirements and directions as per the regulatory framework.
- Opening of new banking outlets shall be considered on case to case basis after taking into account Business potential/profitability/financial inclusion of unbanked areas, Competition and Regulatory requirement.

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

During the fiscal 2021-22, the total income was recorded at Rs. 8794.41 Crore compared to Rs. 8803.17 Crore for the previous FY in line with the interest rate scenario and showing a contraction of 0.10%. Interest income stood at Rs.8013.48 Crore for the FY 2021-22 as against Rs. 8111.09 Crore for the previous FY recording a YoY decline of 1.20%. The non-interest income was at Rs.780.93 Crore for the year ended

31.03.2022 as against Rs.692.08 Crore for the year ended 31.03.2021. Interest expended decreased to Rs.4102.25 Crore in the fiscal 2021-22 from Rs. 4340.31 Crore in the previous fiscal 2020-21 recording a YoY decrease of 5.48%.

The Bank's operating expenses stood at Rs.3592.78 Crore for FY 2021-22 as compared to Rs. 2878.54 Crore for FY 2020-21. Operating Profit stood at Rs.1099.38 Crore for FY 2021-22 as compared to Rs 1584.32 Crore for FY 2020-21, decline of 30.61% YoY.

NPA Coverage Ratio of the Bank stood at 84.26% as on March 31, 2022 as compared to 81.97% as on March 31, 2021. Gross NPA Ratio stood at 8.67% as on March 31, 2022 as compared to 9.67% as on March 31, 2021. Net NPA Ratio has reduced from 2.95 % as on March 31, 2021 to 2.49% on March 31, 2022.

The Bank posted a Net Profit of Rs. 501.56 Crore for the financial year ended Mar, 2022 as compared to Net Profit of Rs.432.12 Crore during the financial year ended Mar, 2021. The aggregate business of the bank stood at Rs.185111.06 Crore at the end of the financial year 2021-22.

The Bank recorded deposit growth of 6.15% and advances growth of 5.32% during the year.

Cost of deposits has significantly decreased to 3.65% for FY 2021-22 from 4.10% for FY 2020-21, while, CASA stood at 56.56% for FY 2021-22. The loan-book of UTs of J&K and Ladakh have witnessed 10% growth thereby re-orienting the lending composition of the bank with J&K and Ladakh getting 72.5% of gross 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 (Rs. in Crores)	Advances	Amount (Rs. in Crores)
Demand	14397.69	Cash Credits, Overdrafts & Demand Loans	23859.75
Savings	50476.92	Bills Purchased & discounted	241.90
Term	49835.77	Term Loans	46299.03
Total	114710.38	Total	70400.68

- The total deposits of the Bank grew by Rs.6649.23 Crore from Rs. 108061.15 Crore as on March 31, 2021 to Rs.114710.38 Crore as on March 31, 2022, a growth of 6.15% percent. CASA deposits of the bank at Rs.64874.61 Crore constituted 56.56% percent of total deposits of the Bank.
- Average deposits stood at Rs.107001.83 Crore during FY 2021-22, compared to Rs.100977.41 Crore during FY 2020-21 recording a growth rate of 5.97%. Cost of

Deposits for the financial year ended March 31, 2022 stood at 3.65% compared to 4.10% recorded for the last financial year.

- During the year, Gross Credit increased from Rs.71916.62 Crore (FY 2020-21) to Rs.75242.46 Crore (FY 2020-21), registering a growth of 4.62%.
- Average advances were higher by Rs.1321.81 Crore at Rs.72286.46 Crore during FY 2021-22 compared to Rs.70964.65 Crore during FY 2020-21. The average yield on advances was 8.32% for the current fiscal against 8.54% 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

Banking sector is the key sector for the growth of overall economy of the country. Banks have a crucial part to play in the growth of the country. Access to credit has improved over the past decade through various measures taken by the government through industry-friendly policies, entrepreneurship driven schemes & initiatives, GECL, MUDRA schemes etc. Increasing employment opportunities and growing disposable income shall further raise the demand for banking and related services. Besides, launch of various digital initiatives viz. UPI & BHIM payment platforms etc. by the government has helped the country to drive cashless transactions, through leveraging internet and mobile technology. Banks have ramped up their efforts to expand their footprints in digital platforms.

The digital payments system in India has evolved the fastest amongst the countries. It is evident from the record number of UPI transactions per month. The opportunities and potential to grow digitally are virtually unlimited. Post pandemic, increased used of Digital platforms, we may call it a digital revolution, is playing a bigger role than ever in banking. 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.

Besides, there are huge opportunities for banks to collaborate with NBFCs and FinTechs. Banks will reap benefits as they shall get access to new customers, can make use of the Fintech's digital capabilities and provide a better digital experience to the customers. Vice versa, Fintechs shall also get the advantage of bank's safety, trust people have on the banking structure and the risk analytics of the banks. Thus, the respective comparative advantages of the banks and NBFCs can be leveraged in a collaborative effort to raise the financial reach. Such necessity-driven partnerships will drive innovation and jointly reap the benefits of the large customer base of the banks and the new technologies of the fin-techs. An increase in consumerism, the rising penetration of e-commerce and the revival of economy in full swing will



further propel the use of digital channels.

Data is considered as the new oil in today's scenario. Today, customer data is not just limited to fin-techs, credit agencies, customers have access to their financial data on their mobile phones. This deluge of data is not just restricted to credit but across the customer lifecycle in terms of hyper personalizing the experience by banks. As per latest RBI reports issued in May 2023, credit growth stood at 12.10% in May YoY and is expected to be in double digits at the end of FY 2022-23. The credit growth is expected to rise on the back of increased investment and consumption demand in the economy as growth rallies. As capacity utilization rises, the corporates will lend more to invest in fresh projects. Further, National Infrastructure Pipeline (NIP), a transformative approach for economic growth and sustainable development amounting to ₹100 lakh crore and the National Monetization Pipeline (NMP) involving ₹6 lakh crore is also expected to give a major thrust to infrastructure spending. This will lead to enhance credit demand particularly in longer term loans

Even as the outlook for overall growth looks positive in FY 2022-23 also, the current inflation trends could play a spoilsport as rate hikes could have a dampening impact on credit demand just as the economy has been turning round the corner. Banks will have to be proactive in managing their deposits and lending rates so as to maintain the margins amid volatile interest rate scenario. With greater use of digital modes, banks are exposed to cyber risks. Banks are driven to enhance investments in cyber security to mitigate the risk of cyber-attacks on customer data through phishing, malware, spams etc. Banks are also facing threat from the continuously evolving digital assets like crypto-currencies, e-wallets etc. and banks need to continuously innovate and strategize to be future-ready.

New upcoming fintechs & other evolving technologies have entered the banking ecosystem and have the tendency to disrupt the market. 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.

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 this report 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 Business units/ 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. The 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 business units; 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 business units, 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
6. Legal Audit
7. Departmental 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 Business Units 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 Business units of the Bank covering the business operations.

Credit Audit

Your Bank undertakes Credit Audit to review large value standard borrowal accounts having exposure of Rs. 5 crore and above to evaluate portfolio quality including audit of appraisals, sanction and follow-up process on yearly 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. Management Audit covers identified departments controlling offices covering the strategy, processes, job roles and risk management are covered under the audit.

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 sums 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 BUs 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.

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 order to meet the requirements of business growth, Branch



network expansion, attrition and retirements, the Bank has recruited 312 Probationary Officers and 1120 Banking Associates. Besides. The Bank has also hired 05 Chartered Accounts.

At senior management level, 27 Chief Managers were promoted to the post of Assistant General Manager and in Junior Management Level 792 Assistant Managers were elevated to the post of Manager.

Business per Employee and Net Profit per Employee were at Rs. 13.87 crore and Rs. 3.70 lakh respectively for the financial year ended Mar, 2022. YoY Bank's Net Profit has increased from Rs. 3.51 lakh for FY 2020-21 to Rs. 3.70 lakh for FY 2021-22.

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, besides, 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 /Technology Training Colleges at Srinagar and Jammu also cater to the sizeable training needs of the organization. In FY 2021-22, as many as 7491 officials were imparted Finacle 10 training and 4021 officials have been imparted training in different banking related fields.

Although due to Pandemic, Physical Classroom Trainings were put on hold, bank resorted to online trainings to keep the learning process in tandem. However in later part of year offline trainings were conducted both inhouse 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, three Board Members and Eighteen General Managers/Deputy Managers/Assistant General Managers 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 is at the right position.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous FY) in key financial ratios:-

No such changes

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 ecosystem. This represents the core principle and forms the basis of the Bank's CSR policy.

The Corporate Social Responsibility (CSR) policy of the Bank envisages not only an inclusive and sustainable socio-economic empowerment of the underprivileged, but also 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 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) 2021-22, the bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. The statutory disclosures with respect to the CSR committee of the Board, including a report on the CSR, forms part of this report at Annexure 1 and the responsibility statement of the CSR Committee

Key areas of intervention under the CSR programme

- a) Livelihood Generation
- b) Preventive Healthcare

Details of activities undertaken under CSR during the FY 2021-22

Initiatives undertaken under CSR during the FY 2021-22 include:

a) Livelihood Generation

J&K Bank has been steadfast in its approach to empower communities and create opportunities for sustainable livelihoods. Offering every individual a chance to earn an honest living and inspiring people to lead a life of dignity and self-sufficiency has been the key role of the organization. The Bank considers it a mission to measurably improve the lives of under-privileged and differently abled persons by addressing their needs so as to facilitate their movement from margins of society towards the socio-economic mainstream. With this vision, J&K Bank undertook the project of providing financial assistance to Humanity Welfare Organization Helpline, an NGO, for their project of providing vocational training cum livelihood generation for specially-abled youth.

On the same lines, J&K Bank also contributed towards the construction of the NAR (National Academy of RUDSETI) building at Bengaluru. National Academy of RUDSETI is providing its services to all the RSETIs across the country. RSETIs act as dedicated institutions designed to ensure necessary skill training and skill up gradation of the rural BPL youth to mitigate the problem of unemployment. To eliminate poverty, it is necessary to create livelihood opportunities on sustainable basis for the people living below the poverty line as it will enable them to fulfill basic need of life i.e. food, health and shelter and that is what RSETIs deal with - training of youth for self-employment.

b) Preventive Healthcare

Preventive healthcare is an important dimension of health that needs significant attention and investment from all sections of the society. J & K Bank considers working in this sector as an ethical obligation to provide extensive support and assistance with regard to protecting and promoting health. The Bank remains at the forefront in this sector to help Institutes upgrade the healthcare facilities thereby enabling people to have access to the best-in-class medical treatment. The bank, as such, continued to extend support in this sector by helping procure the 'Platelet/Therapeutic Plasma Apheresis Kits' for the treatment of patients suffering from blood cancer and other blood dysfunctional diseases at SKIMS, Srinagar and GMC Jammu.

The world has changed dramatically since the emergence of the Coronavirus Disease 2019 (COVID-19) pandemic. The pandemic swiftly and harshly interrupted life and economies, forcing businesses and governments to quickly make difficult choices to balance risks to individual health and economic health. While health organizations and Governments across globe are trying hard to curb the disease and deflate its impact, corporates too have contributed their bit to ensure human safety. Looking at the situation emerging because of this deadly virus, J & K Bank decided to do its bit and started an initiative called "Wear a Mask". The Bank procured and distributed face masks (three layer surgical masks) in and around health facilities, educational institutions etc in the capital cities of J&K i.e., Srinagar and Jammu, which have seen the bulk of Covid-19 cases in the UT.

CSR Committee of the Board

- | | |
|------------------------|------------------------|
| • Mr R K Chhibber | Chairman CSR Committee |
| • Dr Mohmad Ishaq Wani | Member |
| • Mr Anil Kumar Goel | Member |
| • Mr Anand Kumar | Member |



Awards and Certification Received by the Bank During 2021-22

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 2021-22, the bank outshone its competitors to grab the headlines in following categories.

'Best Digital Financial Inclusion Initiatives' Award

J&K Bank won 'Best Digital Financial Inclusion Initiatives' Award at Indian Banks' Association's 17th Annual Banking Technology Conference and Awards 2020-21.

'Best IT Risk & Cyber Security Initiatives' Award

J&K Bank was adjudged as Runner Up for 'Best IT Risk & Cyber Security Initiatives' Award at Indian Bank's Association's 17th Annual Banking Technology Conference and Awards: 2020-21' under Small Bank Category.

'Utkarsh Puraskar' of DigiDhan Award - 2020-21

J&K Bank won 'Utkarsh Puraskar' of DigiDhan Award - 2020-21 for achieving 2nd highest percentage of digital payment transactions under the category of Small & Micro banks from Union Minister for Communications, Electronics & Information Technology and Railways (GoI), Ashwini Vaishnav.

Khadi India Award - Pan India Category

J&K Bank won 4th position under Khadi India Awards from Khadi & Village Industries Commission (KVIC) Mumbai, Ministry of MSME (GoI), for implementing Prime Ministers Employment Generation Programme (PMEGP) across the country during FY 2020-21.

Khadi India Award - North India Category

J&K Bank ranked No. 1 by the Ministry of Micro, Small & Medium Enterprises (GoI) under Khadi India Awards for its excellent performance in implementing the Prime Minister's Employment Generation Programme (PMEGP) in North India during FY 2020-21.

National Award for SHG Bank Linkage

J&K Bank bagged 'National Award for Outstanding Performance in Self Help Group (SHG) Bank Linkage for FY 2020-21' by the Ministry of Rural Development (GoI).

ISO 27001:2013 Certification

J&K Bank has received the latest certification of prestigious ISO 27001:2013 from Intertek - a reputed London-based Total Quality Assurance provider - for being compliant with the best industry standards in terms of privacy and security protocols.

HR initiatives for the Financial Year 2021-22

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.

Under HR initiatives, the Bank has recruited Assistant Managers and Banking Associates in the services of the Bank during the FY 2021-22. Also under the Bank's Compassionate policy, Banking Attendants, Assistant Banking Associates & Banking Associates were appointed in the services of the Bank.

In the top Management Cadre, Chief Managers were promoted to the post of Assistant General Manager and in Junior Management cadre Assistant Managers were promoted to the post of Manager.

Besides, process for the recruitment of Assistant Managers/Banking Associates, CAs have also been appointed in the services of the Bank.

We also bid adieu to 05 General Managers, 04 Deputy General Managers, 12 Assistant General Manager & 41 Chief Managers during the FY 2021-22.

In the FY 2021-22, a revised policy for Mandatory Leave stands approved by Board, besides revised Promotion policy of Officers/Transfer Policy has also been approved by the Board. Compensation Policy were also revised and Job Rotation policy has been framed and approved by the Board.

During the period, the Bank has conducted training modules through online/offline training classes/sessions/workshops etc. As many as 7491 officials have been imparted Finacle 10 training and 4021 officials have been imparted training in different banking related fields.

Further, in compliance with RBI directives on "certifications in IT & Cyber Security" 3 Board Members and 18 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:

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 in the course of its business 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 its reputation. Keeping this in mind, bank has in place a Board approved Risk Appetite Framework / 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 Department. The Risk Management department 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) 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, Risks 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, which 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 rate 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) and Net Stable Funding Ratio (NSFR), global standards for liquidity, are used to measure 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 over a period of 30 calendar days liquidity stress scenario. Net Stable Funding Ratio (NSFR) ensures 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.

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 Upper 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	FAA-	CRISIL	This rating indicates that the degree of safety regarding timely payment of interest and principal is strong.
Upper 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.
Upper Tier II Bonds (under Basel III)	IND A+	India Rating	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.
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.
Tier II Bonds (under Basel III)	IND A+	India Rating	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.
Tier II Bonds (under Basel III)	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.

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. 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 Dairy Development Scheme (IDDS), Integrated Sheep Development Scheme (ISDS), Integrated Poultry Development Scheme (IPDS), PMFME, Agri-Infra Fund Scheme etc.

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.

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 during the FY 2021-22 which have considerably improved our retail credit portfolio.

The global pandemic caused by Covid-19 has re-emphasized the importance of availability and avilment 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

To enhance the already established identity and image of the Bank, we branded and positioned our Bank in a way so that it stands out financially, aesthetically and intellectually within the public domain. By being relevant and compelling in our vigorous brand promotion through advertising and publicity, we have successfully improved our brand exposure during the FY 2021-22 thereby enhancing our brand perception and increasing our brand value. We have been successful in strengthening the bond of trust with all our stakeholders by leveraging all the means and channels of communications available for uninterrupted communication throughout the financial year. Besides, the Bank's products, services and facilities were successfully advertised and publicized through mass marketing strategies across the operational geography of the Bank. Also, the advertising campaigns initiated by the Bank to enhance the overall business, while meeting the set targets, were duly publicized with proper follow-up communications. Moreover, 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 the Union Territory and relevant channels across 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 were successful in increasing our presence in the social-media universe by further strengthening and streamlining our online presence through highly popular mediums of social connectivity platforms especially Facebook, Twitter, Instagram and YouTube.

IT Initiatives during FY 2021-22

- **Upgradation of Core Banking Solution(Finacle 10)**
Bank has migrated its Core banking solution to latest version (Finacle 10) which shall address the comprehensive technology-led business transformation requirements of the bank so as to provide operational agility, increased productivity and maiming the opportunities for growth. Finacle 10 will give a modernized platform to deliver the full spectrum of retail, corporate and trade finance

services and Fintech API Integration.

- **Government e-Marketplace**
 Government e-Marketplace is a one-stop solution for procurement of goods and services required by various government departments/organisations, PSUs and States/Union Territories. It aims to enhance transparency, efficiency and speed in public procurement. It also aims to provide the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users achieve the best value for their money
- **Enterprise Loyalty Management Platform**
 J&K Bank brings 'J&K Bank Rewards', an exclusive Enterprise Wide Loyalty Program through which customers can enjoy additional benefits and can earn reward points on different types of transactions viz: Credit/Debit Cards, mobile banking, internet banking etc .Reward Points can be redeemed against a wide range of merchandise, movie, bus and air tickets, gift vouchers, mobile recharge and more on the Rewards Website, and in-store at our partner stores.
- **Contactless transactions (MasterCard Contactless Cards)**
 MasterCard Contactless Transactions allows the customers to make payments at POS machines using tap mode. It helps customers to spend less time at check outs, complete the payment by simply tapping the card on POS machines.
- **Central Sponsored Schemes for Government Business**
 Government Banking Business Application platform handles CSS Fund Disbursements towards various scheme payments besides other regular project pay-outs routed through a centralized system. Following schemes have already been integrated in the new application.

 - NHM
 - SAMAGRA
 - AYUSH
 - SWACH BHARAT MISSION
 - RuRBAN
 - JDA
 - Umeed
 - AMRUT
- **Mobile Banking Application - Debit Card Limit & Channel Management over mPay**
 This has enabled debit cards users to manage & set transaction limits for different channels like ATM, ecommerce, POS & contactless devices for their debit cards
- **Employees Provident Fund Organization**
 Central Board of Employees' Provident Fund Organization (EPFO) has chosen our bank for collection of provident fund in the country. Our Bank will serve as Central Bank account for online collection of contributions, dues, damages, remittance, payment or charges payable to the Central Board by an employer, an establishment, a person or any other entity, having bank account with our Bank.

Achievements in Digital Banking FY2021-22

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. 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, Debit Cards, Credit Cards, BHIM UPI and Easy Collect. With regard to awareness & security of digital payments, bank has promoted Safe Banking practices through Social Media Platforms, Print Media, Radio diary, SMS etc.

The details of "Achievements in Digital Banking FY 2021-22" are as below:-

- a) The Bank has bagged Utkarsh Puraskar of DigiDhan Award 2020-21 for achieving 2nd highest percentage of digital payment transactions from Ministry of Electronics & Information Technology (Meity), GOI.
- b) The Bank has been recognized at Infosys Finacle Innovation Awards 2021 and has bagged the runners up award for Process Innovation and Enhancement in Treasury transaction Manifold for Ease.
- c) Block Nimmoo of District Leh has been covered under digitization project of RBI and Bank has achieved 99.26% digitization in case of saving accounts & 100% in case of Current accounts within 2 weeks and the same has been appreciated by RBI.
- d) J&K Water Billing made live on BBPS platform for bill collection. The BBPS Bill Collection module has been made live on mPay app also.
- e) The Bank has started the issuance of Contactless Debit & Credit Cards.
- f) New dynamic pricing launched for POS machine deployment.
- g) Credit card tokenization completed as per RBI requirements.
- h) J&K Credit Card enabled for receiving payments through Money Send.
- i) Online Challan made Live for J&K High Court through IPG.
- j) Payment collection at SKIMS made online through J&K Bank POS and IPG.
- k) Jammu Power Development Corporation Limited (JPDCL) Consumer Bill Collection digitized on J&K Bank POS system.
- l) Bank entered into an Exclusive Tie-up with J&K State Motor Garages for Fastag services.
- m) Traffic Police Challan system has been completely digitized through J&K Bank POS and IPG systems.



- n) J&K Cable Car Corporation (Gulmarg Gandola) onboarded on IPG with specialized booking software.
- o) During the financial year 2021-22, 21 additional ATMs were commissioned thereby taking the number of ATMs / Recyclers to 1453 as on 31.03.2022.
- p) The Digital Transaction Percentage for FY 2021-22 is 74.75% approximately.
- q) Some of the top Govt Departments that have been moved to online mode of collection during the Financial year are as below:-
- i. High Court of J&K
 - ii. JKEDI.
 - iii. Electric Inspection PDD.
 - iv. Chief Conservator Forest.
 - v. J&K Medical Council.
 - vi. Housing Board.
 - vii. National Health Mission.
 - viii. Amar Singh College, Govt Degree College Pulwama, Udhampur, Kulgam etc.
 - ix. Director Health Services Leh.
 - x. Jammu Development Authority.
 - xi. Srinagar Development Authority.
 - xii. JK SICOP.

Financial Inclusion:

Financial Inclusion may be defined as the process of ensuring access to financial services and products needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. It refers to universal access to a wide range of financial services at a reasonable cost. It includes reaching out to unbanked and under banking population for extending financial services to them with the objective to unlock its growth potential. Since the launch of the programme by Government of India JK Bank has been persistently following the plans and directions of Regulators for ensuring timely compliance. A brief description of the steps taken by the Bank are mentioned hereunder:

- 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 Business Units 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 has 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 Business Units catering these 15 RBI adopted villages have been provided with Biometric Devices /PIN PADS.

Achievements under FIP

With the objective to integrate the underbanked and unbanked population with financial system, Bank has in addition to Business Units network, engaged Business Correspondents up to 31.03.2022 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 2021-22, 13 additional BCs 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. 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 2022 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

- During the FY ended 31st March 2022, Business Correspondents have executed 25.82 lakh number of financial transactions involving an amount of Rs.872.62 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 1125 number of Financial Literacy Camps (FLCs) against the target of 1008 camps 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 2021-March 2022) is appended below:

Progress report regarding Financial Literacy camps conducted by Financial Literacy Facilitators in 12 Lead Districts during the financial year (April 2021-March 2022)		
S. No	Type of Camps conducted as per RBI guidelines	Progress FY 2021-2022
1.	Number of Special Camps	301
2.	Number of Target Specific Camps	824
	Total	1125

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 3643 financial literacy camps during financial year ended 31st March 2022 to create awareness among the people of unbanked areas particularly deprived sections of society, as against the target of 6000 camps. The number of camps has remained relatively low due to COVID-19 pandemic situation. The quarterwise position of financial literacy camps conducted by rural business units of the bank during the financial year ended 31st March 2022 is appended below:

Progress report of Financial Literacy camps conducted through rural Business Units of Bank for the financial year (April 2021-March 2022)		
S.No.	Quarter	Cumulative Position
		No. of Camps conducted by Rural B/Us Bank
1.	Quarter-1	663
2.	Quarter-2	974
3.	Quarter-3	1025
4.	Quarter-4	961
	Total	3643

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, 18.49 lakh PMJDY accounts have been opened up to 31st March 2022 with deposit of Rs.1243.25 crore. Further during the year 2021-22, 63742 PMJDY accounts have been opened by various Business Units of the Bank.

Progress under PMJDY as on 31.03.2022

PMJDY Rural A/Cs	PMJDY Urban A/Cs	Total no. of PMJDY A/Cs	Total Balance In PMJDY A/Cs In Crores
1626220	223078	1849298	1243.25

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 31.03.2022

Insurance scheme	Claims Received	Claims Settled	Claims In Process	Claims Rejected
Accidental Insurance	18	13	1	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.12/- 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.330/- 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:

Cumulative progress as on 31.03.2022

Name of Pension/ Insurance scheme	Name of Pension/ Insurance partner	Applications sourced	No. of Cases where Premium Debited	Premium Debited (in Rs)
PMSBY	NEW INDIA ASSURANCE CO	482509	469954	5639448
PMJJBY	LIC OF INDIA	276428	263453	86939490
APY	PFRDA (including those who have withdrawn from scheme)	22721	19815	478652886

Progress during FY 2021-22

Name of Pension/ Insurance scheme	Name of Pension/ Insurance partner	Applications sourced	No. of Cases where Premium Debited	Premium Debited (in Rs)
PMSBY	NEW INDIA ASSURANCE CO.	69156	69156	829872
PMJJBY	LIC OF INDIA	47942	47942	15820860
APY	PFRDA	2373	2025	99904353

Cumulative position of PMSBY & PMJJBY claims as on 31.03.2022

S. No.	Name Of Insurance Scheme	Name Of Insurance Company	Claims Received	Claims Settled	Claims Rejected	Claims Pending
1	PMSBY	NEW INDIA ASSURANCE CO.	356	191	38	127
2	PMJJBY	LIC OF INDIA	1209	954	73	182

Progress during FY 2021-22

S. No.	Name Of Insurance Scheme	Name Of Insurance Company	Claims Received	Claims Settled	Claims Rejected	Claims Pending

1	PMSBY	NEW INDIA ASSURANCE CO	115	38	13	64
2	PMJJBY	LIC OF INDIA	350	219	25	106

Micro Overdraft facility under PMJDY

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

No. of Accounts	Amount (in lacs)
6039	160.02

Status as on 31.03.2022

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 1006 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 PMJDY accounts, by entering the customer's demographic details in the application. After submission of details from BC end, branch User authorizes the Customer details and capture his Finger Print for account Opening and make him enable to transact at BC location.

The OD limit for each BC is generally Rs. 50,000/- which has been increased to Rs 100000 temporarily due to COVID-19 Pandemic and the limit on transaction is Rs.10,000/- per account per day. Bank has procured 1600 Biometric authentication devices, out of which 1564 devices have been installed at Branches and BC locations for the implementation of the project. Bank has also Procured 950 PIN PADs, out of which 945 PIN PADs have been issued to BCs as on 31st March 2022 for complete roll out of the ONLINE FI SOLUTION.

Transactions through Online FI Solution (Kiosk Solution)

Progress of financial transactions during FY 2021-2022

S No.	Transaction Type	No. of Transactions	Amount of Transactions
1.	AEPS OFFUS DEPOSIT	153	244080
2.	AEPS OFFUS FUND-STRANSFER	223	930834
3.	AEPS OFFUS WITH-DRAWAL	42470	108616449
4.	AEPS ONUS DEPOSIT	24884	96977430

5.	AEPS ONUS FUND-STRANSFER	8654	36304265
6.	AEPS ONUS WITH-DRAWAL	54277	141507871
7.	DEPOSIT	19285	64145064
8.	FUNDSTRANSFER	7431	28175719
9.	RUPAY OFFUS WITH-DRAWAL	387016	1549124224
10.	RUPAY ONUS WITH-DRAWAL	1997731	6599928485
11.	WITHDRAWAL	38971	96470286
12.	AEPS IMPS TRANSACTIONS	1180	3789496
Grand Total		2582275	8726214203

Progress of non-financial transactions during FY 2021-2022

S No.	Transaction Type	No. of Transactions
1	CIF Balance Enquiry	91021
2	CIF Mini Statement	11585
3	Off-Us Balance Enquiry	28060
4	On-Us Balance Enquiry	40185
5	RuPay Balance Enquiry	38330
6	RuPay Mini Statement	326245
Grand Total		535426

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 FY 2021-22

S No.	Transaction Status	No. of Transactions
1	Success	70340
2	Failure	132590
Grand Total		202930

Progress of AEPS during FY 2021-22

S No.	Transaction Type	No. of Transactions	Amount of Transactions
1	AEPS OFFUS DEPOSIT	153	244080
2	AEPS OFFUS FUNDSTRANSFER	223	930834
3	AEPS OFFUS WITHDRAWAL	42470	108616449
4	AEPS ONUS DEPOSIT	24884	96977430
5	AEPS ONUS FUNDSTRANSFER	8654	36304265



6	AEPS ONUS WITHDRAWAL	54277	141507871
7	AEPS IMPS TRANSACTIONS	1180	3789496
Grand Total		131841	388370425

Customer Service

The Bank realizes the importance of customer service and continues to lay utmost priority for rendering prompt and efficient service to customers. Aim of the Bank is to minimize the instances of customer complaints and grievances through proper customer service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances.

The Bank has an On-line Grievance Redressal Management Portal on website and email channel for Customer Service Request Tracking System (CSRTS). Through these channels, the customer gets an immediate acknowledgement and can keep a track of the complaint with the help of a unique ID, which is generated and delivered to the complainant when a complaint is lodged through online mode. Besides Bank has landline telephone numbers and SMS service for registering the grievances. 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. All this while, the customer is kept updated with the progress of resolution of his request/grievance.

The status of complaints received by the Bank is reviewed by "Customer Service Committee of the Board", a Sub-Committee of the Board, on quarterly basis. The Bank also has a "Standing Committee on Customer Service" comprising of official as well as non-official members (representatives of customers), which also reviews customer service of the Bank on quarterly basis.

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. Implementation of Appointment of Internal Ombudsman by the Bank has improved the customer satisfaction level, besides reducing escalation of grievances to other fora.

Bank has various policies on customer service which have been conspicuously displayed on Bank's website for awareness of general public.

The Bank also conducts Customer Advisory Forum (CAF) meetings at all of its Business Units at regular intervals. These meetings help us obtain first hand feedback about our products and services and in turn facilitate necessary changes/ improvements as per customer expectations.

The Bank has a Contact Center in place to provide tele-banking services to its customers and to redress the customer grievances on 24x7x365 basis through leading Service Provider.

Prompting Compliance

The Bank has put in place compliance processes based on RBI guidelines and Bank's own internal standards of governance. There has been a committed effort to follow best industry practices and standards in the areas of accountability, transparency and business ethics. The bank has in place a well-defined Group Compliance Policy for identifying and mitigating the level of Compliance Risk. The bank adheres to all statutory provisions contained in various legislations such as Banking Regulation Act, RBI Act, FEMA, other regulatory guidelines and internal policies of the bank issued from time to time. The adherence is ensured through a well-defined framework of roles and responsibilities for enterprise-wide compliance. To improve compliance culture in the Bank, separate «RBI compliance/ Regulatory Matters» Department has been created at apex level and for the purpose of regulatory compliance bank has put in CERMO+ Application to keep track of the regulatory guidelines and its compliance.

Independent Auditors Report

To
 The Members of
 Jammu & Kashmir Bank Limited

Report on Audit of the Standalone Financial Statements

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 2022, 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 57 branches/offices audited by us and 952 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 and based on the consideration of the reports of other auditors on separate audited financial statements/ financial information of the branches, as referred to in paragraphs 12 below, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 (the 'Act') in the manner so required for bank 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 2022, and its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

2. 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.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of

the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Key audit Matters	How our audit addressed the key audit matter
NIL	NIL

Emphasis of Matter

4. We draw attention to relevant note of Schedule 18 to the Financial Results which explains the uncertainties due to outbreak of novel corona virus (COVID 19) and the management assessment of its impact on the business operation of the Bank.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. 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 Pillar 3 disclosure under Basel III. 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

6. These standalone Financial Results have been prepared on the basis of the standalone annual financial statements and reviewed quarterly standalone Financial Results up to the end of the third quarter. 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, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time 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 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

7. 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 skepticism 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

8. We did not audit the financial statements/information of 952 branches/offices included in the standalone Financial Results of the Bank whose Financial Results reflect total assets Rs. 81260.88 including total advances of Rs. 71966.29 Crores and total revenue of Rs. 5810.09 Crores as at 31st March 2022, as considered in the standalone Financial Results. These branches and processing centres cover 95.65% of advances, 92.22% of deposits and 90% of Non-performing assets as at 31st March 2022 and 66.07% of revenue for the year ended 31st March 2022. 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 standalone 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 annual financial results include the results for the quarter ended 31st March 2022 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 (except for the quarter ended on June 2021, which was limited review by previous Central Statutory Auditors). Our opinion is not modified in respect of this matter. Report on Other Legal and Regulatory Requirements
10. 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.
11. 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.
12. Subject to the limitations of the audit indicated in paragraphs 3 to 9 above and as required by subsection (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) we have obtained all the information and explanations 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, 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.
13. Further, as required by section 143(3) of the Act, we report that:
 - a) we 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;
 - b) 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;
 - 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;
 - e) 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) on the basis of written representations received from the directors as at 31 March 2022 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2022 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 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 18 to the financial statements;
- ii. the Bank 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 Bank;

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

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWAZS2936

CA. Hardeep Aggarwal
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M.No. 088243
UDIN : 22088243AIWAGK4581

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAAM2519

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVNVB6300

Place : Srinagar
Date: 12th May 2022

Annexure-A to para 11 of independent auditor's report of event date on the standalone financial statements 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 2021-22

S No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process	Since the company has not been selected for disinvestment, directions are not applicable	NIL
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	There are 2500 cases of waiver/write off of debts/ loans/ etc. amounting to Rs. 29.60 Crores in addition to the waiver of unapplied interest of Rs.200.28 Crores on account of negotiated settlement with the borrowers defaulting in payment due to the circumstances beyond their control such as death/disappearance of the borrower, recession in economy, no enforceable security, natural calamities such as earthquake, flood, drought, change in Govt. policy, genuine business failure in spite of sincere efforts made by borrower etc. and where the recovery chances through normal business operations are bleak.	Waiver/ write off of debts resulted in loss of Rs.229.88 crores.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities	As per explanations given to us, the company has not received any assets as gift /grant(s) from government or other authorities. The company has no inventories lying with third parties.	NIL
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	There are 451 Cases involving Rs.672.19 Crores pending legal/arbitration cases being claims against the bank not acknowledged as debts.	Bank hold a provision of Rs.11.70 crores in cases decided against the Bank but appeals have been filed against the orders. The pendency of the cases is mainly due to the procedure adopted by the courts and tribunals which takes its own time and is beyond the control of the Bank as a litigant.
5	Whether the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	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.	NIL
6	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.	The financial impact on the bank on account of restructuring of credit facilities is due to maintenance of higher provisions which is adequately provided for, by the Bank, as stipulated by RBI from time to time.
7	Whether the Bank is maintaining/ developing various assets of the State Govt. The treatment of the assets and expenditure incurred and revenue earned may be examined and comment may be offered.	No such cases reported so far	NIL



8	Whether the branches were doing window dressing and its impact/ materiality on the overall deposit portfolio.	As per information and explanation given to us, no branch auditor has reported any case of window dressing.	NIL																																													
9	Whether the Bank has been able to achieve the targets under Priority sector lending, if not, impact on the financial health of the Bank by lending the shortfall amount in Rural infrastructure Development Fund, Small industrial Development Bank of India, etc. may please be brought out.	<table border="1"> <thead> <tr> <th colspan="5">Following is the position of targets and achievements in PSL lending as on 31.03.2022</th> </tr> <tr> <th colspan="5">(Amount in Crores of Rs.)</th> </tr> <tr> <th>S.No.</th> <th>Sector</th> <th>Total Outstanding</th> <th>% Achievement</th> <th>% Target</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Overall PSL</td> <td>33981.29</td> <td>45.19</td> <td>40</td> </tr> <tr> <td>2</td> <td>Agriculture</td> <td>11933.41</td> <td>15.87</td> <td>18</td> </tr> <tr> <td>3</td> <td>Small and Marginal Farmers</td> <td>5926.99</td> <td>7.88</td> <td>9</td> </tr> <tr> <td>4</td> <td>Non - Corporate Farmers</td> <td>5699.11</td> <td>7.58</td> <td>12.73</td> </tr> <tr> <td>5</td> <td>Micro Enterprises</td> <td>10210.8</td> <td>13.58</td> <td>7.5</td> </tr> <tr> <td>6</td> <td>Weaker Sections</td> <td>7734.95</td> <td>10.29</td> <td>11</td> </tr> </tbody> </table>	Following is the position of targets and achievements in PSL lending as on 31.03.2022					(Amount in Crores of Rs.)					S.No.	Sector	Total Outstanding	% Achievement	% Target	1	Overall PSL	33981.29	45.19	40	2	Agriculture	11933.41	15.87	18	3	Small and Marginal Farmers	5926.99	7.88	9	4	Non - Corporate Farmers	5699.11	7.58	12.73	5	Micro Enterprises	10210.8	13.58	7.5	6	Weaker Sections	7734.95	10.29	11	Based on the allocation to be made by RBI on the average of four quarters QPSAs' for FY2022, the Bank will have to place the shortfall amount in low yielding deposits with different Institutions like NABARD, SIDBI, MUDRA, NHB. The deposits carry an interest rate of Bank Rate-2% present effective 2.65% with tenor of the deposits ranging from 1-7 years.
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10	Whether there were cases of greening of advances, up gradation of loan account at the fag end of the Financial Year or delay/ non-declaration of Non-performing Assets as per RBI guidelines. Its impact on the profitability and Asset Classification.	No such cases reported so far	NIL																																													
11	Whether Co. has complied with the direction issued by RBI for a. NBFCs b. Capital adequacy norms for NBF-Cs c. Classification of NPA	As per information and explanation given to us the bank has complied with all the directions issued by RBI.	NIL																																													
12	Whether introduction of any scheme for settlement of dues and extensions thereto complied with the policy/ guidelines of Company/ Govt.	As per information and explanation given to us, the bank is complied with the instructions/guidelines issued from time to time by RBI and comply with the Policy framed for the same.	NIL																																													
13	Whether the Co. has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further instances of undue delay in disposal of seized units may be reported.	As per information and explanation given to us the bank has a system to ensure that loans are secured by adequate security free from encumbrances and have charge on mortgaged assets and bank has a Board approved policy for the same.	NIL																																													
14	Whether the bank guarantees have been revalidated in time?	The Bank is fully compliant to IRACP guidelines. Asset classification is strictly being done as per extant RBI guidelines	NIL																																													
15	Comment on the confirmation of balances of trade receivable, trade payable, term deposits, bank account and cash obtained	Being Banking company there are no trade payable/ receivable. Confirmation of Term deposits balances not required as the figures are obtained from system generated reports from MIS -Department.	NIL																																													
16	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																																													

17	Whether the company has cleared title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	The Bank has clear title/lease deeds for freehold and leasehold land, except for the following properties:			The said assets have been capitalized and the book value as on 31.03.2022 is Rs.57.94 crores except currency chest Kulgam which has not been capitalized.
		S. No.	Particulars	Category	
		1	Vashi, Mumbai (1st Floor)	NR-RCC	
		2	Budgam	OWN-LAND	
		3	Ansal Plaza, Delhi	NR-RCC	
		4	Kargil	OWN-LAND	
5	Currency Chest Kulgam	OWN-LAND			
18	Examine the system of effective utilization of loans/Grant-in-Aid/Subsidy. List of cases diversion of fund	GSGD department deals in lodgement of subsidy claims and any Subsidy received by GSGD during the FY 2021-22 has been utilized in accordance with the stipulated guidelines.			NIL
19	Examine the cost benefit analysis of major capital expenditure/Expansion including IRR and payback period.	As per information and explanation given to us, the major expenditure is being incurred on opening of new business units and as per historical data majority of new business units within J&K States attain breakeven within one year of its operation.			NIL
20	If the audited entity has computerized its operation or part of it, asses and report how much of the data in the company is in electronic format, which of the area such as accounting, sale personnel information, payroll, inventory etc. has been computerized and the company has evolved proper security policy for data/software/ hardware.	Bank has computerized all its business processes and the data is stored and accessed in electronic format. The activities mentioned herein are also computerized. The Bank has a comprehensive Information Security Policy (ver 5.1 published on the Bank's Intranet) which deals with Security Aspects of All IT Related Functions and is aligned with the ISO 27001:2013 standard.			NIL
21	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.	The loans received are utilized for the intended purpose. However, during the FY 2021-22 grants/subsidy received has been utilized in accordance with the stipulated guidelines.			NIL
22	Other Matter				

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

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWAZS2936

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWAGK4581

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAAM2519

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVNVB6300

Place : Srinagar
Date: 12th May 2022



**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 13(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 Jammu & Kashmir Bank Limited ('the Bank') as at 31 March 2022 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;
- 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
- 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 2022, 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

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
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UDIN : 22083862AIWAZS2936

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWAGK4581

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAAM2519

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVNVB6300

Place : Srinagar

Date: 12th May 2022

Standalone Balance Sheet

as at 31st March, 2022

CAPITAL AND LIABILITIES	Schedule	As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
Capital	1	933,030	713,594
Share Application Money		935,000	-
Reserves and Surplus	2	79,203,630	67,542,478
Deposits	3	1,147,103,799	1,080,611,496
Borrowings	4	23,708,173	20,151,969
Other Liabilities and Provisions	5	54,140,492	33,899,922
TOTAL		1,306,024,124	1,202,919,459
ASSETS			
Cash and Balance with Reserve Bank of India	6	13,952,028	36,853,326
Balance with Banks & Money at Call & Short Notice	7	73,898,444	58,122,602
Investments	8	338,349,883	308,142,439
Advances	9	704,006,750	668,417,318
Fixed Assets	10	19,536,800	20,124,103
Other Assets	11	156,280,219	111,259,671
TOTAL		1,306,024,124	1,202,919,459
Contingent Liabilities	12	55,249,390	48,669,364
Bills for Collection		15,380,639	14,396,031
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

Dr. Mohamad Ishaq Wani
 Director
 DIN: 08944038

Rajni Saraf
 President/CFO

Mohammad Shafi Mir
 Company Secretary

Place : Srinagar
 Date: 12th May 2022

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 Hem Sandeep & Co
 Chartered Accountants
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CA. Dharam Raj
 Partner
 M.No. 094108
 UDIN : 22094108AIVNVB6300

Place : Srinagar
 Date: 12th May 2022



Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
SCHEDULE 1 - CAPITAL			
Authorised Capital			
1,850,000,000 (P.Y. 2,500,000,000)			
Equity Shares of Rs.1/- each		1,850,000	2,500,000
Issued			
933,104,594 (P.Y. 713,668,938) Equity Shares of Rs.1/= each		933,105	713,668
Subscribed and Paid-up Capital			
932,886,594 (P.Y. 713,450,938)			
Equity Shares of Rs. 1/- each		932,886	713,450
Add Forfeited Equity Shares (218,000) (P.Y. 218,000)		144	144
TOTAL		933,030	713,594
Share Application Money Received (Pending Allotment)		935,000	-
SCHEDULE 2 - RESERVES & SURPLUS			
I.	Statutory Reserves		
	Opening Balance	22,783,528	21,703,218
	Additions during the year	1,253,905	1,080,310
	Deductions during the year	-	-
	Closing Balance	24,037,433	22,783,528
II.	Capital Reserves		
a)	Revaluation Reserve Fixed Assets		
	Opening Balance	9,726,180	9,960,007
	Additions during the year on account of Revaluation Reserve	-	-
	Deduction during the year (depreciation)	(227,726)	(233,827)
	Closing Balance	9,498,454	9,726,180
b)	Others		
	Opening Balance	2,553,327	1,214,577
	Additions during the year	335,145	1,338,750
	Deductions during the year	-	-
	Closing Balance	2,888,472	2,553,327
III.	Share Premium		
	Opening Balance	10,959,119	10,959,119
	Additions during the year	6,645,532	-
	Deductions during the year	-	-
	Closing Balance	17,604,651	10,959,119

Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
IV)	Revenue and other Reserves		
a)	Investment Fluctuation Reserve		
	Opening Balance	377,800	377,800
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	377,800	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	19,910,924	17,774,918
	Additions during the year	3,654,296	2,136,006
	Deductions during the year	-	-
	Closing Balance	23,565,220	19,910,924
	TOTAL (I,II,III & IV)	79,203,630	67,542,478
SCHEDULE 3 - DEPOSITS			
A I.	Demand Deposits		
	i) From Banks	1,496,306	936,368
	ii) From Others	142,480,572	137,772,441
	TOTAL (I & ii)	143,976,878	138,708,809
II.	Saving Bank Deposits	504,769,219	475,540,593
III.	Term Deposits		
	i) From Banks	15,118,741	17,374,667
	ii) From Others	483,238,961	448,987,427
	TOTAL (I & ii)	498,357,702	466,362,094
	TOTAL A (I+II+III)	1,147,103,799	1,080,611,496
B. I.	Deposits of branches in India	1,147,103,799	1,080,611,496
II.	Deposits of branches outside India	-	-
	TOTAL B (I+II)	1,147,103,799	1,080,611,496



Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '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)	23,600,000	20,000,000
	d) Other Institutions & Agencies	108,173	151,969
	TOTAL (a to d)	23,708,173	20,151,969
II.	Borrowings outside India	-	-
	GRAND TOTAL (I & II)	23,708,173	20,151,969
	Secured borrowings included in I & II above	Nil	Nil
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS			
i)	Bills Payable	2,710,593	2,773,447
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued	180,428	198,250
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	4,828,477	4,327,438
vi)	Other (Including Provisions)	46,420,994	26,600,787
	TOTAL (i to vi)	54,140,492	33,899,922
SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in Hand (Including Foreign Currency Notes)	6,160,287	5,179,363
II.	Balance with Reserve Bank of India		
	a) In Current Account	7,791,741	31,673,963
	b) In Other Accounts	-	-
	TOTAL (I & II)	13,952,028	36,853,326
SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	i) Balance with Banks		
	a) In Current Accounts	341,548	766,931
	b) In Other Deposit Accounts	10	10
	TOTAL (i)	341,558	766,941

Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
	ii) Money At Call and Short Notice		
	a) With Banks	73,295,959	56,997,645
	b) With Other Institutions	-	-
	TOTAL (ii)	73,295,959	56,997,645
	TOTAL (i & ii)	73,637,517	57,764,586
II.	Outside India		
	i) In Current Accounts	260,927	358,016
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	-	-
	TOTAL II of (i, ii & iii)	260,927	358,016
	GRAND TOTAL (I&II)	73,898,444	58,122,602
SCHEDULE 8 - INVESTMENTS			
I.	Investments in India		
	Gross	345,662,933	315,496,133
	Less: Provision for Depreciation	841,213	487,081
	Less: Provision for Investment (NPI)	6,471,837	6,866,613
	Net Investments	338,349,883	308,142,439
	i) Government Securities	304,126,187	302,809,864
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,094,172	1,023,432
	iv) Debentures and Bonds	2,077,460	3,572,985
	v) Subsidiaries and/or Joint Ventures	200,000	160,000
	vi) Sponsored Institutions	87,508	87,508
	vi) Others :		
	a) Certificate of Deposit	30,385,902	-
	b) Suitfile		
	c) Venture Capital	-	239
	d) Commercial Paper	-	-
	e) Security Receipts	378,654	488,411
	TOTAL (I)	338,349,883	308,142,439
II.	Investments Outside India		
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others investments	Nil	Nil
	TOTAL (II)	-	-
	TOTAL (I & II)	338,349,883	308,142,439



Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
III.	Investments Category-Wise		
	i) Held to Maturity	233,558,568	213,606,543
	ii) Held for Trading	298,950	48,820
	iii) Available for Sale	104,492,365	94,487,076
	TOTAL (III)	338,349,883	308,142,439
SCHEDULE 9 - ADVANCES			
A	i) Bills Purchased and Discounted	2,418,979	3,225,828
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	238,597,472	215,207,158
	iii) Term Loans	462,990,299	449,984,332
	TOTAL (i to iii)	704,006,750	668,417,318
B	i) Secured by Tangible Assets (includes advances against book debts)	487,601,750	511,707,200
	ii) Covered by Bank/Govt. Guarantees	4,270,737	4,572,499
	iii) Unsecured	212,134,263	152,137,619
	TOTAL (i to iii)	704,006,750	668,417,318
C	I. Advances in India		
	i) Priority Sector	288,029,477	262,939,841
	ii) Public Sector	7,544,369	8,672,302
	iii) Banks	151	17,170
	iv) Others	408,432,753	396,788,005
	TOTAL (i to iv)	704,006,750	668,417,318
	II. Advances Outside India		
	i) Due from Banks	-	-
	ii) Due from Others	-	-
	GRAND TOTAL (I & II)	704,006,750	668,417,318
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	a) At cost/revalued as at 31st March of the preceding year	17,793,568	17,775,014
	Additions during the year	13,438	18,554
		17,807,006	17,793,568
	Deductions during the year	-	-
		17,807,006	17,793,568
	Depreciation to date	2,849,779	2,551,416
	Total (a)	14,957,227	15,242,152

Schedules to Standalone Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
	b) Constructions work in progress	430,769	372,657
	TOTAL (I) [a+b]	15,387,996	15,614,809
II.	Other Fixed Assets (Including Furniture & Fixtures)		
	a) At cost/revalued as at 31st March of the preceding year	14,451,027	13,793,926
	Additions during the year	798,941	691,598
		15,249,968	14,485,524
	Deductions during the year	56,096	34,497
		15,193,872	14,451,027
	Depreciation to date	11,078,587	9,983,278
	TOTAL (II)	4,115,285	4,467,749
	b) Constructions work in progress	33,519	41,545
	TOTAL (II) [a+b]	4,148,804	4,509,294
	GRAND TOTAL (I & II)	19,536,800	20,124,103
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	5,904,195	5,805,162
II.	Inter Office Adjustment (Net)	703,103	704,613
III.	Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	2,620,210	2,344,150
IV.	Stationery and Stamps	45,325	57,995
V.	Deferred Tax Asset (Net)	2,392,815	2,650,824
VI.	Non-Banking Assets acquired in satisfaction of claims	92,792	92,792
VII.	Others *	144,521,779	99,604,135
	TOTAL (I to VIII)	156,280,219	111,259,671
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 56912877 thousand (Previous year Rs. 42383069 thousand)			
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	7,082,854	6,224,164
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	17,044,620	11,181,866
IV.	Guarantees given on behalf of constituents:-		
	a) In India	22,162,782	22,307,506
	b) Outside India	225,339	225,173
V.	Acceptances, Endorsements & Other Obligations	6,289,224	6,725,649
VI.	Other items for which the Bank is Contingently liable	-	-
VII.	Liability on a/c of Depositors Education Awareness Fund (DEAF)	2,444,571	2,005,006
	TOTAL (I to VII)	55,249,390	48,669,364



Standalone Profit & Loss Account

for the year ended at 31st March, 2022

	SCHEDULE	YEAR ENDED 31.03.2022 ₹'000' Omitted	YEAR ENDED 31.03.2021 ₹'000' Omitted
I INCOME			
Interest Earned	13	80,134,754	81,110,875
Other Income	14	7,809,314	6,920,799
TOTAL		87,944,068	88,031,674
II EXPENDITURE			
Interest Expended	15	41,022,458	43,403,084
Operating Expenses	16	35,927,774	28,785,405
Provisions and Contingencies		5,978,215	11,521,945
TOTAL		82,928,447	83,710,434
III NET PROFIT / (LOSS)		5,015,621	4,321,240
TOTAL		87,944,068	88,031,674
IV APPROPRIATIONS			
TRANSFERED TO			
i) Statutory Reserve		1,253,905	1,080,310
ii) Capital Reserve		335,145	1,338,750
iii) Revenue and Other Reserve		3,426,571	1,902,180
iv) Investment Fluctuation Reserve		-	-
v) Special Reserve		-	-
vi) Proposed Dividend		-	-
vii) Tax on Dividend		-	-
TOTAL		5,015,621	4,321,240
Principal Accounting Policies	17		
Notes on Accounts	18		
Earnings per Share (in Rs.) (Basic/Diluted)		6.04	6.06

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

Dr. Mohamad Ishaq Wani
Director
DIN: 08944038

Rajni Saraf
President/CFO

Mohammad Shafi Mir
Company Secretary

Place : Srinagar

Date: 12th May 2022

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 Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWAZS2936

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWAGK4581

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAAM2519

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVNVB6300

Place : Srinagar

Date: 12th May 2022

Schedules to Standalone Profit & Loss Account

for the year ended at 31st March, 2022

		YEAR ENDED 31.03.2022 ₹'000' Omitted	YEAR ENDED 31.03.2021 ₹'000' Omitted
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/Discount on Advances/Bills	60,153,801	60,630,149
II.	Income on Investments (Net of Amortization)	16,768,541	17,307,929
III.	Interest on Balances with R.B.I and other Inter Bank Funds	3,206,769	3,172,246
IV.	Others	5,643	551
	TOTAL (I to IV)	80,134,754	81,110,875
SCHEDULE 14 - OTHER INCOME			
I.	Commission, Exchange & Brokerage	1,945,332	2,075,504
II.	Profit /(Loss) on Sale of Investments (Net)	1,230,962	2,521,635
	Profit on Sale of Investments	1,230,962	2,521,635
	Less: Loss on sale of investments	-	-
III.	Profit /(Loss) on revaluation of Investments (Net)	15,108	(269,144)
	Profit on revaluation of Investments	15,108	-
	Less: loss on revaluation of investments	-	(269,144)
IV.	Profit/(Loss) on Sale of Land, Buildings & Other Assets (Net)	2,768	2,415
	Profit on Sale of Land, Buildings & Other Assets	8,236	6,007
	Less: Loss on Sale of Land, Buildings & Other Assets	(5,468)	(3,592)
V.	Profit /(Loss) on Exchange Transactions (Net)	163,664	104,811
	Profit on Exchange Transactions	163,664	104,811
	Less: Loss on E/Transactions	-	-
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/in India	-	-
VII.	Miscellaneous Income	4,451,480	2,485,578
	TOTAL (I to VII)	7,809,314	6,920,799
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on Deposits	39,018,726	41,402,933
II.	Interest on RBI/Inter-Bank Borrowings	14,358	12,651
III.	Others	1,989,374	1,987,500
	TOTAL (I to III)	41,022,458	43,403,084
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for Employees	26,719,314	20,593,842
II.	Rent, Taxes and Lighting	975,976	962,221
III.	Printing and Stationery	86,772	92,587
IV.	Advertisement and Publicity	13,471	16,541
V.	Depreciation on Bank's Property	1,438,746	1,339,312
VI.	Directors Fees, Allowances and Expenses	20,895	12,853
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	221,015	180,147
VIII.	Law Charges	127,250	113,197
IX.	Postage, Telegrams, Telephones etc.	40,569	47,919
X.	Repairs and Maintenance	339,711	199,452
XI.	Insurance	1,293,741	1,187,812
XII.	Other Expenditure	4,650,314	4,039,522
	TOTAL (I to XII)	35,927,774	28,785,405



Schedule 17

"Principal Accounting Policies"

1. 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. Bank is listed on the NSE and the BSE and has its Corporate Headquarters at Srinagar. 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, a number of unique financial products tailored to the needs of various customer segments.

A. Significant Accounting policies followed by the Company

1. 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, regulatory norms prescribed by the Reserve Bank of India (RBI), 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.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. Transactions involving Foreign Exchange

- i. Monetary Assets and Liabilities as on balance sheet date have been translated using closing rate as at year-end announced by Foreign Exchange Dealers Association of India.
- ii. Exchange differences arising on settlement of monetary items have been recognized as income or as expense in the period in which they arise.
- iii. Outstanding forward exchange contracts 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.

4. Investments

- i. Investments are classified into "Held-to-Maturity", "Available-for-Sale" and "Held-for-Trading" categories, in accordance with the guidelines issued by Reserve Bank of India.
- ii. Bank decides the category of each investment at the time of acquisition and classifies the same accordingly.
- iii. "Held-to-Maturity" category comprises securities acquired by the Bank with the intention to hold them up to maturity. "Held-for-Trading" category comprises securities acquired by the Bank with the intention of trading. "Available-for-Sale" securities are those, which do not fall in either of the above categories.
- iv. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless it is more than the face/redemption value, in which case the premium is amortized over the period remaining to the maturity using straight line method.
- v. (a) 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.
(b) The market value for the purpose of periodical valuation of investments, included in "Available for Sale" and "Held for trading" categories is based on the market price available from the trades/quotes on stock exchanges. Central/State Government securities, other approved securities, debentures and Bonds are valued as per the prices/YTM rates declared by Financial Benchmarks India Pvt. Ld. (FBIL).
(c) Unquoted shares are valued at break-up value ascertained from the latest balance sheet (which should not be more than 18 months prior to the date of valuation) and in case the latest balance sheet is not available the same are valued at ₹1/- per Company, as per RBI guidelines.
(d) Security receipts (SRs) issued by Asset Reconstruction Companies (ARCs) are valued at cost or NAV, whichever is lower, declared periodically by the ARCs. Depreciation, if any, in individual SRs is fully provided for, appreciation, if any, is ignored.
(e) Investment in quoted Mutual Fund Units is valued as per Stock Exchange quotations. An investment in unquoted Mutual Fund Units is valued on the basis of the latest re-purchase price declared by the Mutual Fund in respect of each particular scheme. In case of Funds with a lock-in period, where repurchase price/market quote is not available, Units are valued at NAV. If NAV is not available, then these are valued at cost, till the end of the lock-in period. Wherever the re-purchase price is not available the Units are valued at the NAV of the respective scheme.

Schedule 17

"Principal Accounting Policies"

- vi. 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.
- vii. 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.
- viii. (a) Profit or Loss on sale of Government Securities is computed on the basis of weighted average cost of the respective security.
 (b) Profit or loss on sale of investments in any category is taken to the Profit and Loss account. 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".
- ix. Interest accrued up to the date of acquisition of securities i.e. broken period interest is excluded from the acquisition cost and recognized as interest expense. Broken period interest received on Sale of securities is recognized as interest income.
- x. 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.
- xi. Investments in J&K Grameen Bank/Sponsored Institutions have been accounted for on carrying cost basis.
- xii. Transfer of securities from one category to another is done at the least of the acquisition cost/book value/market value on the date of transfer.
- xiii. Repurchase & Reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- xiv. Bank is following settlement date accounting policy.

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 case of normal outright sale/purchase transactions and such movement of security is 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).

5. Advances

- i) 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 and accordingly requisite provisions have been made thereof.
- ii) Advances are shown net of provisions required for NPA's. Provisions for advances classified as Standard Assets is shown under Other Liabilities & Provisions.
- iii) Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.

6. Fixed Assets/Depreciation

- a) Premises and other fixed assets are accounted for at historical cost.
- b) Premises include free hold as well as lease hold properties.
- c) Premises include capital work in progress.
- d) Depreciation is charged on straight line method as per 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.

Sn.	Block	Useful Life (Years)
A.	Building (With RCC Frame Structure)	
	-Commercial	60
	-Residential	60
B.	Building (with other than RCC Frame Structure)	
	-Commercial	30
	-Residential	30
C.	Plant & Machinery	15
D.	Furniture & Fixtures	10
E.	Vehicles	8
F.	Fences	5
G.	Others (Including temporary Structures etc.)	3



Schedule 17

"Principal Accounting Policies"

Depreciation on computers (including ATMs) 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.

The expenditure on computer software where it is probable that future benefits attributable to such software will flow to Bank is capitalized and depreciation is charged @33.33% in terms of RBI guidelines on straight line method.

Useful life of the mobile phones is considered to be 2 years and the depreciation is charged on straight line method as per provisions of Companies Act 2013 with no residual value.

e) Premium paid for Leasehold properties is amortized over the period of the lease.

f) In compliance to the directions of RBI, Board of Directors vide resolution no. 47 dated 21-04-2016 approved the policy on Revaluation of Bank's own properties which covered all the immovable properties owned by the bank including land & office buildings except those fixed assets whose useful life has expired.

In respect of revaluation of the Bank's own properties/assets, the bank had obtained Valuation Reports from two independent Valuers, irrespective of the value of the property. As per the policy, the valuation of the property was taken as the average of the two valuations.

7. Employees Benefits

- i) Short-term employee benefits are charged to revenue in the year in which the related service is rendered.
- ii) Long Term Employee Benefit

a) 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 & loss A/C. The bank is paying matching contribution towards those employees who have not opted for the pension.

b) Defined Benefit Plan

Gratuity: Gratuity liability is a defined obligation and is provided for on the basis of an actuarial valuation. The scheme is funded by the bank and is managed by a separate trust.

Pension: Pension liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation. The scheme is funded by the bank and is managed by a separate trust.

Leave Salary: Leave salary is a defined benefit obligation and is provided for on the basis of an actuarial valuation determined on the basis of un-availed privilege leave of an employee at the time of leaving services of the company.

8. Revenue Recognition and Expenditure booking

Income and expenditure are accounted for on accrual basis unless otherwise stated.

- a) Interest and other income on advances/ investments classified as Non-Performing Advances/ investments are recognized to the extent realized in accordance with the guidelines issued by the Reserve Bank of India.
- b) The recovery in Non-Performing Assets has been first appropriated towards amount of principal and thereafter towards amount of interest.
- c) Interest on overdue term deposits is provided at Savings Bank Rate of Interest.
- d) Fee, commission (other than insurance commission & Government business), exchange, locker rent, insurance claims and dividend on shares and units in Mutual Fund are recognized on realization basis.
- e) Income from interest on income tax/other tax refunds is accounted for on the basis of orders passed by the Competent Authorities.
- f) Unforeseen income/ expenses are accounted for in the year of receipt/ payment.
- g) Stationery issued to branches has been considered as consumed.

9. Credit Card reward Points

The Bank has estimated the probable redemption of reward points by not using actuarial method but has made 100% provision for redemption against the accumulated reward points in respect of standard card holders.

10. Net Profit/Loss

The net profit is disclosed in the profit and loss account after providing for:

- i) Income Tax and Deferred Tax.
- ii) Provision for Standard Assets, Non-Performing Advances/ Investments as per RBI guidelines.
- iii) Depreciation/ amortization on Investments.
- iv) Transfer to contingency fund, if any.
- v) Other usual and necessary provisions.

11. Taxes on Income

Provision for tax is made for both current and deferred taxes in accordance with AS-22 on "Accounting for Taxes on Income".

12. Contingency Funds

Contingency Funds have been grouped in the Balance Sheet under the head "Other Liabilities and Provisions".

Schedule 18

"Notes on Standalone Accounts"

Disclosures made by Company

1. 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.
2. 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.
3. **Fixed Assets**
 - a) Documentation formalities are pending in respect of certain immovable properties held by the bank valued at ₹ 9.18 crores (previous year ₹ 9.31 crores). In respect of immovable properties valued at ₹ 48.95 Crore (previous year ₹ 50.16 crores) Bank holds agreement to sell along with the possession of the properties.
 - b) Pursuant to the revised Accounting Standard-10 "Property, Plant & Equipment" applicable from 1st April 2017 depreciation of ₹22.77 crores (previous year being ₹ 23.38 crores) on the revalued portion of the fixed assets (being Premises & Land) has been transferred from the Revaluation reserve to General/ Revenue reserve instead of crediting to Profit & Loss account.
 - c) Depreciation is provided on straight line method in accordance with the provisions of Companies Act 2013 based on the useful life of the assets. However, the depreciation on the computers (including ATMs) along with software forming integral part of the computers is computed @ 33.33% on straight line method in terms of RBI guidelines.
 - d) In compliance to the directions of RBI, Board of Directors vide resolution no. 47 dated 21-04-2016 approved the policy on Revaluation of Bank's own properties which covered all the immovable properties owned by the bank including land & office buildings except those fixed assets whose useful life has expired.
In compliance to Accounting Standard (AS)-26 the acquisition cost of computer software, not forming integral part of the computers and where it is probable that the future economic benefits that are attributable to this software will flow to bank, is being capitalized and depreciation is charged at the rate of 33.33% on straight line method in terms of RBI guidelines.

Further useful life of mobile phones is considered to be 2 years and the depreciation is charged on straight line method. Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹ 0.76 Crores (previous year ₹ 0.76 Crores).

4. Capital

a) Composition of Regulatory Capital

(₹in Crore)

Sr. No.	Particulars	CurrentYear	PreviousYear
i)	Common Equity Tier 1 capital (CET 1)	7498.58	6079.37
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	8498.58	7079.37
iv)	Tier 2 capital	1084.99	1322.90
v)	Total capital (Tier 1+Tier 2)	9583.57	8402.27
vi)	Total Risk Weighted Assets (RWAs)	72457.73	68892.86
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	10.35%	8.82%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	11.73%	10.28%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.50%	1.92%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (TotalCapital as a percentage of RWAs)	13.23%	12.20%
xi)	Leverage Ratio	6.27%	5.65%



Schedule 18

"Notes on Standalone Accounts"

xii)	Percentage of the shareholding of a) Government of India b) State Government (Government of UT of Jammu & Kashmir) c) Sponsor Bank	Nil 70.12 NA	Nil 68.18 NA
xiii)	Amount of paid-up equity capital raised during the year Share application money (Pending allotment)	21.94 2.85*	NIL
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year, of which Give list as per instrument type (Non-Convertible Basel III Compliant Debt Instruments).	360	NIL

* On 31.03.2022 Bank has raised/received ₹ 93.50 crores by way of QIP (share application money- pending allotment) and same has been shown as part of CET1 Capital of the Bank.

- 4.1 During the year ended March 31, 2022, the bank raised Basel III Compliant Tier II Bonds amounting to ₹.360 crores.
- 4.2 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 remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. Necessary approvals in this regard have been received by the Bank and UT of Ladakh. The Bank is in the process of transferring the said shares to UT of Ladakh.
- 4.3 On 16th September, 2021, the Bank has allotted 16,76,72,702 (Sixteen Crore Seventy Six Lacs Seventy Two Thousand Seven Hundred and Two) equity shares at a price of ₹.29.82 (Rupees Twenty Nine and Eighty Two Paisa Only) to Govt. of Jammu and Kashmir on preferential allotment basis amounting to a total of ₹.499,99,99,973.64 (Rupees Four Hundred Ninety-Nine Crore Ninety Nine Lacs Ninety Nine Thousand Nine Hundred Seventy Three and Sixty Four Paisa Only).
- 4.4 On 24th September, 2021, the Bank has allotted 5,17,62,954 (Five Crore Seventeen Lacs Sixty Two Thousand Nine Hundred and Fifty Four) equity shares at a price of ₹.28.97 (Rupees Twenty Eight and Ninety Seven Paisa Only) to the eligible employees of the Bank under Jammu and Kashmir Bank Employee Stock Purchase Scheme, 2021 (JKBESPS, 2021) amounting to a total of ₹.149,95,72,777.38 (Rupees One Hundred Forty Nine Crore Ninety Five Lacs Seventy Two Thousand Seven Hundred Seventy Seven and Thirty Eight Paisa Only).
- 4.5 The Shareholders of the Bank on 20th March, 2022 have approved the reduction in authorized capital of the Bank from ₹ 250,00,00,000.00 (Rupees Two Hundred and Fifty Crores) to ₹ 185,00,00,000.00 (Rupees One Hundred and Eighty Five Crores) through Postal Ballot and the Reserve Bank of India granted its approval to the same vide its letter no. DoR.HOL.No.4635/16.01.063/2021-22 dated March 22, 2022.
- 4.6 On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crore Eighty Five Lac Ninety Three Thousand Two Hundred And Sixty Seven) equity shares at a price of ₹ 32.70 (Rupees Thirty Two and Seventy Paisa Only) 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 ₹ 93,49,99,830.90 (Rupees Ninety Three Crore Forty Nine Lacs Ninety Nine Thousand Eight Hundred Thirty and Ninety Paisa Only). The Issue opened on March 28, 2022 and closed on March 31, 2022. It is pertinent to mention that 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.

Investments

5. The Bank has booked a profit of ₹44.79 Crore (previous year ₹178.50 Crore) on direct sale of securities from HTM category during the year through open market operations (OMOs) purchase auction by RBI. As such an appropriation of ₹33.51 Crore was made to Capital Reserve Account after netting of taxes and required transfer to statutory reserves.
6. The total investment of the Bank in PNB Met-life India Insurance Company Ltd stood at ₹ 61.08 Crores as on 31.03.2022 (Previous year ₹ 61.08 Crores). In compliance with RBI Letter No. DBOD.BP/-17099/21.4.141/ 2008-09 dated 9th April 2009, the investment stands transferred to AFS Category on October 1st, 2009. The valuation has

Schedule 18

"Notes on Standalone Accounts"

been carried out at an average of two independent valuation reports obtained from Category I Merchant Bankers as per RBI guidelines & the consequent appreciation has been ignored in view of the Accounting Policy in respect of such investments.

- Investments include ₹ 45.67 Crores in Sponsored institution J&K Grameen Bank. Net worth of the 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.
- In terms of RBI Circular no. DOR.MRG.43/21.04.141/2021-22 dated August 25, 2021, Bank holds Investment Fluctuation Reserve (IFR) of ₹ 37.78 crore created during the Financial Year 2018-19. As per trading portfolio (AFS+HFT) held for the FY 2021-22 no addition is required in the IFR account. Further T-Bill and CDs being the instruments valued at carrying cost are excluded from trading portfolio for the purpose of IFR computation as follows:

Particulars	Amount (₹ in Crores)
AFS + HFT	10479.14
Less T-Bill	7109.14
Less CDs	3038.59
Total AFS + HFT for IFR	331.40
Provision required (@2%)	6.63

Bank is already holding IFR of ₹37.78 Crores against requirement of ₹6.63 Crores, hence no addition is required in IFR account.

Investments

a) Composition of Investment Portfolio As At 31-03-2022

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	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	36.92	0.00	36.92	NIL	NIL	NIL	NIL	NIL
Net	23303.48	0.00	0.00	23.63	28.75	0.00	23355.86	NIL	NIL	NIL	NIL	NIL
Available for Sale												
Gross	7109.14	0.00	558.80	306.63	0.00	3169.05	11443.62	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	NIL	NIL	NIL	NIL	NIL
Net	7109.14	0.00	109.40	154.24	0.00	3076.46	10449.24	NIL	NIL	NIL	NIL	NIL
Held for Trading												
Gross	0.00	0.00	0.02	29.87	0.00	0.00	29.89	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NIL	NIL	NIL	NIL	NIL
Net	0.00	0.00	0.02	29.87	0.00	0.00	29.89	NIL	NIL	NIL	NIL	NIL
Total Investments	30412.62	0.00	558.82	360.13	65.67	3169.05	34566.29	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments	0.00	0.00	446.56	152.39	0.00	48.24	647.19	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	36.92	92.59	731.30	NIL	NIL	NIL	NIL	NIL
Net	30412.62	0.00	109.42	207.74	28.75	3076.46	33834.99	NIL	NIL	NIL	NIL	NIL



Schedule 18

"Notes on Standalone Accounts"

b) As At 31-03-2021

(₹ in Crores)

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	21313.98	0.00	3.33	36.92	65.67	0.00	21419.90	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments (NPI)	0.00	0.00	3.33	15.00	40.92	0.00	59.25	NIL	NIL	NIL	NIL	NIL
Net	21313.98	0.00	0.00	21.92	24.75	0.00	21360.65	NIL	NIL	NIL	NIL	NIL
Available for Sale												
Gross	8962.12	0.00	580.99	441.40	0.00	140.30	10124.81	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	478.64	106.02	0.00	91.44	676.10	NIL	NIL	NIL	NIL	NIL
Net	8962.12	0.00	102.35	335.38	0.00	48.86	9448.71	NIL	NIL	NIL	NIL	NIL
Held for Trading												
Gross	4.90	0.00	0.00	0.00	0.00	0.00	4.90	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.02	0.00	0.00	0.00	0.00	0.00	0.02	NIL	NIL	NIL	NIL	NIL
Net	4.88	0.00	0.00	0.00	0.00	0.00	4.88	NIL	NIL	NIL	NIL	NIL
Total Investments	30281.00	0.00	584.32	478.32	65.67	140.30	31549.61	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments	0.00	0.00	480.34	121.02	36.92	48.37	686.65	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.02	0.00	481.97	121.02	40.92	91.44	735.37	NIL	NIL	NIL	NIL	NIL
Net	30280.98	0.00	102.35	357.30	24.75	48.86	30814.24	NIL	NIL	NIL	NIL	NIL

9. The Repo Transactions (in face value terms) are as under:

(₹ in Crores)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2022
i) Securities sold under repo				
Government securities	0.00	0.00	0.00	0.00
a) Corporate debt securities	0.00	0.00	0.00	0.00
b) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
Government securities	830.00	6970.00	4565.18	6355.00
a) Corporate debt securities	0.00	0.00	0.00	0.00
b) Any other securities	0.00	0.00	0.00	0.00

Schedule 18

"Notes on Standalone Accounts"

10. Non-SLR Investment portfolio

10.1 Issuer composition of Non SLR Investments

(₹ in Crores)

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	19.85	120.05	19.85	119.85	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	173.63	202.00	163.63	192.00	115.00	115.00	0.00	0.00	0.00	0.00
c)	Banks	3096.74	53.50	53.50	53.50	23.50	23.50	0.00	0.00	0.00	0.00
d)	Private Corporates	715.56	735.46	123.15	91.97	0.00	0.00	24.18	43.60	24.18	43.60
e)	Subsidiaries/ Joint Ventures	65.67	65.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	82.22	91.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total	4153.67	1268.61	360.13	457.32	138.50	138.50	24.18	43.60	24.18	43.60
g)	Provision held towards depreciation/NPI*	731.30	735.35								
	Total *	3422.37	533.26	360.13	457.32	138.50	138.50	24.18	43.60	24.18	43.60

* Excludes floating provision of ₹2.76 Crores.

Breakup of placements with NABARD/SIDBI/RHDF/RIDF classified as other assets

(₹ in Crores)

Particulars	Amount as on 31.03.2021	Amount as on 31.03.2022
NABARD	1056.71	1588.36
RIDF(NABARD)	1193.23	1558.57
SIDBI	1361.99	1861.48
NHB	408.90	347.23
MUDRA	217.48	335.65
TOTAL	4238.31	5691.29

10.2 Non-performing Non-SLR investments

(₹ in Crores)

S. No.	Particulars	Current Year	Previous Year
a)	Opening balance	817.58	797.44
b)	Additions during the year since 1 st April	18.53	45.67
c)	Reductions during the above period	114.04	25.53
d)	Closing balance	722.07	817.58
e)	Total provisions held (including floating provision of Rs 2.76 Crores)	649.94	689.42



Schedule 18

"Notes on Standalone Accounts"

10.3 Sale and Transfers to/from Held to Maturity (HTM) Category

- The Bank has booked a profit of ₹ 44.79 crores on direct Sale of Securities from HTM category amounting to ₹1958.93 Crore (FV) during the financial year through open market operations (OMO) purchase auction by RBI. As such an appropriation of ₹33.51 Crore was made to Capital Reserve Account after netting of taxes and required transfer to statutory reserves.
- With the approval of the Board of Directors, the Bank has shifted securities amounting to ₹1050 Crore (FV) on 26/04/2021 at the cost of acquisition in case of discounted/Par value securities and at the amortized cost in case of securities at the premium, from Held to Maturity (HTM) to Available for Sale (AFS) category. The revaluation of securities was undertaken immediately after transfer of securities to AFS category in conformity with regulatory guidelines.
- The value of sales and transfer of securities to/from HTM category (excluding the exempted transfer) did not exceed 5% of book value of the investment in HTM category at the beginning of the year.

10.4 The value of investments under three categories viz., Held for Trading, Available for sale and Held to maturity (Net of provisions held) are as under: (₹ in Crores)

Particulars	As on 31.03.2021				As on 31.03.2022			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Govt. Securities	4.88	8962.12	21313.98	30280.98	0.00	7109.14	23303.48	30412.62
Other approved Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares (Equity & Pref.)	0.00	102.35	0.00	102.35	0.02	109.40	0.00	109.42
Debentures & Bonds	0.00	335.38	21.92	357.30	29.87	154.25	23.63	207.75
Subsidiaries	0.00	0.00	16.00	16.00	0.00	0.00	20.00	20.00
Sponsored Institutions	0.00	0.00	8.75	0.00	0.00	0.00	8.75	8.75
Others (incl. CDs, CPs, Venture Capital & Security receipts)	0.00	48.86	0.00	57.61	0.00	3076.45	0.00	3076.45
Total	4.88	9448.71	21360.65	30814.24	29.89	10449.24	23355.86	33834.99

11. Details of book value of investments in Security Receipts

(₹ in Crores)

Particulars	Backed by NPAs sold by the bank underlying		Backed by NPAs sold by other banks/ financial institutions/non-banking financial companies as underlying		Total	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Book Value	86.52	77.65	5.38	4.55	91.90	82.20

12. Derivatives

12.1 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

Schedule 18

"Notes on Standalone Accounts"

12.2 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

12.3 Disclosures on Risk exposures in derivatives

a) 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.

b) Quantitative Disclosures

Sn.	Particulars	31.03.2022		31.03.2021	
		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 (1)				
	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*PVO1)				
	a) On hedging derivatives	NIL	NIL	NIL	NIL
	b) On Trading derivatives	NIL	NIL	NIL	NIL
(v)	Maximum & minimum of 100*PVO1 observed during the year				
	a) On hedging	NIL	NIL	NIL	NIL
	b) On Trading	NIL	NIL	NIL	NIL



Schedule 18

"Notes on Standalone Accounts"

12.4 Forward Exchange contracts as on 31.03.2022

(₹ in Crores)

Period	Current Year
Up to 14 days	418.93
Beyond 14 day	1285.53
Total	1704.46

Schedule 18

"Notes on Standalone Accounts"

13. Asset Quality

a) Classification of advances and provisions held		₹(in crores)									
		Current Year					Previous Year				
Particulars	Standard Total Standard Advances	Non-Performing			Total	Standard Total Standard Advances	Non-Performing			Total	
		Substandard	Doubtful	Loss			Substandard	Doubtful	Loss		
				Total Non-Performing Advances				Total Non-Performing Advances			
Gross Standard Advances and NPAs											
Opening Balance	64961.87	967.44	4876.28	1111.03	71916.62	62255.61	1648.29	4777.37	1245.97	7671.62	69927.24
Add: Additions during the year				3130.87						1106.89	
Less: Reductions during the year*				3565.08						1823.77	
Closing balance	68721.92	879.77	4206.68	1434.08	75242.46	64961.87	967.44	4876.28	1111.03	6954.75	71916.62
*Reductions in Gross NPAs due to:		2166.81	1376.47	21.81	3565.08		211.55	142.60	199.62	1823.77	
i) Upgradation				2257.45						288.90	
ii) Recoveries (excluding recoveries from upgraded accounts)				544.23						318.42	
iii) Technical/Prudential ¹⁶ Write-offs				758.01						1203.49	
iv) Write-offs other than those under (iii) above				5.39						12.96	
Provisions (excluding Floating Provisions)											
Opening balance of provisions held	432.74	171.23	3565.88	1108.18	5278.03	421.18	757.51	3373.05	1245.97	5376.53	5797.71
Add: Fresh provisions made during the year **				588.96						1031.32	
Less: Excess provision reversed/ Write-off loans				748.92						1562.57	
Closing balance of provisions held	482.85	142.40	3108.85	1434.08	5168.18	432.74	171.23	3565.88	1108.18	4845.29	5278.03
** ₹588.96 crore includes ₹ 335.61 crores utilized from Floating Provision as per RBI Circular No RBI/2021-22/28 DOR-STR.REC:10/21.04.04/2021-22 dt May 05 2021											
Net NPAs ¹⁷											
Opening Balance		738.83	1230.50	0.00	1969.33		847.22	1396.60	0.00	2243.82	
Add: Fresh additions during the year				2541.91						75.57	
Less: Reductions during the year				2816.16						261.20	



Schedule 18

"Notes on Standalone Accounts"

Closing Balance ***		733.32	1016.78	0.00	1750.10		738.83	1230.50	0.00	1969.33
*** Closing balance has been arrived after adding ₹ 61.33 crore of interest capitalization (₹ 31.36 crore as on 31.03.2021 and ₹ 92.69 crore as on 31.03.2022) and ₹ 3.66 crore of Provision for DIFV (₹ 36.84 crore as on 31.03.2021 and ₹ 40.50 as on 31.03.2022) and subtracting ₹ 9.97 crore of ECGC/CGTISE Claims received (₹ 16.91 crore as on 31.03.2021 and ₹ 6.94 crore as on 31.03.2021)										
Floating Provisions										
Opening Balance					348.72					348.72
Add: Additional provisions made during the year					0.00					0.00
Less: Amount drawn down during the year ****					335.61					0.00
Closing balance of floating provisions					13.11					348.72
**** As per RBI notification RBI/2021/22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, the bank has utilise ₹ 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 written-off accounts					3970.79					2809.18
Add: Technical/ Prudential write-offs during the year					758.01					1203.49
Less: Recoveries made from previously technical/prudential written-off accounts during the year					132.20					41.89
Closing balance					4596.59					3970.79

Schedule 18

"Notes on Standalone Accounts"

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	8.67	9.67
Net NPA to Net Advances	2.49	2.95
Provision coverage ratio	84.26	81.97

b) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

S.No.		Current Year			Previous Year		
A.	Priority Sector	Outstanding Total Advances	Gross NPA's	Percentage of Gross NPA's to Total Advances in that Sector	Outstanding Total Advances	Gross NPA's	Percentage of Gross NPA's to Total Advances in that Sector
1	Agriculture & Allied Activities	8636.61	623.59	7.22%	8082.82	512.44	6.34%
2	Advances to Industries sector eligible as priority sector lending	3469.21	308.29	8.89%	2998.64	286.45	9.55%
3	Services	12955.26	757.76	5.85%	11933.79	766.49	6.42%
4	Personal Loans	4546.77	42.10	0.93%	4149.41	40.22	0.97%
	Sub-Total A	29607.85	1731.74	5.85%	27164.66	1605.60	5.91%
B	Non-Priority Sector						
1	Agriculture & Allied Activities	19.13	0.04	0.21%	638.28	285.80	44.78%
2	Industry	9108.90	2000.54	21.96%	10744.38	2356.44	21.93%
3	Services	11767.85	2510.24	21.33%	11179.71	2430.82	21.74%
4	Personal loans	24738.73	277.97	1.12%	22189.60	276.09	1.24%
	Sub-Total B	45634.61	4788.80	10.49%	44751.96	5349.15	11.95%
	Gross Total	75242.46	6520.54	8.67%	71916.62	6954.75	9.67%



Schedule 18

"Notes on Standalone Accounts"

13.1 .a) Details of stressed loans (NPAs) transferred during the FY 2021-22.

Details of stressed loans (NPAs) transferred during the FY 2021-22.			
All amounts in ₹ crores	To ARC's	To permitted transferees	To other Transferees (please specify)
No. of accounts	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	Nil	Nil	Nil
Additional consideration realised in respect of accounts transferred in earlier years.	Nil	Nil	Nil
Details of loans (NPAs) acquired during the FY 2021-22.			
Aggregate principal outstanding of loans acquired	Nil	Nil	Nil
Aggregate consideration paid	Nil	Nil	Nil
Weighted average residual tenor of loans acquired	Nil	Nil	Nil

13.1. b) Details of stressed loans (i.e. loans classified as SMA) transferred during the year (FY 2021-22)
(₹ in Crores)

Details of stressed loans (i.e. loans classified as SMA) transferred during the year (FY 2021-22)			
(all amounts in ₹ Crore)	To ARC's	To permitted transferees	To other transferees (please specify)
No: of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NA	NA	NA
Weighted average residual tenor of the loans transferred	NA	NA	NA
Net book value of loans transferred (at the time of transfer)	NA	NA	NA
Aggregate consideration	NA	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA
Details of loans acquired during the year			
(all amounts in ₹ Crore)	From lenders listed in Clause 3	From ARC's	
Aggregate principal outstanding of loans acquired	NIL	NIL	
Aggregate consideration paid	NA	NA	
Weighted average residual tenor of loans acquired	NA	Na	

Schedule 18

"Notes on Standalone Accounts"

14. Provisions on standard Assets (₹ in Crores)

Particulars	31.03.2022	31.03.2021
Provision towards Standard Assets	482.85	432.74

15. Business Ratios

Sn.	Particulars	As on	
		31.03.2022	31.03.2021
(i)	Interest Income as a percentage to Working Funds*	6.63%	7.15%
(ii)	Non-Interest Income as a percentage to Working Funds*	0.65%	0.61%
(iii)	Cost of Deposits	3.65%	4.10%
(iv)	Net Interest Margin **	3.50%	3.51%
(v)	Operating Profit as a percentage to Working Funds*	0.91%	1.40%
(vi)	Return on Assets *	0.42%	0.38%
(vii)	Business (deposits plus advances) per employee*** (₹ in crore)	13.87	14.48
(viii)	Profit per employee (₹ in crore)	0.04	0.04

* Working funds and Assets are the average of monthly total assets as reported to RBI in Form X.

** Net Interest Margin is the Net Interest Income divided by average Earning Assets. Net Interest Income is the difference between the Interest Income and the Interest Expenses

*** Deposits (other than inter-bank deposits) & Gross Advances are as at the close of the year. Previous period figures have been recast wherever necessary.

16. Asset Liability Management

(i) Maturity Pattern of assets and liabilities as on 31-03-2022

(₹ In Crores)

	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 ¹	373.37	2331.05	2855.70	5219.89	615.32	546.05	4751.16	5189.82	46121.13	33123.11	12618.47	113745.07
Advances	406.64	995.26	1324.97	457.98	966.53	779.05	2024.51	5565.52	34234.76	11082.60	11586.38	69424.19
Investments	3425.87	299.82	490.62	52.61	591.57	164.83	542.68	10476.91	11689.00	4532.59	1568.49	33834.99
Borrowings	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	1502.24	368.58	0.00	2370.82
Foreign Currency assets	34.06	209.83	33.96	110.8	0.00	183.23	171.20	213.75	0.00	19.66	0	976.49
Foreign Currency liabilities	47.80	180.96	29.29	132.80	137.70	208.86	204.29	20.15	2.20	1.26	0	965.31

*Note: 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 RBI

*The above disclosure is as compiled and certified by the Bank's management.



Schedule 18

"Notes on Standalone Accounts"

17. Exposures

17.1 Exposure to Real Estate Sector*

(₹ in Crores)

S.No	Particulars	As on	
		31.03.2022	31.03.2021
1.	Direct Exposure		
	(i) Residential Mortgages	9614.35	8466.26
	Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (**includes Individual housing loans eligible for inclusion in priority sector amounting to ₹ 3802.99 Crores) (Previous Year ₹ 3518.76 Crores)		
	(ii) Commercial Real Estate	2613.12	3190.19
	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.		
	(iii) Investment in mortgage backed securities and other securitized exposures	-	
	(a) Residential	-	
	(b) Commercial real estate	-	
2.	Indirect Exposure (Fund based & non-fund-based exposure on National Housing Bank and housing finance companies)	1981.11	1628.81
	Total Exposure to Real Estate	14208.58	13285.26

*The above disclosures are as compiled and certified by the Bank's management.

17.2. 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;	77.88	73.08
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;	15.03	5.03
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	92.97	78.17

Schedule 18

"Notes on Standalone Accounts"

17.3 Risk category wise country exposure*

(₹ in Crores)

Category	Risk Category	Exposure (net) as at Mar 2022	Provisions held as at Mar 2022	Exposure (net) as at March 2021	Provisions held as at March 2021
A1	Insignificant	169.82	0.00	141.73	0.00
A2	Low	9.12	0.00	50.22	0.00
B1	Moderately Low	0.00	0.00	0.00	0.00
B2	Moderate	8.59	0.00	7.08	0.00
C1	Moderately High	0.00	0.00	0.00	0.00
C2	High	0.32	0.00	6.37	0.00
D	Very high	0.29	0.00	0.49	0.00
	Total	188.13	0.00	205.89	0.00

The above disclosure is as compiled and certified by the Bank's management

18. Statement of loans & Advances secured by Intangible Assets viz. Rights, Licenses, and Authorizations etc.

(₹ in Crores)

Particulars	2021-22	2020-21
Total unsecured advances of the bank	21213.43	15213.76
Out of the unsecured advances, 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
Factoring exposures: Nil		

19. Disclosures relating to securitisation

S.No	Particulars	Mar 31 2022	Mar 31 2021
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	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		



Schedule 18

"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	Nil	Nil
	• Others		
	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 (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

20. Penalty imposed by Reserve Bank of India

Penalty imposed by Reserve Bank of India during the year ₹1.01 crores (Previous year ₹ 0.03 crores).

S. No	Particulars	Amount (₹ in crores)
1	Penalty imposed by RBI on Currency Chests	0.01
2	Penalty imposed by RBI on account of contraventions of RBI circular on Lending to NBFCs	1.00
	Total	1.01

21. Disclosures as per Accounting Standards (AS) in terms of RBI guidelines.

21.1 Net profit or loss for the period, prior period items and changes in accounting policies (AS-5):

There are no material prior period items included in Profit & Loss Account during the current year, which require disclosure as per AS-5 (Previous year ₹ 1.59 crores).

For the preparation of the financial results, the Bank has followed the same accounting policies and generally accepted practices as adopted for the preparation of audited financial statements for the year ended March 31, 2021.

21.2 Revenue Recognition (AS-9)

Schedule 18

"Notes on Standalone Accounts"

There is no material deviation in the recognition of items of income, which are required to be disclosed as per AS-9, read with the RBI guidelines.

21.3 Employees Benefit* (AS-15)

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	
	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022
Discount Rate	6.95%	7.3%	6.95%	7.31%	6.95%	7.3%
Expected Return on Plan Assets	7.0%	7.0%	7.0%	7.0%	NA	NA
Rate of Escalation in salary	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Attrition Rate	1%	1%	1%	1%	1%	1%

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 01.04.2021	1,622.56	739.55	435.21
Interest Cost	94.70	51.95	28.96
Current Service Cost	75.44	57.71	32.08
Benefits paid	(650.60)	(55.76)	(37.00)
Actuarial loss/ (gain) on obligations (Balancing figure)	1,014.47	139.76	10.07
Present Value of Obligations, 31.03.2022	2,156.57	933.21	469.32

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 01.04.2021	1,599.97	737.62	0.00
Expected return on Plan assets	131.32	58.21	0.00
Contributions by Bank	963.58	181.93	37.00
Benefits paid	(650.60)	(55.76)	(37.00)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	107.73	3.43	0.00
Fair Value of Plan Assets, 31.03.2022	2,152.00	925.43	0.00

IV - Actual return on Plan Assets

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	131.32	58.21	0.00
Actuarial (loss)/ gain on Plan Assets	107.73	3.43	0.00
Actual Return on Plan Assets	239.05	61.64	0.00



Schedule 18

"Notes on Standalone Accounts"

V - Net Actuarial Gain/ (loss) recognized

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial gain/ (loss) for the period - Obligation	(1014.47)	(139.76)	(10.07)
Actuarial gain/ (loss) for the period - Plan Assets	107.73	3.43	0.00
Total Gain/ (Loss) for the period	(906.74)	(136.32)	(10.07)
Actuarial gain or (loss) recognized in the period	(906.74)	(136.32)	(10.07)
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 Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2022	2,156.57	933.21	469.32
Fair Value of Plan Assets, 31.03.2022	(2,152.00)	(925.43)	0.00
Difference	4.57	7.78	469.32
Unrecognized Transitional Liability	0	0	0
Unrecognized Past Service cost-vested benefits-Carried Forward	0	0	0
Liability Recognized in the Balance Sheet	4.57	7.78	469.32
Negative amount determined under Paragraph 55 of AS-15(R)	-	-	-
Present value of available refunds and reductions in future contributions	-	-	-
Resulting asset as per Paragraph 59 (b) of AS-15 (R)	-	-	-

VII - Expense recognized in Profit and Loss Statement

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	75.44	57.71	32.08
Interest Cost	94.70	51.95	28.96
Expected return on Plan assets	(131.32)	(58.21)	0.00
Net Actuarial gain/ (loss) recognized in the year	906.74	136.32	10.07
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	945.56	187.78	71.11

VIII - Movement in Net liability to be recognized in Balance Sheet

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	22.59	1.93	435.21
Expenses	945.56	187.78	71.11
Contributions/ Benefits paid	(963.58)	(181.93)	(37.00)
Closing Net Liability (Liability recognized in B/S in current period)	4.57	7.78	469.32

Schedule 18

"Notes on Standalone Accounts"

IX - Amount for the Current Period

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligations, 31.03.2022	2156.57	933.21	469.32
Fair Value of Plan Assets, 31.03.2022	2152.00	925.43	0.00
Surplus/(Deficit) before unrecognized past service cost	4.57	7.78	(469.32)
Experience Adjustments in Plan Liabilities - (loss)/ gain	(842.82)	(202.00)	(25.39)
Experience Adjustments in Plan Assets (loss) / gain	107.73	3.43	0.00

X - Major Categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1.20	0.75
State Government Securities	0	49.64
High Quality Corporate Bonds	0	39.52
Equity Shares of listed companies	0	4.40
Funds managed by Insurer	98.80	0.81
Other- Bank Deposits and CD's	0	4.88
Treasury Bills	0	0
Total	100	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	675.00	195.00

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(R).

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-15R.

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.

21.4 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:



Schedule 18

"Notes on Standalone Accounts"

(₹ in Crores)

STANDALONE SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2022	YEAR ENDED	YEAR ENDED
	31.03.2022	31.03.2021
PARTICULARS	(AUDITED)	(AUDITED)
1) Segment Revenue (Income)		
i) Treasury Operations	2146.45	2286.42
ii) Corporate/Wholesale Banking	1661.08	1887.56
iii) Retail Banking	5717.38	5440.64
iv) Other Banking Business	62.59	52.98
v) Un-Allocated Business	0.00	0.00
Total	9587.50	9667.60
Less: Inter Segment Revenue	793.09	864.43
Net Income from Operations	8794.41	8803.17
2) Segment Results		
i) Treasury Operations	149.30	300.67
ii) Corporate/Wholesale Banking	663.53	(3.99)
iii) Retail Banking	1358.73	1311.71
iv) Other Banking Business	60.91	51.42
v) Un-Allocated Business	(1489.77)	(1125.74)
Profit/(Loss) from Ordinary Activities (Before Tax)	742.70	534.07
Less: Tax Expenses/(credit)	241.14	101.95
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) After Tax	501.56	432.12
3) Segment Assets		
i) Treasury Operations	47502.40	41397.53
ii) Corporate/Wholesale Banking	19041.54	21197.51
iii) Retail Banking	64058.37	57696.80
iv) Other Banking Business	0.10	0.11
v) Un-Allocated Business	0.00	0.00
Total:-	130602.41	120291.95
4) Segment Liabilities		
i) Treasury Operations	13.15	43.05
ii) Corporate/Wholesale Banking	30412.49	28063.54
iii) Retail Banking	92152.30	85359.69
iv) Other Banking Business	10.81	0.06
v) Un-Allocated Business	0.00	0.00
Total:-	122588.75	113466.34

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"

21.5 Accounting Standard 18 - Related party disclosures as on 31.03.2022

₹ In Crores)

Items/Related Party	Particulars	J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1158.98	7.61	As per note below
	Maximum Balance during the year	1277.06	22.91	
Advances	Balance as on date	11.67*	7.60	
	Maximum Balance during the year	149.17	10.15	
Investments	Balance as on date	34.01	20.00	
	Maximum Balance during the year	34.01	20.00	
Interest Paid		61.89	0.12	
Interest/Commission Received		0.54	0.39	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.30	
Transfer of Current Assets/ Liabilities(Net)		NIL	0.00	
IT Support Services		0.89	NIL	
Outstanding with Associate/Subsidiary		NIL	0.00	

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

*₹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 Limited on 28.04.2017. The Bank subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹ 102 lakh. The Bank incurred an expenditure of ₹ 82,18,047.00 towards incorporation expenses for the company. An amount of ₹ 41,91,203.97 (being 51% of incorporation expenses) is receivable from Government of Jammu and Kashmir. The Promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not paid up for their respective shares towards the capital of the company. In the meantime the promoters have also decided to windup the company and the Bank in turn 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 under consideration of ROC.

Salary to key Managerial Person (KMP)

(₹ In Lakhs)

Items/Related Party	K.M.P				
	Mr. Rajesh Kumar Chhibber (Chairman & MD)	Mr. Baldev Prakash (MD & CEO)	Ms. Rajni Saraf (CFO)	Mr. Balvir Singh Gandhi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2021-22	From 01.04.2021 to 30.12.2021	From 30.12.2021 to 31.03.2022	From 01.04.2021 to 29.12.2021	From 29.12.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022
Salary	49.33	14.73	28.17	9.18	24.33

21.6 Leases (AS-19)

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 ₹ 77.79 crores (previous year being ₹ 77.24 crores)



Schedule 18

"Notes on Standalone Accounts"

21.7 Accounting standard 20 - Earning per share

	31.03.2022	31.03.2021
Net Profit available to Equity Share Holders (in Crores)	501.56	432.12
No. of Equity Shares (Weighted Average)	830751542	713450938
Basic/Diluted Earnings per share (in ₹)	6.04	6.06
Face value per share	₹1/-	₹1/-

21.8 Consolidated Financial Statements (AS-21)

The Bank has a fully owned subsidiary company "JKB Financial Services Ltd." In terms of the approval of Reserve Bank of India vide its letter No DBOD.FSD.No./1124/24.01.001/2007-08 dated July 31, 2007. The investment towards the capital of subsidiary company is ₹ 20.00 Crores (Previous Year ₹ 20.00 Crores). The consolidated financial statements are placed accordingly in terms of AS 21.

21.9 Accounting for taxes on income (AS-22)

The Bank has accounted for Income Tax in compliance with Accounting Standard-22 accordingly Deferred Tax Assets and Liabilities are recognized. (₹ In Crores)

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Depreciation on Assets	-	38.09	-	42.94
Leave Encashment/Gratuity/Pension/Bonus	121.36	-	109.53	-
Special Reserve	-	31.00	-	31.00
Wage Revision	-	-	-	-
Bad & Doubtful Assets	187.01	-	229.49	-

Net Deferred Tax Asset as on 31.03.2022 : ₹ 239.28 crores (Previous Year ₹ 265.08 Crores)
Tax Impact for the year : ₹ 25.80 crores (Previous Year ₹ 65.30 Crores)

21.10 Accounting for Investment in Associates (Consolidated Financial Statements) (AS-23)

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). The consolidated financial statements are placed accordingly in terms of AS 23.

21.11 Intangible Assets (AS-26)

The Bank has incurred an amount of ₹ 0.56 crores (previous year, ₹ 0.71 crores) on Brand names bifurcated into two heads namely Business Unit Signage and Brand Strategy Project. Expenditure on Business Unit Signage amounting to ₹ 0.07 crores (previous year, ₹ 0.17 crores) has been debited under the head Furniture & Fixture, whereas, Brand strategy project expenses amounting to ₹ 0.48 crores (Previous year, ₹ 0.54 crores) has been charged to Profit & Loss account treating it as a Revenue expenditure. Accordingly, the Bank has not evaluated useful life of this Brand strategy project over which the expenses could be amortized.

Further, the Bank has incurred an amount of ₹ 26.45 Crores (previous year ₹ 38.77 crores) on account of purchase of computer software, not forming integral part of computers, and has capitalized the cost of the same.

21.12 Impairment of Assets (AS-28)

Majority of Fixed Assets of the Bank are considered as Corporate Assets and not cash generating assets and in the opinion of Management there is no material impairment in these Fixed Assets. Regarding other Fixed Assets generating cash there is no material impairment. As such no provision is required as per AS-28.

21.13 Provisions, Contingent Liabilities and Contingent Assets (AS-29)

In respect of Contingent Liabilities under each class shown as per Schedule 12, in the opinion of the Management, the possibility of any out flow in settlement is remote.

No provision has been made during the financial year (as against previous year where a provision of ₹ 88.15 lakhs were released). The bank holds provision amounting ₹ 1169.83 lakhs (previous year ₹ 1169.83 lakhs) upto 31-03-2022 against claims decreed against the Bank. Claims have not been acknowledged as debts owing to the appeal filed by

Schedule 18

"Notes on Standalone Accounts"

the bank before the court of competent jurisdiction, pending adjudication.

22. 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, 2022 are given below:

(₹ 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 i.e. September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	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 i.e. March 31, 2022
Personal Loans	489.97	0.00	0.00	205.21	599.12
Corporate persons*	315.19	1.68	0.00	0.00	345.51
Of which MSMEs	61.64	3.31	0.00	0.00	84.40
Others	100.45	0.00	0.00	6.74	105.43
Total	967.25	4.99	0.00	211.95	1134.46

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

23. Provisions and Contingencies

(₹ In Crores)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	(20.66)	30.61
ii) Provision towards NPA	253.35	1023.14
iii) Provision made towards Income tax	241.14	101.95
iv) Other Provisions and Contingencies (with details)	123.99	(3.51)

The break-up of "Provisions and Contingencies" shown under the head "Expenditure in Profit and Loss Account" is as under:
(₹ in Crores)

STANDALONE DETAILS OF PROVISIONS			
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
1	Provision for Taxes (A+B)	241.14	101.95
	A. Income Tax	215.34	36.65
	B. Deferred Tax	25.80	65.30
2	Provision for Bad & Doubtful Debts	253.35	1023.15
3	Provision for Standard Assets	81.04	11.57
4	Provision for Non Performing Investment	-20.66	30.61
5	Provision for Depreciation on Investments	36.92	0.72
6	Provision for diminution in the fair value of restructured/rescheduled advances	-21.79	-13.40
7	Provision for Contingent Liabilities	0.00	-0.88
8	Provision for Contingencies	27.74	0.00
9	Provision for Frauds/ Embezzlements (other than Advances)	0.07	-1.52
	Total	597.82	1152.19



Schedule 18

"Notes on Standalone Accounts"

24. Implementation of IFRS converged Indian Accounting Standards (IndAS)

RBI has indefinitely deferred implementation of IND AS in Banks. The bank had floated RFP in the current year for hiring of consultant for implementation of IND AS but could not complete the process. Bank had previously availed the services of a consultant for implementation of Ind AS and several phases were completed for implementation of same, but consultant did not complete the assignment and Performa financials as per IND AS were not complete in all respects for submission to RBI and his services were terminated. The bank will again start the process for hiring of a consultant for implementation of Ind AS.

25. Investments (Floating Provision)

(₹ in Crores)

Particulars	As on	
	31.03.2022	31.03.2021
Opening balance	2.76	2.76
Additions made during the year	NIL	NIL
Utilization made during the year	NIL	NIL
Closing balance	2.76	2.76

26. Customer Complaints and grievances

Summary information on complaints received by the bank from customers and from the OBOs

Sr. No	Particulars	Previous year (FY 2020-21)	Current year (FY 2021-22)
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	16	20
2.	Number of complaints received during the year	772	636
3.	Number of complaints disposed during the year	768	645
3.1	Of which, number of complaints rejected by the bank		
4.	Number of complaints pending at the end of the year	20	11
Maintainable complaints received by the bank from OBOs			
	Number of maintainable complaints received by the bank from OBOs	694	944
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	666	866
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	60	71
5.3	Of 5, number of complaints resolved after passing of Awards by BOs 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 BO Scheme 2006 and covered within the ambit of the Scheme			

Note:

* Number of BO complaints pending at the beginning of FY2021-22 ----- 2

** Number of BO complaints pending at the end of FY2021-22 ----- 9

Top five grounds of complaints received by the bank from customers

Schedule 18

"Notes on Standalone Accounts"

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 (FY 2021-22)					
Ground - 1 (Levy of charges without prior notice/ excessive charges / foreclosure charges)	0	2	100	0	0
Ground - 2 (Staff Behavior)	1	23	-75	1	0
Ground - 3 (Loans and Advances)	0	135	-13	2	0
Ground - 4 (Internet/ Mobile Banking/ E-Banking)	0	2	-86	0	0
Ground - 5 (ATM/ Debit Cards)	0	27	-3	0	0
Others	19	447	-7	8	0
Total	20	636	-17	11	0
Previous Year (FY 2020-21)					
Ground - 1 (Levy of charges without prior notice)	0	1	100	0	0
Ground - 2 (Staff Behavior)	0	92	29	1	0
Ground - 3 (Loans and Advances)	2	156	108	0	0
Ground - 4 (Internet/ Mobile Banking/ E-Banking)	0	15	1400	0	0
Ground - 5 (ATM/ Debit Cards)	0	28	133	0	0
Others	14	480	89	19	0
Total	16	772	87	20	0

27. Foreign Exchange

- The net funded exposure of the Bank in respect of Foreign Exchange transactions with each country is within 1% of the Total Assets of the Bank and hence no Provision and Disclosure is required to be made as per the RBI Circular No. 96/21.04.103/2003 dated: 17.06.2004.
- Claims pending with ECGC is NIL (Previous year ₹ 12.78 crores)

28. Letter of comfort (LOC's) issued by the Bank.

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 2021-22

29. Bancassurance Business:

The Bank has tie ups with PNB MetLife India Insurance Company Limited for mobilizing life insurance business and Bajaj Allianz General Insurance Company Ltd and IFFCO Tokio General Insurance Company Ltd for mobilizing general (non-life and health) insurance business. The details of the commission earned by the Bank during FY 2021-22 on account of mobilizing said business is given hereunder: -



Schedule 18

"Notes on Standalone Accounts"

(₹in Crores)

S.No.	Nature of income	Amount FY 2021-22	Amount FY 2020-21
1	For selling Life Insurance Policies of PNB MetLife	41.44	33.50
2	For selling Non-Life Insurance Policies of Bajaj Allianz	17.64	16.04
3	For Selling Non-Life Insurance Policies of IFFCO Tokio	3.05	2.96
Total		62.13	52.50

30. Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken are as under:

(₹in Crores)

S.No	Nature of income	Amount FY 2021-22	Amount FY 2020-21
1	Commission from JKBFSL on opening DEMAT Accounts	0.02	0.00
2	Commission from JKBFSL on mobilizing Mutual Funds	0.01	0.00
3	Service Charges from PMFBY	0.15	0.00
Total		0.18	0.00

31. Disclosure under RBI Circular FIDD.CO.PlanBC.23/04.09.01/2015-16 dated April 7, 2016 on Sale & Purchase of Priority Sector Lending Certificates (PSLCs)

DETAILS OF PRIORITY SECTOR LENDING CERTIFICATES PURCHASED DURING FY 2021-22 TO AUGMENT PSL ACHIEVEMENTS		
TYPE OF PSLCs	PSLCs Counting For	Currency Face Value in Crores
PSLC AGRICULTURE	Achievement of Agriculture Target & Overall PSL Targets	895.50
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	100.00
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	474.50
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	500.00
TOTAL		1970.00

Disclosure under RBI Circular FIDD.CO.PlanBC.23/04.09.01/2015-16 dated April 7, 2016 on Sale & Purchase of Priority Sector Lending Certificates (PSLCs)

DETAILS OF PRIORITY SECTOR LENDING CERTIFICATES SOLD DURING FY 2021-22 TO OFF LOAD EXCESS PSL ACHIEVEMENTS		
TYPE OF PSLCs	PSLCs Counting For	Currency Face Value in Crores
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	500.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	500.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	20.00

Schedule 18

"Notes on Standalone Accounts"

PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	150.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	450.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	62.50
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	50.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	50.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	217.50
TOTAL		2000.00

32. Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S.No	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	128.88	117.70
ii)	Arrears in payment of DICGC premium	Nil	Nil

33. Concentration of Deposits, Advances, Exposures & NPA's

33.1 Concentration of Deposits

Particulars	31-03-2022	31-03-2021
Total Deposits of 20 largest depositors (₹ in Crores)	9899.72	8827.82
Percentage of 20 largest deposits to total Deposits of the Bank	8.63%	8.17%

33.2 Concentration of Advances

Particulars	
Total Advances to twenty largest borrowers (₹ in Crores)	9396.12
Percentage of advances of twenty largest borrowers to Total Advances of the Bank	12.49%

33.3 Concentration of Exposures

Particulars	
Total Exposure to twenty largest borrowers/customers (₹ in Crores)	11044.73
Percentage of exposures to twenty largest borrowers /customers to Total exposure of the bank on borrowers/customers	11.96%

33.4 Disclosure of transfer of loan exposures

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	- NIL	- NIL	- NIL
Aggregate principal outstanding of loans transferred	- NIL	- NIL	- NIL



Schedule 18

"Notes on Standalone Accounts"

Weighted average residual tenor of the loans transferred	- NIL	- NIL	- NIL
Net book value of loans transferred (at the time of transfer)	- NIL	- NIL	- NIL
Aggregate consideration	- NIL	- NIL	- NIL
Additional consideration realized in respect of accounts transferred in earlier years	- NIL	- NIL	- NIL
Details of loans acquired during the year			
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired	- NIL		- NIL
Aggregate consideration paid	- NIL		- NIL
Weighted average residual tenor of loans acquired	- NIL		- NIL

34. Concentration of NPA's

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Exposure to top twenty NPA accounts (₹ in Crores)	3613.22	3977.96
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	6520.54 55.41%	6954.75 57.20%

35. Movement of NPA's

(₹ in Crores)

Particulars	FY 2021-22	FY 2020-21
1) NPA at the beginning of the FY	6954.75	7671.63
2) Additions during FY	3130.87	1106.89
A-Total (1+2)	10085.62	8778.52
Recovery effected during FY		
a) Due to Upgradation	2257.45	288.90
b) Due to write-off	5.39	12.96
c) Due to Technical Write Off	758.01	1203.49
d) Due to Compromise/Settlement	29.31	34.89
e) Actual recovery effected	514.93	283.52
B-Total (a+b+c+d+e)	3565.08	1823.77
Total NPA at the end of the FY (A-B)	6520.54	6954.75

36. Sector wise NPA's

S No	Sector	Percentage of NPA to Total advances in that sector
1	Agriculture & Allied activities	7.20%
2	Industry (Micro & Small Medium and Large)	18.36%
3	Services	13.22%
4	Personal Loans	1.09%

Schedule 18

"Notes on Standalone Accounts"

37. Overseas Assets, NPA's and Revenues

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

If a bank does not have any overseas assets, NPAs and revenues, in both the current and previous year it may omit this disclosure.

38. Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

39. Divergence in the asset classification and provisioning:

As per RBI Master Direction No. DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated as on 15.11.2021) on financial statements - preparation and disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

- the additional provisioning for NPAs assessed by Reserve Bank of India as part of its supervisory process, exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- The additional Gross NPAs identified by the Reserve Bank of India as part of its supervisory process exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2021.

40. Details on the number and amount of frauds as well as the provisioning thereon are given below:

Particulars	FY 2021-22	FY 2020-21
Number of frauds reported	19	23
Amount involved in fraud (₹ in Crores)	246.16	1519.62
Amount of provision made for such frauds (₹ in Crores)	244.61	1515.60
Amount of Unamortised provision debited from other reserves as at the end of the year (₹ in Crores)	--	--

The Bank has provided 100% provisioning against the Fraud Amount as on 31st March, 2022.

- The Bank follows policy of providing interest on overdue time deposits at Saving Bank interest rates in conformity with guidelines of Reserve Bank of India.
- Corporate Social Responsibility (CSR Activities)
Pursuant to section 135 of the Companies Act 2013, it is required to expend 2% of the average net profits made during three immediately preceding financial years for CSR activities. Accordingly, bank is required to spend ₹ 0.63 crores (Previous year ₹ Nil) for twelve months period ended 31st March 2022 against which bank has spent ₹ 0.63 crores (Previous year ₹ NIL).
- In Compliance to RBI Letter No. DBR.NO.BP.13018/21.04.048/2015-16 dated April 12, 2016, bank is required to make a provision @ 15% of the existing outstanding balance under Food Credit availed by State Government of Punjab. Now, the RBI vide letter no. BVV.BP.S 7201/21.04.132/2017-18 dated 08 February 2018 has allowed banks to write back the provision of 10%. However, our Bank continues to maintain 5% provision and has maintained a provision of ₹ 7.86 crore against balance outstanding of ₹ 157.18 crores as on 31.03.2022 under Food credit availed by State Government of Punjab.
 - In terms of RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts admitted under the provisions of Insolvency & Bankruptcy Code (IBC), the Bank is holding total provision of ₹ 325.74 Crores (Aggregate provision of



Schedule 18

"Notes on Standalone Accounts"

RBI List 1 and List 2 accounts) as on March 31, 2022 (100% of Gross NPA advances)

- c) 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 2022 (Total provision as on March 31, 2022 is ₹425.14 Crores) as detailed below:

(₹ in Crore)

Amount of loans impacted by RBI Circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2022 out of (b) classified as NPA	Provision held as on 31.12.2021	Additional provision made during quarter ended 31.03.2022	Provision held as on 31.03.2022
(a)	(b)	(c)	(d)	(e)	(f)
430.39	430.39	430.39	416.21	0.00	425.14

Note - There is no requirement of additional provision during quarter ended 31/03/2022. The difference between provision held on 31/12/2021 (₹416.21 Crores) and Provision held on 31/03/2022 (₹425.14 Crores) is ₹8.93 crore, which is due to the movement in asset classification of one of the accounts namely Hindustan Construction Company Ltd from DF-1 to DF-2 category.

- d) Reserve Bank of India (RBI) vide Circular no DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 04, 2019 has issued instructions to all scheduled commercial banks regarding introduction of external bench mark based lending. RBI vide the aforementioned circular directed that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the external benchmarks as mentioned in the aforesaid circular. RBI further vide circular no DOR.DIR.BC.No.39/13.03.00/2019-20 dated February 26, 2020 decided that all new floating rate loans to the Medium Enterprises extended by banks from April 01, 2020 shall be linked to the external benchmarks.

In compliance to RBI direction bank introduced Repo Linked Lending Rate benchmarked to the RBI's Policy Repo Rate with effect from October 01, 2019.

44. Micro Small and Medium Enterprises Development Act

With regard to disclosure relating to MSME under the Micro Small & Medium Enterprises Development Act 2006, payments to Micro and Small Enterprises suppliers has not exceeded 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of Section 9 of the Micro Small & Medium Enterprises Development Act 2006 (27 of 2006).

45. Movement in Provisioning for Credit Card Reward Point is set out below

(₹ in Crore)

Particulars	Amount
Opening Provision Balance as on 01.04.2021	0.84
Provisions made during the Year	4.21
Redemption made during the Year	4.08
Closing Provision Balance as on 31.03.2022	0.97

46. Intra-Group Exposure

(₹ in Crores)

	Current Year	Previous Year
Total Amount of intra-group Exposure	15.00	7.70
Total Amount of top-20 intra group exposures	15.00	7.70
Percentage of intra -group exposures to total exposures of the bank on borrowers/customers	0.02%	0.00%
Details of breach of limit on intra-group exposures and regulatory action thereon, if any	NIL	NIL

Schedule 18

"Notes on Standalone Accounts"

47. Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in Crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Opening balance of DEAF Fund	200.50	147.57
Add:- Amounts transferred to DEAF (During the Year)	48.38	55.43
Less : Amounts reimbursed by DEAF towards claims during the year (only principal)	4.58	2.50
Closing balance of DEAF Fund	244.30	200.50

48. Un-hedged 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 31.03.2022	Previous Year 31.03.2021
Opening balance	1.96	1.80
Additions during the Year	2.32	1.10
Deductions during the Year	1.58	0.94
Closing balance	2.70	1.96

The capital held by the Bank towards the foreign currency exposure amounts to ₹ 3.03 crores (previous year ₹ 3.92 crores)

49. 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 ₹ 7.25 Crores & ₹14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2022 respectively and the balance unamortized expense of ₹ 58.00 Crores has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit for the year ended March 31, 2022 would have been lower by ₹ 43.40 Crores.

50. The Bank has accounted for following Exceptional Items:

The Board has accorded approval for creating of corpus for funding of entire Medical Allowance and of 60% of Adjustment pay (formerly called Variable pay) components of the Pension Fund to the tune of ₹ 319.36 Crores. Accordingly the bank has charged the entire amount to the Profit and Loss account during the year ended 31st March 2022, out of which ₹270 crores has been accounted for as Exceptional Item.

51. Other Expenditures/Miscellaneous Income:

During the year the following expenditures incurred were more than 5% of the total other expenditures of ₹465.03 Crores:

(₹ In Crores)

Sn.	Expense Head	₹ Crore	% to Other Expenses
1.	Wages to Armed Guards / Temporary staff	86.62	19%
2.	NPA Principal Waiver	29.60	6%
3.	IT Services	48.99	11%
4.	Card Processing/ Transaction Charges	88.32	18.99%



Schedule 18

"Notes on Standalone Accounts"

During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income of ₹8794.41 Crores:

(₹ In Crores)

Sn.	Expense Head	₹Crore	% to Other Expenses
1.	Minimum Balance Charges	88.34	1.00%
2.	Release of Technical Write-off	113.21	1.29%
3.	Income on Card Business	140.14	1.59%

52. Liquidity Coverage Ratio (LCR)

(₹in Crores)

		Quarter March 2022		Quarter December 2021		Quarter September 2021		Quarter June 2021	
		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)	34249.01	34245.95	32335.34	32307.36	33133.11	33115.13	34977.00	34959.02
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	71609.80	5032.82	48859.67	3131.86	47960.40	3067.86	48460.83	3087.34
(i)	Stable deposits	42563.12	2128.16	35166.05	1758.30	34564.05	1728.22	35174.81	1758.74
(ii)	Less stable deposits	29046.68	2904.67	13693.62	1373.56	13396.35	1339.63	13286.02	1328.60
3	Unsecured wholesale funding, of which	24452.24	11641.53	14921.54	7062.79	14671.58	6955.76	14905.86	6931.16
(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)	24452.24	11641.53	14921.54	7062.79	14671.58	6955.76	14905.86	6931.16
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5	Additional requirements of which	32.36	32.36	42.45	42.45	29.88	29.88	24.60	24.60
(i)	Outflows related to derivative exposure and other collateral requirements	32.36	32.36	42.45	42.45	29.88	29.88	24.60	24.60
(ii)	outflows related to loss of funding on debt products	0	0	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	7462.69	714.89	7240.14	690.35	7067.58	719.84	7611.01	686.05
7	Other contingent funding Obligations	4334.01	158.62	3651.74	122.98	3636.51	121.66	3234.54	103.56
8	Total cash outflows	107891.11	17580.23	74715.53	11050.43	73365.94	10894.99	74236.84	10832.71
Cash Inflows									
9	secured Lending (e.g. reverse repo)	4474.87	0.42	3582.25	0.00	5125.23	0.00	5166.36	0.00
10	Inflows from fully performing exposure	2085.95	1197.07	2473.75	1455.97	2460.70	1457.85	2530.09	1516.63
11	Other cash inflows	9.57	9.57	0.82	0.82	0.00	0.00	0.00	0.00
12	Total cash inflows	6570.39	1207.06	6056.81	1456.79	7585.93	1457.85	7696.45	1516.63
TOTAL HQLA		34249.01	34245.95	32335.34	32307.36	33133.11	33115.13	34977.00	34959.02
Total Net Cash Outflows		101320.72	16373.17	68658.72	9593.64	65780.02	9437.14	66540.39	9316.08
Liquidity Coverage ratio (%)			209.16%		336.76%		350.90%		375.25%

Schedule 18

"Notes on Standalone Accounts"

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2022

Qualitative disclosure for LCR:

Liquidity Coverage Ratio (LCR) BLR-1 aims to ensure that a bank maintains an adequate level of unencumbered High-Quality Liquidity Assets (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The bank has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. Bank has put in place Contingency Funding Plan approved by the Board. The contingency Funding Plan includes stored Liquidity in the form of 1% of NDTL in the shape of excess SLR and 2% in the shape of CD's/Liquid Funds or 3% in any of the two i.e., excess SLR or CD's/

Liquid Funds. These investments can be liquidated any time to generate cash and maintain sufficient liquidity for funding, growth and meeting repayment obligations.

LCR is being computed strictly as per RBI guidelines issued vide circular BOD.BP.BC.No. 120/21.04.098/2013-14 and subsequent amendments issued by RBI. HQLA primarily include government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the marginal Standing Facility to avail Liquidity for LCR (FALLCR). Cash and balances in excess of cash reserve requirement with RBI also constitute HQLA.

Average LCR of the bank was 209.16% for quarter March 2022 which is well above the regulatory requirement of 100% prescribed by RBI. 18 data points have been used to arrive at Average LCR.

LCR statement in the prescribed format is submitted to RBI at the end of every month and put up to the Board and Management as part of ICAAP at quarterly intervals.

53. Net Stable Funding Ratio (NSFR)

Quantitative Disclosure: The following table contains the unweighted and weighted values of the NSFR components.

Annexure IX						
NSFR Disclosure Template (₹ in Crores)						
S.No.	ASF Item	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
1	Capital: (2+3)	8078.68	0.00	0.00	14769.18	22847.86
2	Regulatory capital	8078.68	0.00	0.00	1560.00	9638.68
3	Other capital instruments/term deposit with res maturity of 1 year or more	0	0	0	13209.18	13209.18
4	Retail deposits and deposits from small business customers: (5+6)	61566.86	16121.09	14203.93	0.00	84105.95
5	Stable deposits	18628.37	4948.65	4487.93	0	26661.71
6	Less stable deposits	42938.48	11172.44	9716.00	0	57444.23
7	Wholesale funding: (8+9)	0.00	7718.53	2701.57	0.00	4959.31
8	Operational deposits	0.00	0.00	0.00	0	0.00
9	Other wholesale funding	0.00	7718.53	2701.57	0.00	4959.31
10	Other liabilities: (11+12)	5414.04	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	5414.04	0	0	0	0
13	Total ASF (1+4+7+10)					111913.14
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1522.16
15	Deposits held at other financial institutions for operational purposes	111.50	0.00	0.00	0.00	55.75



Schedule 18

"Notes on Standalone Accounts"

16	Performing loans and securities: (17+18+19+21+23)	623.51	16565.64	9097.51	47229.88	49667.63
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	974.60	0	0	146.19
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	113420.7	9097.51	35027.91	38629.09
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	8282.48	5383.61
21	Performing residential mortgages, of which:	0	0	0	12164.10	8422.13
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	9586.75	6231.39
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	623.51	4248.97	0.00	37.86	2470.40
24	Other assets: (sum of rows 25 to 29)	6307.38	0.00	0.00	6926.45	9250.84
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	8.35	0.00	0.00	110.06	100.64
27	NSFR derivative assets		0	0	1.93	1.93
28	NSFR derivative liabilities before deduction of variation margin posted		0	0	0.39	0.39
29	All other assets not included in the above categories	6299.03	0.00	0.00	6814.06	9147.86
30	Off-balance sheet items	0.00	0.00	1824.90	0.00	91.24
31	Total RSF (14+15+16+24+30)					60587.84
32	Net Stable Funding Ratio (%)					185%

DISCLOSURE ON NET STABLE FUNDING RATIO AS ON 31.03.2022

Qualitative disclosure for NSFR

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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

The above ratio should be equal to at least 100% on an ongoing basis. Bank's NSFR comes to 185% as at the end of the quarter Q4 (FY 2021-22) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.03.2022 stood at ₹ 111913.14 crores and amount for Required Stable Funding (RSF) as on 31.03.2022 was ₹ 60587.64 crores. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. The amount of stable funding required (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its Off-Balance Sheet (OBS) exposures.

Schedule 18

"Notes on Standalone Accounts"

54. Disclosure 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 comprises of following members of the Board as on 31.03.2022. Mr. Naba Kishore Sahoo (Chairman N&RC) Dr. Rajeev Lochan Bishnoi Mr. Umesh Chandra Pandey
	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: <ol 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



Schedule 18

"Notes on Standalone Accounts"

		Quantitative Disclosure		
		Particulars	31.03.2022	31.03.2021
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/Material Risk Takers)	g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	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)	The Committee met six times during the year and total sitting fee of ₹ 7,20,000.00* 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
		iii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
		iv) Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
		v) 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.	NA	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	31* *Identified as per the Compensation Policy of the Bank	Not Applicable
	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 FY2021-22 was ₹ 11.25 lacs.* Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2021-22): 5.59X ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2020-21 was ₹ 14.23 lacs.* Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2020-21): 4.79X 	

Note: Mean pay for FY 2020-21 is more than the mean pay for FY 2021-22 due to the reason that the mean pay for 2020-21 includes the wage revision arrears.

Schedule 18

"Notes on Standalone Accounts"

55. Pursuant to the Master Direction on Financial Statements-Presentation and Disclosures issued by Reserve Bank of India on 30th August, 2021 and subsequent clarification dated 15th Nov.2021, provision for depreciation on investment earlier classified as part of provision & contingencies has been reclassified as part of other income.
56. The Principal Accounting Policies (Schedule 17) and Notes on Accounts (Schedule 18) form an integral part of these Accounts.
57. Previous year figures have been regrouped / rearranged, wherever necessary and possible, to conform to current year figures. In cases where disclosures have been made for the first time in terms of RBI guidelines, previous year's figures have not been given.

FOR & ON BEHALF OF THE BOARD

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

Dr. Mohamad Ishaq Wani
 Director
 DIN: 08944038

Rajni Saraf
 President/CFO

Mohammad Shafi Mir
 Company Secretary

Place : Srinagar
 Date: 12th May 2022

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 Hem Sandeep & Co
 Chartered Accountants
 FRN: 009907N

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

CA. Om Prakash Aggarwal
 Partner
 M.No. 083862
 UDIN : 22083862AIWAZS2936

CA. Hardeep Aggarwal
 Partner
 M.No. 088243
 UDIN : 22088243AIWAGK4581

CA. Mantreshwar Karna
 Partner
 M.No. 512175
 UDIN : 22512175AIWAAM2519

CA. Dharam Raj
 Partner
 M.No. 094108
 UDIN : 22094108AIVNVB6300

Place : Srinagar
 Date: 12th May 2022



Standalone Cash Flow Statement

for the year ended 31st March, 2022

		YEAR ENDED 31.03.2022 (Audited) ₹ '000' Omitted	YEAR ENDED 31.03.2021 (Audited) ₹ '000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(15,684,608)	(106,608)
B	CASH FLOW FROM INVESTING ACTIVITIES	(851,442)	(758,240)
C	CASH FLOW FROM FINANCING ACTIVITIES	9,410,594	(1,987,500)
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,125,456)	(2,852,348)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	94,975,928	97,828,276
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	87,850,472	94,975,928
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	5,015,621	4,321,240
	Add : Provision for Taxes	2,411,404	1,019,485
	Net profit before taxes (i)	7,427,025	5,340,725
	Adjustment for :		
	Depreciation charges	1,438,746	1,339,312
	Provision for NPA's	2,533,487	10,231,465
	Provision on Standard Assets	810,416	115,655
	Depreciation on investment	369,240	7,191
	Provision for Non-Performing investment	(206,601)	306,115
	Other provisions	60,268	(157,966)
	Interest paid on subordinate Bonds (Financing Activities)	1,989,374	1,987,500
	Total Adjustment (ii)	6,994,930	13,829,272
	Operating profit before change in Operating assets & liabilities (i)+(ii)	14,421,955	19,169,997
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	66,492,303	102,729,181
	Increase / (Decrease) in Borrowings	(43,796)	(43,796)
	Increase / (Decrease) in Other liabilities & provisions	19,151,977	7,100,186
	(Increase) / Decrease in investments	(30,370,083)	(77,933,320)
	(Increase) / Decrease in Advances	(37,905,010)	(34,524,100)
	(Increase) / Decrease in Other Assets	(45,002,497)	(15,730,651)
	Net Cash flow from Operating activities (iii)	(27,677,106)	(18,402,500)
	Cash generated from operation (i + ii + iii)	(13,255,151)	767,497
	Less : Tax paid	2,429,457	874,105
	TOTAL : (A)	(15,684,608)	(106,608)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(851,442)	(758,240)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(851,442)	(758,240)

Standalone Cash Flow Statement

for the year ended 31st March, 2022

C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	219,436	-
	b) Share Application Money	935,000	-
	b) Share Premium	6,645,532	-
	c) Tier I & II Bonds	3,600,000	-
	d) Dividend & Dividend Tax Paid	-	-
	e) Interest Paid on Bonds	(1,989,374)	(1,987,500)
	TOTAL :(C)	9,410,594	(1,987,500)
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	36,853,326	29,474,809
	b) Balance with Banks & Money at Call & Short Notice	58,122,602	68,353,467
	TOTAL :(D)	94,975,928	97,828,276
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	13,952,028	36,853,326
	b) Balance with Banks & Money at Call & Short Notice	73,898,444	58,122,602
	TOTAL :(E)	87,850,472	94,975,928

FOR & ON BEHALF OF THE BOARD

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

Dr. Mohamad Ishaq Wani
 Director
 DIN: 08944038

Rajni Saraf
 President/CFO

Mohammad Shafi Mir
 Company Secretary

Place : Srinagar
 Date: 12th May 2022

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, 2022 and March 31st, 2021. 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 Hem Sandeep & Co
 Chartered Accountants
 FRN: 009907N

For Dharam Raj & Co.
 Chartered Accountants
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CA. Mantreshwar Karna
 Partner
 M.No. 512175
 UDIN : 22512175AIWAAM2519

CA. Dharam Raj
 Partner
 M.No. 094108
 UDIN : 22094108AIVNVB6300

Place : Srinagar
 Date: 12th May 2022



Independent Auditors Report

To
The Members of
Jammu & Kashmir Bank Limited

Report on the Audit of Consolidated Financial Statements

Opinion

- 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 2022, 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:
 - 57 branches/offices audited by us;
 - 952 branches audited by Statutory Branch Auditors;
 - One subsidiary audited by the subsidiary company auditor; and
 - 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.

- In our opinion and to the best of our information and according to the explanations given to us, 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:

- 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

- 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:
 - the Balance Sheet, 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;

- the Profit and Loss Account, read with the notes thereon shows a true balance of profits; and
- the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

- 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 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 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.

Key Audit Matter

- Key audit matters are those matters that in our professional judgment are of most significance, in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements of the branches, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Key audit Matters	How our audit addressed the key audit matter
NIL	NIL

Emphasis of Matter

- We draw attention to relevant note of Schedule 18 to the Financial Results which explains the uncertainties due to outbreak of novel corona virus (COVID 19) and the management assessment of its impact on the business operation of the Bank. Our opinion is not modified in respect of this matter.

Information Other than the 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

financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Directors' Report, including annexures, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and Pillar 3 disclosure under Basel III and we do not and will not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Results

7. 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

8. 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

9. We did not audit the financial statements/information of 952 branches/offices included in the consolidated Financial Results of the Group whose financial statements/financial information reflect total assets of Rs. 81260.88 including total advances of Rs. 71966.29 Crores and total revenue of Rs. 5810.09 Crores as on 31st March 2022, 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.
10. 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. 9.91 crores, and Group's share of total net profit after tax of Rs. 2.88 crores for the year ended on that date, which has been audited by other auditor, whose 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.
11. The consolidated Financial Results includes Bank's share of net profit after tax of Rs. 5.75 crores for the quarter ended March 31, 2022 and loss of Rs. 9.59 crores for the year ended March 31, 2022, 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.
12. 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

13. 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.
14. 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.
15. 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 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, 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.
16. 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 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director interms 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 there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iii.

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

For Arora Vohra & Co
 Chartered Accountants
 FRN: 009487N

For Hem Sandeep & Co
 Chartered Accountants
 FRN: 009907N

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

CA. Om Prakash Aggarwal
 Partner
 M.No. 083862
 UDIN : 22083862AIWBGK7182

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 Partner
 M.No. 088243
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CA. Mantreshwar Karna
 Partner
 M.No. 512175
 UDIN : 22512175AIW AFC9295

CA. Dharam Raj
 Partner
 M.No. 094108
 UDIN : 22094108AIVOPY2263

Place : Srinagar
 Date: 12th May 2022



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 2021-22

S . No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process	Since the company has not been selected for disinvestment, directions are not applicable	NIL
2	Please report whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons there for and the amount involved.	There are 2500 cases of waiver/write off of debts/ loans/ etc. amounting to Rs. 29.60 Crores in addition to the waiver of unapplied interest of Rs.200.28 Crores on account of negotiated settlement with the borrowers defaulting in payment due to the circumstances beyond their control such as death/ disappearance of the borrower, recession in economy, no enforceable security, natural calamities such as earthquake, flood, drought, change in Govt. policy, genuine business failure in spite of sincere efforts made by borrower etc. and where the recovery chances through normal business operations are bleak.	Waiver/ write off of debts resulted in loss of Rs.229.88 crores.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities	As per explanations given to us, the company has not received any assets as gift /grant(s) from government or other authorities. The company has no inventories lying with third parties.	NIL
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	There are 451 Cases involving Rs.672.19 Crores pending legal/arbitration cases being claims against the bank not acknowledged as debts.	Bank hold a provision of Rs.11.70 crores in cases decided against the Bank but appeals have been filed against the orders. The pendency of the cases is mainly due to the procedure adopted by the courts and tribunals which takes its own time and is beyond the control of the Bank as a litigant.
5	Whether the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	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.	NIL
6	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.	The financial impact on the bank on account of restructuring of credit facilities is due to maintenance of higher provisions which is adequately provided for, by the Bank, as stipulated by RBI from time to time.
7	Whether the Bank is maintaining/ developing various assets of the State Govt. The treatment of the assets and expenditure incurred and revenue earned may be examined and comment may be offered.	No such cases reported so far	NIL

8	Whether the branches were doing window dressing and its impact/ materiality on the overall deposit portfolio.	As per information and explanation given to us, no branch auditor has reported any case of window dressing.	NIL																																			
9	Whether the Bank has been able to achieve the targets under Priority sector lending, if not, impact on the financial health of the Bank by lending the shortfall amount in Rural infrastructure Development Fund, Small Industries Development Bank of India, etc. may please be brought out.	<p style="text-align: center;">Following is the position of targets and achievements in PSL lending as on 31.03.2022 (Amount in Crores of Rs.)</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Sector</th> <th>Total Out-standing</th> <th>% Achievement</th> <th>% Target</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Overall PSL</td> <td>33981.29</td> <td>45.19</td> <td>40</td> </tr> <tr> <td>2</td> <td>Agriculture</td> <td>11933.41</td> <td>15.87</td> <td>18</td> </tr> <tr> <td>3</td> <td>Small and Marginal Farmers</td> <td>5926.99</td> <td>7.88</td> <td>9</td> </tr> <tr> <td>4</td> <td>Non - Corporate Farmers</td> <td>5699.11</td> <td>7.58</td> <td>12.73</td> </tr> <tr> <td>5</td> <td>Micro Enterprises</td> <td>10210.8</td> <td>13.58</td> <td>7.5</td> </tr> <tr> <td>6</td> <td>Weaker Sections</td> <td>7734.95</td> <td>10.29</td> <td>11</td> </tr> </tbody> </table>	S.No.	Sector	Total Out-standing	% Achievement	% Target	1	Overall PSL	33981.29	45.19	40	2	Agriculture	11933.41	15.87	18	3	Small and Marginal Farmers	5926.99	7.88	9	4	Non - Corporate Farmers	5699.11	7.58	12.73	5	Micro Enterprises	10210.8	13.58	7.5	6	Weaker Sections	7734.95	10.29	11	Based on the allocation to be made by RBI on the average of four quarters QPSAs' for FY2022, the Bank will have to place the shortfall amount in low yielding deposits with different Institutions like NABARD, SIDBI, MUDRA, NHB. The deposits carry an interest rate of Bank Rate-2% present effective 2.65% with tenor of the deposits ranging from 1-7 years.
S.No.	Sector	Total Out-standing	% Achievement	% Target																																		
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10	Whether there were cases of greening of advances, up gradation of loan account at the fag end of the Financial Year or delay/ non-declaration of Non-performing Assets as per RBI guidelines. Its impact on the profitability and Asset Classification.	No such cases reported so far	NIL																																			
11	Whether Co. has complied with the direction issued by RBI for <ul style="list-style-type: none"> a. NBFCs b. Capital adequacy norms for NBF-Cs c. Classification of NPA 	As per information and explanation given to us the bank has complied with all the directions issued by RBI.	NIL																																			
12	Whether introduction of any scheme for settlement of dues and extensions thereto complied with the policy/ guidelines of Company/ Govt.	As per information and explanation given to us, the bank is complied with the instructions/guidelines issued from time to time by RBI and comply with the Policy framed for the same.	NIL																																			
13	Whether the Co. has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further instances of undue delay in disposal of seized units may be reported.	As per information and explanation given to us the bank has a system to ensure that loans are secured by adequate security free from encumbrances and have charge on mortgaged assets and bank has a Board approved policy for the same.	NIL																																			
14	Whether the bank guarantees have been revalidated in time?	The Bank is fully compliant to IRACP guidelines. Asset classification is strictly being done as per extant RBI guidelines	NIL																																			
15	Comment on the confirmation of balances of trade receivable, trade payable, term deposits, bank account and cash obtained	Being Banking company there are no trade payable/ receivable. Confirmation of Term deposits balances not required as the figures are obtained from system generated reports from MIS -Department.	NIL																																			



16	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																		
17	Whether the company has cleared title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Bank has clear title/lease deeds for freehold and leasehold land, except for the following properties: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>S. No.</th> <th>Particulars</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Vashi, Mumbai (1st Floor)</td> <td>NR-RCC</td> </tr> <tr> <td>2</td> <td>Budgam</td> <td>OWN-LAND</td> </tr> <tr> <td>3</td> <td>Ansal Plaza, Delhi</td> <td>NR-RCC</td> </tr> <tr> <td>4</td> <td>Kargil</td> <td>OWN-LAND</td> </tr> <tr> <td>5</td> <td>Currency Chest Kulgam</td> <td>OWN-LAND</td> </tr> </tbody> </table>	S. No.	Particulars	Category	1	Vashi, Mumbai (1st Floor)	NR-RCC	2	Budgam	OWN-LAND	3	Ansal Plaza, Delhi	NR-RCC	4	Kargil	OWN-LAND	5	Currency Chest Kulgam	OWN-LAND	The said assets have been capitalized and the book value as on 31.03.2022 is Rs.57.94 crores except currency chest Kulgam which has not been capitalized.
S. No.	Particulars	Category																			
1	Vashi, Mumbai (1st Floor)	NR-RCC																			
2	Budgam	OWN-LAND																			
3	Ansal Plaza, Delhi	NR-RCC																			
4	Kargil	OWN-LAND																			
5	Currency Chest Kulgam	OWN-LAND																			
18	Examine the system of effective utilization of loans/Grant-in-Aid/Subsidy. List of cases diversion of fund	GSGD department deals in lodgement of subsidy claims and any Subsidy received by GSGD during the FY 2021-22 has been utilized in accordance with the stipulated guidelines.	NIL																		
19	Examine the cost benefit analysis of major capital expenditure/Expansion including IRR and payback period.	As per information and explanation given to us, the major expenditure is being incurred on opening of new business units and as per historical data majority of new business units within J&K States attain breakeven within one year of its operation.	NIL																		
20	If the audited entity has computerized its operation or part of it, asses and report how much of the data in the company is in electronic format, which of the area such as accounting, sale personnel information, payroll, inventory etc. has been computerized and the company has evolved proper security policy for data/software/hardware.	Bank has computerized all its business processes and the data is stored and accessed in electronic format. The activities mentioned herein are also computerized. The Bank has a comprehensive Information Security Policy (ver 5.1 published on the Bank's Intranet) which deals with Security Aspects of All IT Related Functions and is aligned with the ISO 27001:2013 standard.	NIL																		
21	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.	The loans received are utilized for the intended purpose. However, during the FY 2021-22 grants/subsidy received has been utilized in accordance with the stipulated guidelines.	NIL																		
22	Other Matter																				

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

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWBGK7182

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWANB8293

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAF9295

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVOPY2263

Place : Srinagar
Date: 12th May 2022

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 2022 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 auditor 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 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- 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
- 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 2022, 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

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

For Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAF9295

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVOPY2263

Place : Srinagar

Date: 12th May 2022



Consolidated Balance Sheet

as at 31st March, 2022

	Schedule	As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
CAPITAL AND LIABILITIES			
Capital	1	933,030	713,594
Share Application Money		935,000	-
Reserves and Surplus	2	78,903,132	67,309,090
Minority Interest		-	-
Deposits	3	1,147,027,659	1,080,472,976
Borrowings	4	23,708,173	20,151,969
Other Liabilities and Provisions	5	54,253,337	34,081,096
TOTAL :-		1,305,760,331	1,202,728,725
ASSETS			
Cash and Balance with Reserve Bank of India	6	13,952,028	36,853,326
Balance with Banks & Money at Call & Short Notice	7	73,967,040	58,183,715
Investments	8	337,852,549	307,740,976
Advances	9	703,930,750	668,417,318
Fixed Assets	10	19,539,371	20,128,381
Other Assets	11	156,518,593	111,405,009
TOTAL :-		1,305,760,331	1,202,728,725
Contingent Liabilities	12	55,249,390	48,669,364
Bills for Collection		15,380,639	14,396,031
Principal Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

FOR AND ON BEHALF OF THE BOARD

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

Dr. Mohamad Ishaq Wani
Director
DIN: 08944038

Rajni Saraf
President/CFO

Mohammad Shafi Mir
Company Secretary

Place : Srinagar
Date: 12th May 2022

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 Hem Sandeep & Co
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Partner
M.No. 094108
UDIN : 22094108AIVOPY2263

Place : Srinagar
Date: 12th May 2022

Schedules to Consolidated Balance Sheet

as at 31st March, 2022

	As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
SCHEDULE 1 - CAPITAL		
Authorised Capital		
1,850,000,000 (P.Y. 2,500,000,000)		
Equity Shares of Rs.1/- each	1,850,000	2,500,000
Issued		
933,104,594 (P.Y. 713,668,938) Equity Shares of Rs.1/= each	933,105	713,668
Subscribed and Paid-up Capital		
932,886,594 (P.Y. 713,450,938)		
Equity Shares of Rs. 1/- each	932,886	713,450
Add Forfeited Equity Shares (218,000) (P.Y. 218,000)	144	144
TOTAL	933,030	713,594
SHARE APPLICATION MONEY RECEIVED (PENDING ALLOTMENT)	935,000	-
SCHEDULE 2 - RESERVES & SURPLUS		
I. Statutory Reserves		
Opening Balance	22,783,528	21,703,218
Additions during the year	1,253,905	1,080,310
Deductions during the year	-	-
Closing Balance	24,037,433	22,783,528
II. Capital Reserves		
a) Revaluation Reserve Fixed Assets		
Opening Balance	9,726,180	9,960,007
Additions during the year on account of Revaluation Reserve	-	-
Deduction during the year (depreciation)	(227,726)	(233,827)
Closing Balance	9,498,454	9,726,180
b) Others		
Opening Balance	2,553,327	1,214,577
Additions during the year	335,145	1,338,750
Deductions during the year	-	-
Closing Balance	2,888,472	2,553,327
III. Share Premium		
Opening Balance	10,959,119	10,959,119
Additions during the year	6,645,532	-
Deductions during the year	-	-
Closing Balance	17,604,651	10,959,119



Schedules to Consolidated Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
IV)	Revenue and other Reserves		
a)	Investment Fluctuation Reserve		
	Opening Balance	377,800	377,800
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	377,800	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	19,677,536	17,298,593
	Additions during the year	3,587,186	2,378,943
	Deductions during the year	-	-
	Closing Balance	23,264,722	19,677,536
	TOTAL (I,II,III & IV)	78,903,132	67,309,090
SCHEDULE 3 - DEPOSITS			
A I.	Demand Deposits		
	i) From Banks	1,496,306	936,368
	ii) From Others	142,439,432	137,663,922
	TOTAL (I & ii)	143,935,738	138,600,290
II.	Saving Bank Deposits	504,769,219	475,540,593
III.	Term Deposits		
	i) From Banks	15,118,741	17,374,667
	ii) From Others	483,203,961	448,957,426
	TOTAL (I & ii)	498,322,702	466,332,093
	TOTAL A (I+II+III)	1,147,027,659	1,080,472,976
B. I.	Deposits of branches in India	1,147,027,659	1,080,472,976
II.	Deposits of branches outside India	-	-
	TOTAL B (I+II)	1,147,027,659	1,080,472,976

Schedules to Consolidated Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '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)	23,600,000	20,000,000
iv)	Other Institutions & Agencies	108,173	151,969
	TOTAL (i to iv)	23,708,173	20,151,969
II.	Borrowings outside India	-	-
	GRAND TOTAL (I & II)	23,708,173	20,151,969
	Secured borrowings included in I & II above	NIL	NIL
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS			
i)	Bills Payable	2,710,593	2,773,447
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued on Non-cumulative deposits	180,428	198,250
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	4,828,477	4,327,438
vi)	Other (Including Provisions)	46,533,839	26,781,961
	TOTAL (i to vi)	54,253,337	34,081,096
SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in Hand (Including Foreign Currency Notes)	6,160,287	5,179,363
II.	Balance with Reserve Bank of India		
	i) In Current Account	7,791,741	31,673,963
	ii) In Other Accounts	-	-
	TOTAL (I & II)	13,952,028	36,853,326
SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	i) Balance with Banks		
	a) In Current Accounts	355,769	773,669
	b) In Other Deposit Accounts	54,385	54,385
	TOTAL (i)	410,154	828,054
	ii) Money At Call and Short Notice		
	a) With Banks	73,295,959	56,997,645
	b) With Other Institutions	-	-
	TOTAL (ii)	73,295,959	56,997,645
	TOTAL (i & ii)	73,706,113	57,825,699



Schedules to Consolidated Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
II.	Outside India		
	i) In Current Accounts	260,927	358,016
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	-	-
	TOTAL II of (i, ii & iii)	260,927	358,016
	GRAND TOTAL (I&II)	73,967,040	58,183,715
SCHEDULE 8 - INVESTMENTS			
I.	Investments in India		
	Gross	345,165,599	315,094,670
	Less: Provision for Depreciation	841,213	487,081
	Less: Provision for Investment (NPI)	6,471,837	6,866,613
	Net Investments	337,852,549	307,740,976
	i) Government Securities	304,126,187	302,809,864
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,094,172	1,023,432
	iv) Debentures and Bonds	2,077,460	3,572,985
	v) Subsidiaries and/or Joint Ventures	-	(40,000)
	vi) Sponsored Institutions	(209,827)	(113,955)
	vi) Others :	-	-
	a) Certificate of Deposit	30,385,903	-
	b) Suitfile	-	-
	c) Venture Capital	-	239
	d) Commercial Paper	-	-
	e) Security Receipts	378,654	488,411
	TOTAL (I)	337,852,549	307,740,976
II.	Investments Outside India	-	-
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others (Swap)	Nil	Nil
	TOTAL (II)	-	-
	TOTAL (I & II)	337,852,549	307,740,976
III.	Investments Category-Wise		
	i) Held to Maturity	233,061,234	213,205,080
	ii) Held for Trading	298,950	48,820
	iii) Available for Sale	104,492,365	94,487,076
	TOTAL (III)	337,852,549	307,740,976

Schedules to Consolidated Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
SCHEDULE 9 - ADVANCES			
A	i) Bills Purchased and Discounted	2,418,979	3,225,828
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	238,521,472	215,207,158
	iii) Term Loans	462,990,299	449,984,332
	TOTAL (i to iii)	703,930,750	668,417,318
B	i) Secured by Tangible Assets (includes advances against book debts)	487,525,750	511,707,200
	ii) Covered by Bank/Govt. Guarantees	4,270,737	4,572,499
	iii) Unsecured	212,134,263	152,137,619
	TOTAL (i to iii)	703,930,750	668,417,318
C	I. Advances in India		
	i) Priority Sector	288,029,477	262,939,841
	ii) Public Sector	7,544,369	8,672,302
	iii) Banks	151	17,170
	iv) Others	408,356,753	396,788,005
	TOTAL (i to iv)	703,930,750	668,417,318
	II. Advances Outside India		
	i) Due from Banks	NIL	NIL
	ii) Due from Others	NIL	NIL
	GRAND TOTAL (I & II)	703,930,750	668,417,318
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	a) At cost/revalued as at 31st March of the preceding year	17,793,568	17,775,014
	Additions during the year	13,438	18,554
		17,807,006	17,793,568
	Deductions during the year	-	-
		17,807,006	17,793,568
	Depreciation to date	2,849,779	2,551,416
	Total (a)	14,957,227	15,242,152
	b) Constructions work in progress	430,769	372,657
	TOTAL (I) [a+b]	15,387,996	15,614,809
II.	Other Fixed Assets (Including Furniture & Fixtures)		
	a) At cost/revalued as at 31 st March of the preceding year	14,473,869	13,816,355



Schedules to Consolidated Balance Sheet

as at 31st March, 2022

		As at 31.03.2022 ₹ '000' Omitted	As at 31.03.2021 ₹ '000' Omitted
	Additions during the year	799,353	693,574
		15,273,222	14,509,929
	Deductions during the year	56,097	36,060
		15,217,125	14,473,869
	Depreciation to date	11,099,268	10,001,842
	TOTAL (II)	4,117,857	4,472,027
	b) Constructions work in progress	33,519	41,545
	TOTAL (II) [a+b]	4,151,376	4,513,572
	GRAND TOTAL (I & II)	19,539,371	20,128,381
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	5,904,195	5,805,162
II.	Inter Office Adjustment (Net)	703,103	704,613
III.	Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	2,629,691	2,347,789
IV.	Stationery and Stamps	45,325	57,995
V.	Deferred Tax Asset (Net)	2,393,325	2,662,695
VI.	Non-Banking Assets acquired in satisfaction of claims	92,792	92,792
VII.	Others *	144,750,162	99,733,963
	TOTAL (I to VII)	156,518,593	111,405,009
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 56912877 thousand (Previous year Rs. 42383069 thousand)			
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	7,082,854	6,224,164
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	17,044,620	11,181,866
IV.	Guarantees given on behalf of constituents:-		
	a) In India	22,162,782	22,307,506
	b) Outside India	225,339	225,173
V.	Acceptances, Endorsements & Other Obligations	6,289,224	6,725,649
VI.	Other items for which the Bank is Contingently liable	-	-
VII.	Liability on a/c of Depositors Education Awareness Fund (DEAF)	2,444,571	2,005,006
	TOTAL (I to VII)	55,249,390	48,669,364

Consolidated Profit & Loss Account

for the year ended at 31st March, 2022

		Schedule	YEAR ENDED 31.03.2022 ₹ '000' Omitted	YEAR ENDED 31.03.2021 ₹ '000' Omitted
I	INCOME			
	Interest Earned	13	80,129,785	81,110,875
	Other Income	14	7,904,072	7,014,944
	TOTAL		88,033,857	88,125,819
II	EXPENDITURE			
	Interest Expended	15	41,013,373	43,398,800
	Operating Expenses	16	35,986,527	28,841,630
	Provisions and Contingencies		5,989,576	11,537,436
	TOTAL		82,989,476	83,777,866
III	PROFIT			
	Consolidated Net Profit for the year		5,044,382	4,347,953
	Share of earnings/loss in Associates (net)		(95,871)	(63,485)
	Consolidated Net profit/(loss) for the year before deducting Minorities Interest		4,948,511	4,284,468
	Less: Minorities Interest		-	-
	Consolidated Net profit/(loss) for the year attributable to the group		4,948,511	4,284,468
	Profit available for Appropriation		4,948,511	4,284,468
IV	APPROPRIATIONS			
	TRANSFERED TO			
i)	Statutory Reserve		1,253,905	1,080,310
ii)	Capital Reserve		335,145	1,338,750
iii)	Revenue and Other Reserve		3,359,461	1,865,408
iv)	Investment Fluctuation Reserve		-	-
v)	Special Reserve		-	-
vi)	Proposed Dividend		-	-
vii)	Tax on Dividend		-	-
	TOTAL		4,948,511	4,284,468
	Principal Accounting Policies	17		
	Notes on Accounts	18		
	Earnings per Share (Basic/Diluted)		5.96	6.01

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

Dr. Mohamad Ishaq Wani
 Director
 DIN: 08944038

Rajni Saraf
 President/CFO

Mohammad Shafi Mir
 Company Secretary

Place : Srinagar
 Date: 12th May 2022

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 Hem Sandeep & Co
 Chartered Accountants
 FRN: 009907N

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

CA. Om Prakash Aggarwal
 Partner
 M.No. 083862
 UDIN : 22083862AIWBGK7182

CA. Hardeep Aggarwal
 Partner
 M.No. 088243
 UDIN : 22088243AIWANB8293

CA. Mantreshwar Karna
 Partner
 M.No. 512175
 UDIN : 22512175AIWAF92925

CA. Dharam Raj
 Partner
 M.No. 094108
 UDIN : 22094108AIVOPY2263

Place : Srinagar

Date: 12th May 2022



Schedules to Consolidated Profit & Loss Account

for the year ended at 31st March, 2022

		YEAR ENDED 31.03.2022 ₹ '000' Omitted	YEAR ENDED 31.03.2021 ₹ '000' Omitted
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/Discount on Advances/Bills	60,148,832	60,630,149
II.	Income on Investments (Net of Amortization)	16,768,541	17,307,929
III.	Interest on Balances with R.B.I and other Inter Bank Funds	3,206,769	3,172,246
IV.	Others	5,643	551
	TOTAL (I to IV)	80,129,785	81,110,875
SCHEDULE 14 - OTHER INCOME			
I.	Commission, Exchange & Brokerage	2,007,736	2,158,198
II.	Profit /(Loss) on Sale of Investments (Net)	1,230,962	2,521,635
	Profit on Sale of Investments	1,230,962	2,521,635
	Less: Loss on sale of investments	-	-
III.	Profit /(Loss) on revaluation of Investments (Net)	15,108	(269,144)
	Profit on revaluation of Investments	15,108	-
	Less: loss on revaluation of investments	-	(269,144)
IV.	Profit/(Loss) on Sale of Land, Buildings & Other Assets (Net)	2,864	2,844
	Profit on Sale of Land, Buildings & Other Assets	8,332	6,436
	Less: Loss on Sale of Land, Buildings & Other Assets	(5,468)	(3,592)
V.	Profit /(Loss) on Exchange Transactions (Net)	163,664	104,811
	Profit on Exchange Transactions	163,664	104,811
	Less: Loss on E/Transactions	-	-
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/in India	-	-
VII.	Miscellaneous Income	4,483,738	2,496,600
	TOTAL (I to VII)	7,904,072	7,014,944
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on Deposits	39,013,373	41,398,649
II.	Interest on RBI/Inter-Bank Borrowings	14,358	12,651
III.	Others	1,985,642	1,987,500
	TOTAL (I to III)	41,013,373	43,398,800

Schedules to Consolidated Profit & Loss Account

for the year ended at 31st March, 2022

SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for Employees	26,750,792	20,624,296
II.	Rent, Taxes and Lighting	979,733	965,767
III.	Printing and Stationery	86,956	92,939
IV.	Advertisement and Publicity	13,471	16,541
V.	Depreciation on Bank's Property	1,440,866	1,342,811
VI.	Directors Fees, Allowances and Expenses	21,045	12,913
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	221,548	180,820
VIII.	Law Charges	128,195	113,513
IX.	Postage, Telegrams, Telephones etc.	40,766	48,207
X.	Repairs and Maintenance	340,056	200,128
XI.	Insurance	1,293,846	1,188,219
XII.	Other Expenditure	4,669,253	4,055,476
	TOTAL (I to XII)	35,986,527	28,841,630



Schedule 17

"Principal Accounting Policies"

1. 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. Bank is listed on the NSE and the BSE and has its Corporate Headquarters at Srinagar. 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, a number of unique financial products tailored to the needs of various customer segments.

A. Significant Accounting policies followed by the Company

1. 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, regulatory norms prescribed by the Reserve Bank of India (RBI), 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.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. Transactions involving Foreign Exchange

- i. Monetary Assets and Liabilities as on balance sheet date have been translated using closing rate as at year-end announced by Foreign Exchange Dealers Association of India.
- ii. Exchange differences arising on settlement of monetary items have been recognized as income or as expense in the period in which they arise.
- iii. Outstanding forward exchange contracts 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.

4. Investments

- i. Investments are classified into "Held-to-Maturity", "Available-for-Sale" and "Held-for-Trading" categories, in accordance with the guidelines issued by Reserve Bank of India.
- ii. Bank decides the category of each investment at the time of acquisition and classifies the same accordingly.
- iii. "Held-to-Maturity" category comprises securities acquired by the Bank with the intention to hold them up to maturity. "Held-for-Trading" category comprises securities acquired by the Bank with the intention of trading. "Available-for-Sale" securities are those, which do not fall in either of the above categories.
- iv. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless it is more than the face/redemption value, in which case the premium is amortized over the period remaining to the maturity using straight line method.
- v. (a) The individual scrip in the "Available-for-Sale" category is 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.
(b) The market value for the purpose of periodical valuation of investments, included in "Available for Sale" and "Held for trading" categories is based on the market price available from the trades/quotes on stock exchanges. Central/State Government securities, other approved securities, debentures and bonds are valued as per the prices/YTM rates declared by Financial Benchmarks India Pvt. Ltd. (FBIL).
(c) Unquoted shares are valued at break-up value ascertained from the latest balance sheet (which should not be more than 18 months prior to the date of valuation) and in case the latest balance sheet is not available the same

Schedule 17

"Principal Accounting Policies"

are valued at ₹ 1/- per Company, as per RBI guidelines.

- (d) Security receipts (SRs) issued by Asset Reconstruction Companies (ARCs) are valued at cost or NAV, whichever is lower, declared periodically by the ARCs. Depreciation, if any, in individual SRs is fully provided for, appreciation, if any, is ignored.
- (e) Investment in quoted Mutual Fund Units is valued as per Stock Exchange quotations. An investment in unquoted Mutual Fund Units is valued on the basis of the latest re-purchase price declared by the Mutual Fund in respect of each particular scheme. In case of Funds with a lock-in period, where repurchase price/market quote is not available, Units are valued at NAV. If NAV is not available, then these are valued at cost, till the end of the lock-in period. Wherever the re-purchase price is not available, the Units are valued at the NAV of the respective scheme.
- vi. 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.
- vii. 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.
- viii. (a) Profit or Loss on sale of Government Securities is computed on the basis of weighted average cost of the respective security.
 (b) Profit or loss on sale of investments in any category is taken to the Profit and Loss account. 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".
- ix. Interest accrued up to the date of acquisition of securities i.e. broken period interest is excluded from the acquisition cost and recognized as interest expense. Broken period interest received on sale of securities is recognized as interest income.
- x. 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.
- xi. Investments in J&K Grameen Bank/Sponsored Institutions have been accounted for on carrying cost basis.
- xii. Transfer of securities from one category to another is done at the least of the acquisition cost/book value/market value on the date of transfer.
- xiii. Repurchase & Reverse Repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- xiv. Bank is following settlement date accounting policy.
 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 case of normal outright sale/purchase transactions and such movement of security is 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).

5. Advances

- i) 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 and accordingly requisite provisions have been made thereof.
- ii) Advances are shown net of provisions required for NPAs. Provisions for advances classified as Standard Assets is shown under Other Liabilities & Provisions.



Schedule 17

"Principal Accounting Policies"

iii) Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.

6. Fixed Assets/Depreciation

- a) Premises and other fixed assets are accounted for at historical cost.
- b) Premises include free hold as well as lease hold properties.
- c) Premises include capital work in progress.
- d) Depreciation is charged on straight line method as per 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.

Sn.	Block	Useful Life (Years)
A.	Building (With RCC Frame Structure)	
	-Commercial	60
	-Residential	60
B.	Building (with other than RCC Frame Structure)	
	-Commercial	30
	-Residential	30
C.	Plant & Machinery	15
D.	Furniture & Fixtures	10
E.	Vehicles	8
F.	Fences	5
G.	Others (Including temporary Structures etc.)	3

Depreciation on computers (including ATMs) 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.

The expenditure on computer software where it is probable that future benefits attributable to such software will flow to Bank is capitalized and depreciation is charged @33.33% in terms of RBI guidelines on straight line method.

Useful life of the mobile phones is considered to be 2 years and the depreciation is charged on straight line method as per provisions of Companies Act 2013 with no residual value.

- e) Premium paid for leasehold properties is amortized over the period of the lease.
- f) In compliance to the directions of RBI, Board of Directors vide resolution no. 47 dated 21-04-2016 approved the policy on Revaluation of Bank's own properties which covered all the immovable properties owned by the Bank including land & office buildings except those fixed assets whose useful life has expired.
In respect of revaluation of the Bank's own properties/assets, the Bank had obtained valuation reports from two independent valuers, irrespective of the value of the property. As per the policy, the valuation of the property was taken as the average of the two valuations.

7. Employees Benefits

- i) Short-term employee benefits are charged to revenue in the year in which the related service is rendered.
- ii) Long Term Employee Benefit
 - a) 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 & loss A/C. The bank is paying matching contribution towards those employees who have not opted for the pension.
 - b) Defined Benefit Plan
Gratuity: - Gratuity liability is a defined obligation and is provided for on the basis of an actuarial valuation. The scheme is funded by the bank and is managed by a separate trust.
Pension: - Pension liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation. The scheme is funded by the Bank and is managed by a separate trust.
Leave Salary: - Leave salary is a defined benefit obligation and is provided for on the basis of an actuarial valuation determined on the basis of un-availed privilege leave of an employee at the time of leaving services of the company.

Schedule 17

"Principal Accounting Policies"

8. Revenue Recognition and Expenditure booking

Income and expenditure are accounted for on accrual basis unless otherwise stated.

- a) Interest and other income on advances/ investments classified as Non-Performing Advances / Investments are recognized to the extent realized in accordance with the guidelines issued by the Reserve Bank of India.
- b) The recovery in Non-Performing Assets has been first appropriated towards amount of principal and thereafter towards amount of interest.
- c) Interest on overdue term deposits is provided at Savings Bank Rate of Interest.
- d) Fee, commission (other than insurance commission & Government business), exchange, locker rent, insurance claims and dividend on shares and units in Mutual Fund are recognized on realization basis.
- e) Income from interest on income tax/other tax refunds is accounted for on the basis of orders passed by the Competent Authorities.
- f) Unforeseen income/ expenses are accounted for in the year of receipt/ payment.
- g) Stationery issued to branches has been considered as consumed.

9. Credit Card reward Points

The Bank has estimated the probable redemption of reward points by not using actuarial method but has made 100% provision for redemption against the accumulated reward points in respect of standard card holders.

10. Net Profit/Loss

The net profit is disclosed in the profit and loss account after providing for:

- i) Income Tax and Deferred Tax.
- ii) Provision for Standard Assets, Non-Performing Advances/ Investments as per RBI guidelines.
- iii) Depreciation/ amortization on Investments.
- iv) Transfer to contingency fund, if any.
- v) Other usual and necessary provisions.

11. Taxes on Income

Provision for tax is made for both current and deferred taxes in accordance with AS-22 on "Accounting for Taxes on Income".

12. Contingency Funds

Contingency Funds have been grouped in the Balance Sheet under the head "Other Liabilities and Provisions".



Schedule 18

"Notes on Consolidated Accounts"

1. The Jammu & Kashmir Bank Limited along with its Subsidiary and an Associate constitute the Group which are considered in the preparation of the consolidated financial statements as under:

Name of the Entity	Relationship	Country of Incorporation	% voting power held as at	
			31.03.2022	31.03.2021
JKB Financial Services Ltd	Subsidiary	India	100%	100%
J&K Grameen Bank	Associate	India	35%	35%

J&K Grameen Bank (Associate) has incurred a loss of ₹27.39 Crores during the FY 2021-22 and ₹18.14 Crores during the FY 2020-21. Due to losses, it has breached the National Bank for Agriculture and Rural Development (NABARD) mandated CRAR ratio. As at 31st March 2022, the total Capital Ratio (CRAR) stood at -2.31% as compared to minimum requirement of 9%. This requires it to take effective steps to augment its capital base in the year 2022-23. The breach of CRAR ratio was impacted due to provision for pension liability to the tune of ₹92.85 crores during the year ended 31st March, 2022 in accordance with NABARD circular no. NB. DoS. Pol. HO/2533/J-1/2019-20 dated 12 December 2019. This breach is further going to be aggravated due to additional provision of ₹92.85 crores required to be made in the next financial year. The J&K Grameen Bank's management and board of directors have made an assessment of its ability to continue as a going concern and are satisfied that the proposed capital infusion and the strong customer base and branch network will enable it to continue its business for the foreseeable future, so as to be able to realize its assets and discharge its liabilities in its normal course of business. As such, the financial statements of J&K Grameen Bank (Associate) continue to be prepared on a going concern basis."

Disclosures made by Company

1. 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.
2. 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.

3. Fixed Assets

- a) Documentation formalities are pending in respect of certain immovable properties held by the bank valued at ₹ 9.18 crores (previous year ₹ 9.31 crores). In respect of immovable properties valued at ₹ 48.95 Crore (previous year ₹ 50.16 crores) Bank holds agreement to sell along with the possession of the properties.
- b) Pursuant to the revised Accounting Standard-10 "Property, Plant & Equipment" applicable from 1st April 2017 depreciation of ₹ 22.77 crores (previous year being ₹ 23.38 crores) on the revalued portion of the fixed assets (being Premises & Land) has been transferred from the Revaluation Reserve to General/ Revenue Reserve instead of crediting to Profit & Loss Account.
- c)
- d) Depreciation is provided on straight line method in accordance with the provisions of Companies Act 2013 based on the useful life of the assets. However, the depreciation on the computers (including ATMs) along with software forming integral part of the computers is computed @ 33.33% on straight line method in terms of RBI guidelines.
- e) In compliance to the directions of RBI, Board of Directors vide resolution no. 47 dated 21-04-2016 approved the policy on Revaluation of Bank's own properties which covered all the immovable properties owned by the bank including land & office buildings except those fixed assets whose useful life has expired.

In compliance to Accounting Standard (AS)-26 the acquisition cost of computer software, not forming integral part of the computers and where it is probable that the future economic benefits that are attributable to this software will flow to Bank, is being capitalized and depreciation is charged at the rate of 33.33% on straight line method in terms of RBI guidelines.

Further useful life of mobile phones is considered to be 2 years and the depreciation is charged on straight line method. Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹0.76 Crores (previous year ₹ 0.76 Crores).

Schedule 18

"Notes on Consolidated Accounts"

4. Capital

a) Composition of Regulatory Capital

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	7488.53	6076.03
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	8488.53	7076.03
iv)	Tier 2 capital	1093.74	1331.93
v)	Total capital (Tier 1+Tier 2)	9582.27	8407.97
vi)	Total Risk Weighted Assets (RWAs)	72482.11	68915.35
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	10.33%	8.82%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	11.71%	10.27%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.51%	1.93%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.22%	12.20%
xi)	Leverage Ratio	6.26%	5.65%
xii)	Percentage of the shareholding of a) Government of India b) State Government (Government of UT of Jammu & Kashmir) c) Sponsor Bank	Nil 70.12 NA	Nil 68.18 NA
xiii)	Amount of paid-up equity capital raised during the year Share application money (Pending allotment)	21.94 2.85*	NIL
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year, of which Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	360	NIL

* On 31.03.2022 Bank has raised/received ₹ 93.50 crores by way of QIP (share application money- pending allotment) and same has been shown as part of CET1 Capital of the Bank.

- 4.1 During the year ended March 31, 2022, the bank raised Basel III Compliant Tier II Bonds amounting to ₹ 360 crores.
- 4.2 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 remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. Necessary approvals in this regard have been received by the Bank and UT of Ladakh. The Bank is in the process of transferring the said shares to UT of Ladakh.
- 4.3 On 16th September, 2021, the Bank has allotted 16,76,72,702 (Sixteen Crore Seventy Six Lacs Seventy Two Thousand Seven Hundred and Two) equity shares at a price of ₹ 29.82 (Rupees Twenty Nine and Eighty Two Paise Only) to Govt.



Schedule 18

"Notes on Consolidated Accounts"

of Jammu and Kashmir on preferential allotment basis amounting to a total of ₹ 499,99,99,973.64 (Rupees Four Hundred Ninety-Nine Crore Ninety Nine Lacs Ninety Nine Thousand Nine Hundred Seventy Three and Sixty Four Paise Only).

- 4.4 On 24th September, 2021, the Bank has allotted 5,17,62,954 (Five Crores Seventeen Lacs Sixty Two Thousand Nine Hundred and Fifty Four) equity shares at a price of ₹ 28.97 (Rupees Twenty Eight and Ninety Seven Paise Only) to the eligible employees of the Bank under Jammu and Kashmir Bank Employee Stock Purchase Scheme, 2021 (JKBESPS, 2021) amounting to a total of ₹ 149,95,72,777.38 (Rupees One Hundred Forty Nine Crores Ninety Five Lacs Seventy Two Thousand Seven Hundred Seventy Seven and Thirty Eight Paise Only).
- 4.5 The Shareholders of the Bank on 20th March, 2022 have approved the reduction in authorized capital of the Bank from ₹ 250,00,00,000.00 (Rupees Two Hundred and Fifty Crores) to ₹ 185,00,00,000.00 (Rupees One Hundred and Eighty Five Crores) through Postal Ballot and the Reserve Bank of India granted its approval to the same vide its letter no. DoR.HOL.No.4635/16.01.063/2021-22 dated March 22, 2022.
- 4.6 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. Rs1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹ 93,49,99,830.90 (Rupees Ninety Three Crore 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. It is pertinent to mention that 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.

Investments

5. The Bank has booked a profit of ₹44.79 Crore (previous year ₹178.50 Crore) on direct sale of securities from HTM category during the year through open market operations (OMOs) purchase auction by RBI. As such an appropriation of ₹ 33.51 Crore was made to Capital Reserve Account after netting of taxes and required transfer to statutory reserves.
6. The total investment of the Bank in PNB Met-life India Insurance Company Ltd stood at ₹ 61.08 Crores as on 31.03.2022 (Previous year ₹ 61.08 Crores). In compliance with RBI Letter No. DBOD.BP/-17099/21.4.141/ 2008-09 dated 9th April 2009, the investment stands transferred to AFS Category on October 1st, 2009. The valuation has been carried out at an average of two independent valuation reports obtained from Category I Merchant Bankers as per RBI guidelines & the consequent appreciation has been ignored in view of the Accounting Policy in respect of such investments.
7. Investments include ₹ 45.67 Crores in Sponsored Institution J&K Grameen Bank. Net worth of the 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.
8. In terms of RBI Circular no. DOR.MRG.43/21.04.141/2021-22 dated August 25, 2021, Bank holds Investment Fluctuation Reserve (IFR) of ₹ 37.78 crore created during the Financial Year 2018-19. As per trading portfolio (AFS+HFT) held for the FY 2021-22, no addition is required in the IFR account. Further T-Bill and CDs being the instruments valued at carrying cost are excluded from trading portfolio for the purpose of IFR computation as follows:

Particulars	Amount (₹ in Crores)
AFS + HFT	10479.14
Less T-Bill	7109.14
Less CDs	3038.59
Total AFS + HFT for IFR	331.40
Provision required (@2%)	6.63

Bank is already holding IFR of ₹37.78 Crores against requirement of ₹6.63 Crores, hence no addition is required in IFR account.

Schedule 18

"Notes on Consolidated Accounts"

Investments

a) Composition of Investment Portfolio
As at 31-03-2022

(₹ in Crores)

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	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	36.92	0.00	36.92	NIL	NIL	NIL	NIL	NIL
Net	23303.48	0.00	0.00	23.63	28.75	0.00	23355.86	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Available for Sale								NIL	NIL	NIL	NIL	NIL
Gross	7109.14	0.00	558.80	306.63	0.00	3169.05	11143.62	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	NIL	NIL	NIL	NIL	NIL
Net	7109.14	0.00	109.40	154.24	0.00	3076.46	10449.24	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Held for Trading								NIL	NIL	NIL	NIL	NIL
Gross	0.00	0.00	0.02	29.87	0.00	0.00	29.89	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NIL	NIL	NIL	NIL	NIL
Net	0.00	0.00	0.02	29.87	0.00	0.00	29.89	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Total Investments	30412.62	0.00	558.82	360.13	65.67	3169.05	34566.29	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments	0.00	0.00	446.56	152.39	0.00	48.24	647.19	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	36.92	92.59	731.30	NIL	NIL	NIL	NIL	NIL
Net	30412.62	0.00	109.42	207.74	28.75	3076.46	33834.99	NIL	NIL	NIL	NIL	NIL



Schedule 18

"Notes on Consolidated Accounts"

b) As at 31-03-2021

(₹ in Crores)

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	21313.98	0.00	3.33	36.92	65.67	0.00	21419.90	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments (NPI)	0.00	0.00	3.33	15.00	40.92	0.00	59.25	NIL	NIL	NIL	NIL	NIL
Net	21313.98	0.00	0.00	21.92	24.75	0.00	21360.65	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Available for Sale												
Gross	8962.12	0.00	580.99	441.40	0.00	140.30	10124.81	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.00	0.00	478.64	106.02	0.00	91.44	676.10	NIL	NIL	NIL	NIL	NIL
Net	8962.12	0.00	102.35	335.38	0.00	48.86	9448.71	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Held for Trading												
Gross	4.90	0.00	0.00	0.00	0.00	0.00	4.90	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.02	0.00	0.00	0.00	0.00	0.00	0.02	NIL	NIL	NIL	NIL	NIL
Net	4.88	0.00	0.00	0.00	0.00	0.00	4.88	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Total Investments	30281.00	0.00	584.32	478.32	65.67	140.30	31549.61	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments	0.00	0.00	480.34	121.02	36.92	48.37	686.65	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.02	0.00	481.97	121.02	40.92	91.44	735.37	NIL	NIL	NIL	NIL	NIL
Net	30280.98	0.00	102.35	357.30	24.75	48.86	30814.24	NIL	NIL	NIL	NIL	NIL

Schedule 18

"Notes on Consolidated Accounts"

9. The Repo Transactions (in face value terms) are as under:

(₹ in Crores)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31,2022
i) Securities sold under repo				
a) Government securities	0.00	0.00	0.00	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	830.00	6970.00	4565.18	6355.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

10. Non-SLR Investment portfolio

10.1 Issuer composition of Non SLR Investments

(₹ in Crores)

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	19.85	120.05	19.85	119.85	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	173.63	202.00	163.63	192.00	115.00	115.00	0.00	0.00	0.00	0.00
c)	Banks	3096.74	53.50	53.50	53.50	23.50	23.50	0.00	0.00	0.00	0.00
d)	Private Corporates	715.56	735.46	123.15	91.97	0.00	0.00	24.18	43.60	24.18	43.60
e)	Subsidiaries/ Joint Ventures	65.67	65.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	82.22	91.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total	4153.67	1268.61	360.13	457.32	138.50	138.50	24.18	43.60	24.18	43.60
g)	Provision held towards depreciation/NPI*	731.30	735.35								
	Total *	3422.37	533.26	360.13	457.32	138.50	138.50	24.18	43.60	24.18	43.60

* Excludes floating provision of ₹2.76 Crores.

Breakup of placements with NABARD/SIDBI/RHDF/RIDF classified as other assets

(₹ in Crores)

Particulars	Amount as on 31.03.2021	Amount as on 31.03.2022
NABARD	1056.71	1588.36
RIDF(NABARD)	1193.23	1558.57
SIDBI	1361.99	1861.48
NHB	408.90	347.23
MUDRA	217.48	335.65
TOTAL	4238.31	5691.29



Schedule 18

"Notes on Consolidated Accounts"

10.2 Non-performing Non-SLR investments

(₹ in Crores)

S. No.	Particulars	Current Year	Previous Year
a)	Opening balance	817.58	797.44
b)	Additions during the year since 1 st April	18.53	45.67
c)	Reductions during the above period	114.04	25.53
d)	Closing balance	722.07	817.58
e)	Total provisions held (including floating provision of Rs 2.76 Crores)	649.94	689.42

10.3 Sale and Transfers to/from Held to Maturity (HTM) Category

- The Bank has booked a profit of ₹ 44.79 crores on direct Sale of Securities from HTM category amounting to ₹ 1958.93 Crore (FV) during the financial year through open market operations (OMO) purchase auction by RBI. As such an appropriation of ₹ 33.51 Crore was made to Capital Reserve Account after netting of taxes and required transfer to statutory reserves.
- With the approval of the Board of Directors, the Bank has shifted securities amounting to ₹ 1050 Crore (FV) on 26/04/2021 at the cost of acquisition in case of discounted/par value securities and at the amortized cost in case of securities at the premium, from Held to Maturity (HTM) to Available for Sale (AFS) category. The revaluation of securities was undertaken immediately after transfer of securities to AFS category in conformity with regulatory guidelines.
- The value of sales and transfer of securities to/from HTM category (excluding the exempted transfer) did not exceed 5% of book value of the investment in HTM category at the beginning of the year.

10.4 The value of investments under three categories viz., Held for Trading, Available for sale and Held to maturity (Net of provisions held) are as under:

(₹ in Crores)

Particulars	As on 31.03.2021				As on 31.03.2022			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Govt. Securities	4.88	8962.12	21313.98	30280.98	0.00	7109.14	23303.48	30412.62
Other approved Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares (Equity & Pref.)	0.00	102.35	0.00	102.35	0.02	109.40	0.00	109.42
Debentures & Bonds	0.00	335.38	21.92	357.30	29.87	154.25	23.63	207.75
Subsidiaries	0.00	0.00	16.00	16.00	0.00	0.00	20.00	20.00
Sponsored Institutions	0.00	0.00	8.75	0.00	0.00	0.00	8.75	8.75
Others (incl. CDs,CPs, Venture Capital & Security receipts)	0.00	48.86	0.00	57.61	0.00	3076.45	0.00	3076.45
Total	4.88	9448.71	21360.65	30814.24	29.89	10449.24	23355.86	33834.99

11. Details of book value of investments in Security Receipts

(₹ in Crores)

Particulars	Backed by NPAs sold by the Bank underlying		Backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying		Total	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Book Value	86.52	77.65	5.38	4.55	91.90	82.20

12. Derivatives

12.1 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 counter parties 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

Schedule 18

"Notes on Consolidated Accounts"

12.2 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 31 st 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

12.3 Disclosures on Risk exposures in derivatives

a) 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.

b) Quantitative Disclosures

Sr. No.	Particulars	31.03.2022		31.03.2021		
		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 (1)					
	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

12.4 Forward Exchange contracts as on 31.03.2022

(₹ in Crores)

Period	Current Year
Up to 14 days	418.93
Beyond 14 day	1285.53
Total	1704.46



Schedule 18

"Notes on Consolidated Accounts"

13. Asset Quality a) Classification of advances and provisions held	Previous Year										Current Year									
	Sub-Standard					Non-Performing					Sub-Standard					Non-Performing				
	Standard	Doubtful	Loss	Total	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Gross Standard Advances and NPAs																				
Opening Balance	64961.87	967.44	4876.28	1111.03	6954.75	1648.29	4777.37	1245.97	71916.62	62255.61	1648.29	4777.37	1245.97	69927.24	62255.61	1648.29	4777.37	1245.97	69927.24	69927.24
Add: Additions during the year				350.87	350.87									106.89					106.89	
Less: Reductions during the year*				3565.08	3565.08									1823.77					1823.77	
Closing balance	68721.92	879.77	4206.68	1434.08	6520.54	967.44	4876.28	1111.03	75242.46	64961.87	967.44	4876.28	1111.03	71916.62	64961.87	967.44	4876.28	1111.03	71916.62	71916.62
*Reductions in Gross NPAs due to:																				
i) Upgradation		2166.81	1376.47	21.81	3565.08						211.55	1412.60	199.62	1823.77						
ii) Recoveries (excluding recoveries from upgraded accounts)					2257.45									288.90						
iii) Technical/ Prudential** Write-offs					544.23									38.42						
iv) Write-offs other than those under (iii) above					798.01									1203.49						
Provisions (excluding Floating Provisions)					5.39									12.96						
Opening balance of provisions held	432.74	171.23	3565.88	1108.18	4845.29				5278.03	421.18	757.51	3373.05	1245.97	5376.53	421.18	757.51	3373.05	1245.97	5376.53	5797.71
Add: Fresh provisions made during the year**					588.96									1031.32					1031.32	
Less: Excess provision reversed/ Write-off loans					748.92									1562.57					1562.57	
Closing balance of provisions held	432.85	142.40	3108.85	1434.08	4685.33				5168.18	432.74	171.23	3565.88	1108.18	4845.29	432.74	171.23	3565.88	1108.18	4845.29	5278.03
** ₹ 588.96 crore includes ₹ 335.61 crores utilized from Floating Provision as per RBI Circular No RBI/2021-22/28 DOR.SIF.REC.10/21.04.048/2021-22 dt May 05 2021																				
Net NPAs†																				
Opening Balance		738.83	1230.50	0.00	1969.33						847.22	1396.60	0.00	2243.82					2243.82	
Add: Fresh additions during the year					2541.91									75.57					75.57	
Less: Reductions during the year					2816.16									261.20					261.20	
Closing Balance ***		733.32	1016.78	0.00	1750.10						738.83	1230.50	0.00	1969.33					1969.33	
*** As per RBI notification RBI/2021-22/28 DOR.SIF.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 written-off accounts																				
Add: Technical/ Prudential write-offs during the year					3970.79									2809.18					2809.18	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					758.01									1203.49					1203.49	
Closing balance					132.20									41.89					41.89	
					4596.59									3970.79					3970.79	

Schedule 18

"Notes on Consolidated Accounts"

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	8.67	9.67
Net NPA to Net Advances	2.49	2.95
Provision Coverage Ratio	84.26	81.97

a) Sector-wise Advances and Gross NPAs (₹ in crores)							
S.No.		Current Year			Previous Year		
A.	Priority Sector	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
1	Agriculture & Allied Activities	8636.61	623.59	7.22%	8082.82	512.44	6.34%
2	Advances to Industries sector eligible as priority sector lending	3469.21	308.29	8.89%	2998.64	286.45	9.55%
3	Services	12955.26	757.76	5.85%	11933.79	766.49	6.42%
4	Personal Loans	4546.77	42.10	0.93%	4149.41	40.22	0.97%
	Sub-Total A	29607.85	1731.74	5.85%	27164.66	1605.60	5.91%
B	Non-Priority Sector						
1	Agriculture & Allied Activities	19.13	0.04	0.21%	638.28	285.80	44.78%
2	Industry	9108.90	2000.54	21.96%	10744.38	2356.44	21.93%
3	Services	11767.85	2510.24	21.33%	11179.71	2430.82	21.74%
4	Personal loans	24738.73	277.97	1.12%	22189.60	276.09	1.24%
	Sub-Total B	45634.61	4788.80	10.49%	44751.96	5349.15	11.95%
	Gross Total	75242.46	6520.54	8.67%	71916.62	6954.75	9.67%

13.1 .a) Details of stressed loans (NPAs) transferred during the FY 2021-22.

Details of stressed loans (NPAs) transferred during the FY 2021-22.			
All amounts in ₹ crores	To ARC's	To permitted transferees	To other Transferees (please specify)
No. of accounts	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	Nil	Nil	Nil



Schedule 18

"Notes on Consolidated Accounts"

Additional consideration realised in respect of accounts transferred in earlier years.	Nil	Nil	Nil
Details of loans (NPAs) acquired during the FY 2021-22.			
Aggregate principal outstanding of loans acquired	Nil	Nil	Nil
Aggregate consideration paid	Nil	Nil	Nil
Weighted average residual tenor of loans acquired	Nil	Nil	Nil

13.1. b) Details of stressed loans (i.e. loans classified as SMA) transferred during the year (FY 2021-22)

(₹ in Crores)

Details of stressed loans (i.e. loans classified as SMA) transferred during the year (FY 2021-22)			
(all amounts in ₹ Crores)	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NA	NA	NA
Weighted average residual tenor of the loans transferred	NA	NA	NA
Net book value of loans transferred (at the time of transfer)	NA	NA	NA
Aggregate consideration	NA	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA
Details of loans acquired during the year			
(all amounts in ₹ Crore)	From lenders listed in Clause 3	From ARCs	
Aggregate principal outstanding of loans acquired	NIL	NIL	
Aggregate consideration paid	NA	NA	
Weighted average residual tenor of loans acquired	NA	Na	

14. Provisions on Standard Assets

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Provision towards Standard Assets	482.85	432.74

15. Business Ratios

S.No.	Particulars	As on	
		31.03.2022	31.03.2021
(i)	Interest Income as a percentage to Working Funds*	6.63%	7.15%
(ii)	Non-Interest Income as a percentage to Working Funds*	0.65%	0.61%
(iii)	Cost of Deposits	3.65%	4.10%
(iv)	Net Interest Margin **	3.50%	3.51%
(v)	Operating Profit as a percentage to Working Funds*	0.91%	1.40%
(vi)	Return on Assets *	0.42%	0.38%
(vii)	Business (deposits plus advances) per employee*** (in ₹ crores)	13.87	14.48
(viii)	Profit per employee (in ₹ crore)	0.04	0.04

* Working funds and Assets are the average of monthly total assets as reported to RBI in Form X.

** Net Interest Margin is the Net Interest Income divided by average Earning Assets. Net Interest Income is the difference between the Interest Income and the Interest Expenses

*** Deposits (other than inter-bank deposits) & Gross Advances are as at the close of the year.

Previous period figures have been recast wherever necessary.

Schedule 18

"Notes on Consolidated Accounts"

16. Asset Liability Management

(i) Maturity Pattern of assets and liabilities as on 31-03-2022

(₹ In Crores)

	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	373.37	2331.05	2855.70	5212.28	615.32	546.05	4751.16	5189.82	46124.63	33119.61	12618.47	113737.46
Advances	406.64	995.26	1324.97	457.98	966.53	779.05	2024.51	5565.52	34234.76	11082.60	11578.78	69416.59
Investments	3425.87	299.82	490.62	52.61	591.57	164.83	542.68	10476.91	11689.00	4532.59	1518.75	33785.25
Borrowings	0	0	0	0	0	500	0	0	1502.24	368.58	0	2370.82
Foreign Currency assets	34.06	209.83	33.96	110.8	0.00	183.23	171.20	213.75	0.00	19.66	0	976.49
Foreign Currency liabilities	47.80	180.96	29.29	132.80	137.70	208.86	204.29	20.15	2.20	1.26	0	965.31

*Note: 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 RBI

*The above disclosure is as compiled and certified by the Bank's management.

17. Exposures

17.1 Exposure to Real Estate Sector*

(₹ in Crores)

S.No	Particulars	As on	
		31.03.2022	31.03.2021
1.	Direct Exposure		
	(i) Residential Mortgages	9614.35	8466.26
	Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (**includes Individual housing loans eligible for inclusion in priority sector amounting to ₹ 3802.99 Crores) (Previous Year ₹ 3518.76 Crores)		
	(ii) Commercial Real Estate	2613.12	3190.19
	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.		
	(iii) Investment in mortgage backed securities and other securitized exposures	-	-
	(a) Residential	-	-
(b) Commercial Real Estate	-	-	
2.	Indirect Exposure (Fund based & non-fund-based exposure on National Housing Bank and housing finance companies)	1981.11	1628.81
	Total Exposure to Real Estate	14208.58	13285.26

*The above disclosures are as compiled and certified by the Bank's management.



Schedule 18

"Notes on Consolidated Accounts"

17.2. 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;	77.88	73.08
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;	15.03	5.03
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	92.97	78.17

17.3 Risk category wise country exposure*

(₹ in Crores)

Category	Risk Category	Exposure (net) as at Mar 2022	Provisions held as at Mar 2022	Exposure (net) as at March 2021	Provisions held as at March 2021
A1	Insignificant	169.82	0.00	141.73	0.00
A2	Low	9.12	0.00	50.22	0.00
B1	Moderately Low	0.00	0.00	0.00	0.00
B2	Moderate	8.59	0.00	7.08	0.00
C1	Moderately High	0.00	0.00	0.00	0.00
C2	High	0.32	0.00	6.37	0.00
D	Very high	0.29	0.00	0.49	0.00
	Total	188.13	0.00	205.89	0.00

*The above disclosure is as compiled and certified by the Bank's management

18. Statement of loans & Advances secured by Intangible Assets viz. Rights, Licenses, and Authorizations etc.

(₹ in Crores)

Particulars	2021-22	2020-21
Total unsecured advances of the Bank	21213.43	15213.76
Out of the unsecured advances, 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
Factoring exposures: Nil		

Schedule 18

"Notes on Consolidated Accounts"

19. Disclosures relating to securitisation

S.No	Particulars	Mar 31 2022	Mar 31 2021
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	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
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	Nil	Nil
	• Others		
	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		

20. Penalty imposed by Reserve Bank of India

Penalty imposed by Reserve Bank of India during the year ₹ 1.01 crores (Previous year ₹ 0.03 crores)*.

S. No	Particulars	Amount (₹ in crores)
1	Penalty imposed by RBI on Currency Chests	0.01
2	Penalty imposed by RBI on account of contraventions of RBI circular on Lending to NBFCs	1.00
	Total	1.01

*Disclosures as per Accounting Standards (AS) in terms of RBI guidelines.



Schedule 18

"Notes on Consolidated Accounts"

21.1 Net profit or loss for the period, prior period items and changes in accounting policies (AS-5):

There are no material prior period items included in Profit & Loss Account during the current year, which require disclosure as per AS-5 (Previous year ₹1.59 crores).

For the preparation of the financial results, the Bank has followed the same accounting policies and generally accepted practices as adopted for the preparation of audited financial statements for the year ended March 31, 2021.

21.2 Revenue Recognition (AS-9)

There is no material deviation in the recognition of items of income, which are required to be disclosed as per AS-9, read with the RBI guidelines.

21.3 Employees Benefit* (AS-15)

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	
	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022
Discount Rate	6.95%	7.3%	6.95%	7.31%	6.95%	7.3%
Expected Return on Plan Assets	7.0%	7.0%	7.0%	7.0%	NA	NA
Rate of Escalation in salary	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Attrition Rate	1%	1%	1%	1%	1%	1%

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 01.04.2021	1,622.56	739.55	435.21
Interest Cost	94.70	51.95	28.96
Current Service Cost	75.44	57.71	32.08
Benefits paid	(650.60)	(55.76)	(37.00)
Actuarial loss/ (gain) on obligations (Balancing figure)	1,014.47	139.76	10.07
Present Value of Obligations, 31.03.2022	2,156.57	933.21	469.32

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 01.04.2021	1,599.97	737.62	0.00
Expected return on Plan assets	131.32	58.21	0.00
Contributions by Bank	963.58	181.93	37.00
Benefits paid	(650.60)	(55.76)	(37.00)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	107.73	3.43	0.00
Fair Value of Plan Assets, 31.03.2022	2,152.00	925.43	0.00

Schedule 18

"Notes on Consolidated Accounts"

IV - Actual return on Plan Assets

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	131.32	58.21	0.00
Actuarial (loss)/ gain on Plan Assets	107.73	3.43	0.00
Actual Return on Plan Assets	239.05	61.64	0.00

V - Net Actuarial Gain/ (loss) recognized

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial gain/ (loss) for the period - Obligation	(1014.47)	(139.76)	(10.07)
Actuarial gain/ (loss) for the period - Plan Assets	107.73	3.43	0.00
Total Gain/ (Loss) for the period	(906.74)	(136.32)	(10.07)
Actuarial gain or (loss) recognized in the period	(906.74)	(136.32)	(10.07)
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 Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2022	2,156.57	933.21	469.32
Fair Value of Plan Assets, 31.03.2022	(2,152.00)	(925.43)	0.00
Difference	4.57	7.78	469.32
Unrecognized Transitional Liability	0	0	0
Unrecognized Past Service cost-vested benefits-Carried Forward	0	0	0
Liability Recognized in the Balance Sheet	4.57	7.78	469.32
Negative amount determined under Paragraph 55 of AS-15(R)	-	-	-
Present value of available refunds and reductions in future contributions	-	-	-
Resulting asset as per Paragraph 59 (b) of AS-15 (R)	-	-	-

VII-Expense recognized in Profit and Loss Statement

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	75.44	57.71	32.08
Interest Cost	94.70	51.95	28.96
Expected return on Plan assets	(131.32)	(58.21)	0.00
Net Actuarial gain/ (loss) recognized in the year	906.74	136.32	10.07
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	945.56	187.78	71.11

VIII-Movement in Net liability to be recognized in Balance Sheet

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	22.59	1.93	435.21
Expenses	945.56	187.78	71.11
Contributions/ Benefits paid	(963.58)	(181.93)	(37.00)
Closing Net Liability (Liability recognized in B/S in current period)	4.57	7.78	469.32



Schedule 18

"Notes on Consolidated Accounts"

IX - Amount for the Current Period

(₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligations, 31.03.2022	2156.57	933.21	469.32
Fair Value of Plan Assets, 31.03.2022	2152.00	925.43	0.00
Surplus/(Deficit) before unrecognized past service cost	4.57	7.78	(469.32)
Experience Adjustments in Plan Liabilities - (loss)/ gain	(842.82)	(202.00)	(25.39)
Experience Adjustments in Plan Assets (loss) / gain	107.73	3.43	0.00

X - Major Categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1.20	0.75
State Government Securities	0	49.64
High Quality Corporate Bonds	0	39.52
Equity Shares of listed companies	0	4.40
Funds managed by Insurer	98.80	0.81
Other- Bank Deposits and CD's	0	4.88
Treasury Bills	0	0
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	675.00	195.00

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(R).

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-15R.

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.

Schedule 18

"Notes on Consolidated Accounts"

21.4 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:

CONSOLIDATED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31 ST MARCH, 2022	YEAR ENDED 31.03.2022 (AUDITED)	YEAR ENDED 31.03.2021 (AUDITED)
PARTICULARS		
1) Segment Revenue (Income)		
i) Treasury Operations	2146.45	2286.42
ii) Corporate/Wholesale Banking	1661.32	1888.79
iii) Retail Banking	5726.12	5448.82
iv) Other Banking Business	62.59	52.98
v) Un-Allocated Business	0.00	0.00
Total :-	9596.48	9677.01
Less: Inter Segment Revenue	793.09	864.43
Net Income from Operations	8803.39	8812.58
2) Segment Results		
i) Treasury Operations	149.30	300.67
ii) Corporate/Wholesale Banking	663.51	(2.99)
iii) Retail Banking	1365.92	1317.98
iv) Other Banking Business	60.91	51.42
v) Un-Allocated Business	(1492.92)	(1128.78)
Profit/(Loss) from Ordinary Activities (Before Tax)	746.72	538.30
Less: Tax Expenses/(credit)	242.28	103.50
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) before share in profit/(loss) of Associates	504.44	434.80
Add/(Less): Share in Profit/(Loss) of Associates	(9.59)	(6.35)
Net Profit/(Loss) After Tax	494.85	428.45
3) Segment Assets		
i) Treasury Operations	47452.67	41357.38
ii) Corporate/Wholesale Banking	19048.40	21203.62
iii) Retail Banking	64074.86	57711.76
iv) Other Banking Business	0.10	0.11
v) Un-Allocated Business	0.00	0.00
Total:-	130576.03	120272.87
4) Segment Liabilities		
i) Treasury Operations	13.15	43.05
ii) Corporate/Wholesale Banking	30415.37	28068.32
iii) Retail Banking	92153.09	85359.17
iv) Other Banking Business	10.81	0.06
v) Un-Allocated Business	0.00	0.00
Total:-	122592.42	113470.60
5) Capital Employed		
(Segment assets-Segment Liabilities)		
i) Treasury Operations	47439.52	41314.33



Schedule 18

"Notes on Consolidated Accounts"

ii) Corporate/Wholesale Banking	(11366.97)	(6864.70)
iii) Retail Banking	(28078.23)	(27647.41)
iv) Other Banking Business	(10.71)	0.05
v) Un-Allocated Business	0.00	0.00
Total :-	7983.61	6802.27

ii) As the Bank does not have any overseas branch there is no requirement as to reporting of Geographical Segment.

21.5 Accounting Standard 18 - Related party disclosures as on 31.03.2022 (₹ In Crores)

Items/Related Party	Particulars	J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1158.98	7.61	As per note below
	Maximum Balance during the year	1277.06	22.91	
Advances	Balance as on date	11.67*	7.60	
	Maximum Balance during the year	149.17	10.15	
Investments	Balance as on date	34.01	20.00	
	Maximum Balance during the year	34.01	20.00	
Interest Paid		61.89	0.12	
Interest/Commission Received		0.54	0.39	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.30	
Transfer of Current Assets/ Liabilities(Net)		NIL	0.00	
IT Support Services		0.89	NIL	
Outstanding with Associate/Subsidiary		NIL	0.00	

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

*₹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 Limited on 28.04.2017. The Bank subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹ 102 lakh. The Bank incurred an expenditure of ₹ 82,18,047.00 towards incorporation expenses for the company. An amount of ₹ 41,91,203.97 (being 51% of incorporation expenses) is receivable from Government of Jammu and Kashmir. The Promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not paid up for their respective shares towards the capital of the company. In the meantime the promoters have also decided to windup the company and the Bank in turn 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 under consideration of ROC.

Salary to key Managerial Person (KMP) (₹ In Lakhs)

Items/Related Party	K.M.P				
	Mr. Rajesh Kumar Chhibber (Chairman & MD)	Mr. Baldev Prakash (MD & CEO)	Ms. Rajni Saraf (CFO)	Mr. Balvir Singh Gandhi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2021-22	From 01.04.2021 to 30.12.2021	From 30.12.2021 to 31.03.2022	From 01.04.2021 to 29.12.2021	From 29.12.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022
Salary	49.33	12.99*	25.61*	8.14*	24.33

* In addition to the above, superannuation and / or other perquisites of Rs. 1.74 lakhs, 2.56 lakhs and 1.04 lakhs were paid to Mr. Baldev Prakash, Ms. Rajni Saraf and Mr. Balvir Singh Gandhi respectively.

21.6 Leases (AS-19)

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.

Schedule 18

"Notes on Consolidated Accounts"

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 ₹ 77.79 crores (previous year being ₹ 77.24 crores)

21.7 Accounting standard 20 - Earning per share

	31.03.2022	31.03.2021
Net Profit available to Equity Share Holders (in Crores)	494.85	428.45
No. of Equity Shares (Weighted Average)	830751542	713450938
Basic/Diluted Earnings per share (in ₹)	5.96	6.01
Face value per share	₹1/-	₹1/-

21.8 Consolidated Financial Statements (AS-21)

The Bank has a fully owned subsidiary company "JKB Financial Services Ltd." In terms of the approval of Reserve Bank of India vide its letter No DBOD.FSD.No./1124/24.01.001/2007-08 dated July 31, 2007. The investment towards the capital of subsidiary company is ₹ 20.00 Crores (Previous Year ₹ 20.00 Crores). The consolidated financial statements are placed accordingly in terms of AS 21.

21.9 Accounting for taxes on income (AS-22)

The Bank has accounted for Income Tax in compliance with Accounting Standard-22 accordingly Deferred Tax Assets and Liabilities are recognized.

(₹ In Crores)

Timing Difference	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Depreciation on Assets	-	38.09	-	42.94
Leave Encashment/Gratuity/Pension/Bonus	121.36	-	109.53	-
Special Reserve	-	31.00	-	31.00
Wage Revision	-	-	-	-
Bad & Doubtful Assets	187.01	-	229.49	-

Net Deferred Tax Asset as on 31.03.2022 : ₹ 239.28 crores (Previous Year ₹ 265.08 Crores)

Tax Impact for the year : ₹ 25.80 crores (Previous Year ₹ 65.30 Crores)

21.10 Accounting for Investment in Associates (Consolidated Financial Statements) (AS-23)

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). The consolidated financial statements are placed accordingly in terms of AS 23.

21.11 Intangible Assets (AS-26)

The Bank has incurred an amount of ₹ 0.56 crores (previous year, ₹ 0.71 crores) on Brand names bifurcated into two heads namely Business Unit Signage and Brand Strategy Project. Expenditure on Business Unit Signage amounting to ₹ 0.07 crores (previous year, ₹ 0.17 crores) has been debited under the head Furniture & Fixture, whereas, Brand Strategy Project expenses amounting to ₹ 0.48 crores (Previous year, ₹ 0.54 crores) has been charged to Profit & Loss account treating it as a Revenue expenditure. Accordingly, the Bank has not evaluated useful life of this Brand Strategy Project over which the expenses could be amortized.

Further, the Bank has incurred an amount of ₹ 26.45 crores (previous year ₹ 38.77 crores) on account of purchase of computer software, not forming integral part of computers, and has capitalized the cost of the same.

21.12 Impairment of Assets (AS-28)

Majority of Fixed Assets of the Bank are considered as Corporate Assets and not cash generating assets and in the opinion of Management there is no material impairment in these Fixed Assets. Regarding other Fixed Assets generating cash there is no material impairment. As such no provision is required as per AS-28.



Schedule 18

"Notes on Consolidated Accounts"

21.13 Provisions, Contingent Liabilities and Contingent Assets (AS-29)

In respect of Contingent Liabilities under each class shown as per Schedule 12, in the opinion of the Management, the possibility of any out flow in settlement is remote.

No provision has been made during the financial year (as against previous year where a provision of ₹ 88.15 lakhs were released). The Bank holds provision amounting ₹ 1169.83 lakhs (previous year ₹ 1169.83 lakhs) upto 31-03-2022 against claims decreed against the Bank. Claims have not been acknowledged as debts owing to the appeal filed by the Bank before the court of competent jurisdiction, pending adjudication.

22. 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, 2022 are given below:

(₹ 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 i.e. September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	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 i.e. March 31, 2022
Personal Loans	489.97	0.00	0.00	205.21	599.12
Corporate persons*	315.19	1.68	0.00	0.00	345.51
Of which MSMEs	61.64	3.31	0.00	0.00	84.40
Others	100.45	0.00	0.00	6.74	105.43
Total	967.25	4.99	0.00	211.95	1134.46

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

23. Provisions and Contingencies

(₹ In Crores)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	(20.66)	30.61
ii) Provision towards NPA	253.35	1023.14
iii) Provision made towards Income tax	241.14	101.95
iv) Other Provisions and Contingencies (with details)	123.99	(3.51)

The break-up of "Provisions and Contingencies" shown under the head "Expenditure in Profit and Loss Account" is as under:

(₹ in Crores)

STANDALONE DETAILS OF PROVISIONS			
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
1	Provision for Taxes (A+B)	241.14	101.95
	A. Income Tax	215.34	36.65
	B. Deferred Tax	25.80	65.30
2	Provision for Bad & Doubtful Debts	253.35	1023.15
3	Provision for Standard Assets	81.04	11.57
4	Provision for Non Performing Investment	-20.66	30.61
5	Provision for Depreciation on Investments	36.92	0.72
6	Provision for diminution in the fair value of restructured/rescheduled advances	-21.79	-13.40
7	Provision for Contingent Liabilities	0.00	-0.88
8	Provision for Contingencies	27.74	0.00
9	Provision for Frauds/ Embezzlements (other than Advances)	0.07	-1.52
	Total	597.82	1152.19

Schedule 18

"Notes on Consolidated Accounts"

24. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI has indefinitely deferred implementation of IND AS in Banks. The bank had floated RFP in the current year for hiring of consultant for implementation of IND AS but could not complete the process. Bank had previously availed the services of a consultant for implementation of Ind AS and several phases were completed for implementation of same, but consultant did not complete the assignment and Performa financials as per IND AS were not complete in all respects for submission to RBI and his services were terminated. The Bank will again start the process for hiring of a consultant for implementation of Ind AS.

25. Investments (Floating Provision)

(₹ in Crores)

Particulars	As on	
	31.03.2022	31.03.2021
Opening balance	2.76	2.76
Additions made during the year	NIL	NIL
Utilization made during the year	NIL	NIL
Closing balance	2.76	2.76

26. Customer Complaints and grievances

Summary information on complaints received by the bank from customers and from the OBOs

Sr. No	Particulars	Previous year (FY 2020-21)	Current year (FY 2021-22)
Complaints received by the Bank from its customers			
1.	Number of complaints pending at beginning of the year	16	20
2.	Number of complaints received during the year	772	636
3.	Number of complaints disposed during the year	768	645
3.1	Of which, number of complaints rejected by the Bank		
4.	Number of complaints pending at the end of the year	20	11
Maintainable complaints received by the Bank from OBOs			
	Number of maintainable complaints received by the Bank from OBOs	694	944
5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	666	866
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	60	71
5.3	Of 5, number of complaints resolved after passing of Awards by BOs 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 <u>BO Scheme 2006</u> and covered within the ambit of the Scheme			

Note:

* Number of BO complaints pending at the beginning of FY2021-22 ----- 2

** Number of BO complaints pending at the end of FY2021-22 ----- 9



Schedule 18

"Notes on Consolidated Accounts"

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 (FY 2021-22)					
Ground - 1 (Levy of charges without prior notice/ excessive charges / foreclosure charges)	0	2	100	0	0
Ground - 2 (Staff Behavior)	1	23	-75	1	0
Ground - 3 (Loans and Advances)	0	135	-13	2	0
Ground - 4 (Internet/ Mobile Banking/ E-Banking)	0	2	-86	0	0
Ground - 5 (ATM/ Debit Cards)	0	27	-3	0	0
Others	19	447	-7	8	0
Total	20	636	-17	11	0
Previous Year (FY 2020-21)					
Ground - 1 (Levy of charges without prior notice)	0	1	100	0	0
Ground - 2 (Staff Behavior)	0	92	29	1	0
Ground - 3 (Loans and Advances)	2	156	108	0	0
Ground - 4 (Internet/ Mobile Banking/ E-Banking)	0	15	1400	0	0
Ground - 5 (ATM/ Debit Cards)	0	28	133	0	0
Others	14	480	89	19	0
Total	16	772	87	20	0

27. Foreign Exchange

- The net funded exposure of the Bank in respect of Foreign Exchange transactions with each country is within 1% of the Total Assets of the Bank and hence no Provision and Disclosure is required to be made as per the RBI Circular No. 96/21.04.103/2003 dated: 17.06.2004.
- Claims pending with ECGC is NIL (Previous year ₹ 12.78 crores)

28. Letter of comfort (LOC's) issued by the Bank

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 2021-22

29. Bancassurance Business

The Bank has tie ups with PNB MetLife India Insurance Company Limited for mobilizing life insurance business and Bajaj Allianz General Insurance Company Ltd and IFFCO Tokio General Insurance Company Ltd for mobilizing general

Schedule 18

"Notes on Consolidated Accounts"

(non-life and health) insurance business. The details of the commission earned by the Bank during FY 2021-22 on account of mobilizing said business is given hereunder: - (₹ in Crores)

S.No.	Nature of income	Amount FY 2021-22	Amount FY 2020-21
1	For selling Life Insurance Policies of PNB MetLife	41.44	33.50
2	For selling Non-Life Insurance Policies of Bajaj Allianz	17.64	16.04
3	For Selling Non-Life Insurance Policies of IFFCO Tokio	3.05	2.96
Total		62.13	52.50

30. Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken are as under: (₹ in Crores)

S.No	Nature of income	Amount FY 2021-22	Amount FY 2020-21
1	Commission from JKBFSL on opening DEMAT Accounts	0.02	0.00
2	Commission from JKBFSL on mobilizing Mutual Funds	0.01	0.00
3	Service Charges from PMFBY	0.15	0.00
Total		0.18	0.00

31. Disclosure under RBI Circular FIDD.CO.PlanBC.23/04.09.01/2015-16 dated April 7, 2016 on Sale & Purchase of Priority Sector Lending Certificates (PSLCs)

DETAILS OF PRIORITY SECTOR LENDING CERTIFICATES PURCHASED DURING FY 2021-22 TO AUGMENT PSL ACHIEVEMENTS		
TYPE OF PSLCs	PSLCs Counting For	Currency Face Value in Crores
PSLC AGRICULTURE	Achievement of Agriculture Target & Overall PSL Targets	895.50
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	100.00
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	474.50
SMALL & MARGINAL FARMERS	Achievement of Small & Marginal & Small Farmers Sub-Target, Agriculture Target & Overall PSL Targets	500.00
TOTAL		1970.00

Disclosure under RBI Circular FIDD.CO.PlanBC.23/04.09.01/2015-16 dated April 7, 2016 on Sale & Purchase of Priority Sector Lending Certificates (PSLCs)

DETAILS OF PRIORITY SECTOR LENDING CERTIFICATES SOLD DURING FY 2021-22 TO OFF LOAD EXCESS PSL ACHIEVEMENTS		
TYPE OF PSLCs	PSLCs Counting For	Currency Face Value in Crores
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	500.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	500.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	20.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	150.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	450.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	62.50



Schedule 18

"Notes on Consolidated Accounts"

PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	50.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	50.00
PSLC MICRO ENTERPRISES	Achievements of Micro Enterprises Sub-Target & Overall PSL Target	217.50
TOTAL		2000.00

32. Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S.No	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	128.88	117.70
ii)	Arrears in payment of DICGC premium	Nil	Nil

33. Concentration of Deposits, Advances, Exposures & NPA's

33.1 Concentration of Deposits

Particulars	31-03-2022	31-03-2021
Total Deposits of 20 largest depositors (₹ in Crores)	9899.72	8827.82
Percentage of 20 largest deposits to total Deposits of the Bank	8.63%	8.17%

33.2 Concentration of Advances

Particulars	
Total Advances to twenty largest borrowers (₹ in Crores)	9396.12
Percentage of advances of twenty largest borrowers to Total Advances of the Bank	12.49%

33.3 Concentration of Exposures

Particulars	
Total Exposure to twenty largest borrowers/customers (₹ in Crores)	11044.73
Percentage of exposures to twenty largest borrowers /customers to Total exposure of the bank on borrowers/ customers	11.96%

33.4 Disclosure of transfer of loan exposures

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	- NIL	- NIL	- NIL
Aggregate principal outstanding of loans transferred	- NIL	- NIL	- NIL
Weighted average residual tenor of the loans transferred	- NIL	- NIL	- NIL
Net book value of loans transferred (at the time of transfer)	- NIL	- NIL	- NIL
Aggregate consideration	- NIL	- NIL	- NIL
Additional consideration realized in respect of accounts transferred in earlier years	- NIL	- NIL	- NIL

Schedule 18

"Notes on Consolidated Accounts"

Details of loans acquired during the year		
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	- NIL	- NIL
Aggregate consideration paid	- NIL	- NIL
Weighted average residual tenor of loans acquired	- NIL	- NIL

34. Concentration of NPA's

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Exposure to top twenty NPA accounts (₹ in Crores)	3613.22	3977.96
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	6520.54 55.41%	6954.75 57.20%

35. Movement of NPA's

(₹ in Crores)

Particulars	FY 2021-22	FY 2020-21
1) NPA at the beginning of the FY	6954.75	7671.63
2) Additions during FY	3130.87	1106.89
A-Total (1+2)	10085.62	8778.52
Recovery effected during FY		
a) Due to Upgradation	2257.45	288.90
b) Due to write-off	5.39	12.96
c) Due to Technical Write Off	758.01	1203.49
d) Due to Compromise/Settlement	29.31	34.89
e) Actual recovery effected	514.93	283.52
B-Total (a+b+c+d+e)	3565.08	1823.77
Total NPA at the end of the FY (A-B)	6520.54	6954.75

36. Sector wise NPA's

S No	Sector	Percentage of NPA to Total advances in that sector
1	Agriculture & Allied activities	7.20%
2	Industry (Micro & Small Medium and Large)	18.36%
3	Services	13.22%
4	Personal Loans	1.09%

37. Overseas Assets, NPA's and Revenues

(₹ in Crores)

Particulars	Current Year	Previous Year
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL



Schedule 18

"Notes on Consolidated Accounts"

38. Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

39. Divergence in the asset classification and provisioning:

As per RBI Master Direction No. DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated as on 15.11.2021) on financial statements - preparation and disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

- the additional provisioning for NPAs assessed by Reserve Bank of India as part of its supervisory process, exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- The additional Gross NPAs identified by the Reserve Bank of India as part of its supervisory process exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2021.

40. Details on the number and amount of frauds as well as the provisioning thereon are given below:

Particulars	FY 2021-22	FY 2020-21
Number of frauds reported	19	23
Amount involved in fraud (₹ in Crores)	246.16	1519.62
Amount of provision made for such frauds (₹ in Crores)	244.61	1515.6
Amount of Unamortised provision debited from other reserves as at the end of the year (₹ in Crores)	--	--

The Bank has provided 100% provisioning against the Fraud Amount as on 31st March, 2022.

41. The Bank follows policy of providing interest on overdue time deposits at Saving Bank interest rates in conformity with guidelines of Reserve Bank of India.

42. Corporate Social Responsibility (CSR Activities)

Pursuant to section 135 of the Companies Act 2013, it is required to expend 2% of the average net profits made during three immediately preceding financial years for CSR activities. Accordingly, Bank is required to spend ₹ 0.63 crores (Previous year ₹ Nil) for twelve months period ended 31st March 2022 against which Bank has spent ₹ 0.63 crores (Previous year ₹ NIL).

- 43.
- In Compliance to RBI Letter No. DBR.NO.BP.13018/21.04.048/2015-16 dated April 12, 2016, Bank is required to make a provision @ 15% of the existing outstanding balance under Food Credit availed by State Government of Punjab. Now, the RBI vide letter no. BVV.BP.S 7201/21.04.132/2017-18 dated 08 February 2018 has allowed banks to write back the provision of 10%. However, our Bank continues to maintain 5% provision and has maintained a provision of ₹ 7.86 crore against balance outstanding of ₹ 157.18 crores as on 31.03.2022 under Food credit availed by State Government of Punjab.
 - In terms of RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts admitted under the provisions of Insolvency & Bankruptcy Code (IBC), the Bank is holding total provision of ₹ 325.74 Crores (Aggregate provision of RBI List 1 and List 2 accounts) as on March 31, 2022 (100% of Gross NPA advances).
 - 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, 2022 (Total provision as on March 31, 2022 is ₹425.14 Crores) as detailed below:

Schedule 18

"Notes on Consolidated Accounts"

(₹ in Crore)

Amount of loans impacted by RBI Circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2022 out of (b) classified as NPA	Provision held as on 31.12.2021	Additional provision made during quarter ended 31.03.2022	Provision held as on 31.03.2022
(a)	(b)	(c)	(d)	(e)	(f)
430.39	430.39	430.39	416.21	0.00	425.14

Note - There is no requirement of additional provision during quarter ended 31/03/2022. The difference between provision held on 31/12/2021 (₹416.21 Crores) and Provision held on 31/03/2022 (₹425.14 Crores) is ₹ 8.93 crore, which is due to the movement in asset classification of one of the accounts namely Hindustan Construction Company Ltd from DF-1 to DF-2 category.

- d) Reserve Bank of India (RBI) vide Circular no DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 04, 2019 has issued instructions to all scheduled commercial banks regarding introduction of external bench mark based lending. RBI vide the aforementioned circular directed that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the external benchmarks as mentioned in the aforesaid circular. RBI further vide circular no DOR.DIR.BC.No.39/13.03.00/2019-20 dated February 26, 2020 decided that all new floating rate loans to the Medium Enterprises extended by banks from April 01, 2020 shall be linked to the external benchmarks. In compliance to RBI direction bank introduced Repo Linked Lending Rate benchmarked to the RBI's Policy Repo Rate with effect from October 01, 2019.

44. Micro Small and Medium Enterprises Development Act

With regard to disclosure relating to MSME under the Micro Small & Medium Enterprises Development Act 2006, payments to Micro and Small Enterprises suppliers has not exceeded 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of Section 9 of the Micro Small & Medium Enterprises Development Act 2006 (27 of 2006).

45. Movement in Provisioning for Credit Card Reward Point is set out below

(₹ in Crore)

Particulars	Amount
Opening Provision Balance as on 01.04.2021	0.84
Provisions made during the Year	4.21
Redemption made during the Year	4.08
Closing Provision Balance as on 31.03.2022	0.97

46. Intra-Group Exposure

(₹ in Crore)

	Current Year	Previous Year
Total Amount of intra-group Exposure	15.00	7.70
Total Amount of top-20 intra group exposures	15.00	7.70
Percentage of intra -group exposures to total exposures of the bank on borrowers/ customers	0.02%	0.00%
Details of breach of limit on intra-group exposures and regulatory action thereon, if any	NIL	NIL

47. Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in Crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Opening balance of DEAF Fund	200.50	147.57
Add:- Amounts transferred to DEAF (During the Year)	48.38	55.43
Less : Amounts reimbursed by DEAF towards claims during the year (only principal)	4.58	2.50
Closing balance of DEAF Fund	244.30	200.50



Schedule 18

"Notes on Consolidated Accounts"

48. Un-hedged 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 31.03.2022	Previous Year 31.03.2021
Opening balance	1.96	1.80
Additions during the Year	2.32	1.10
Deductions during the Year	1.58	0.94
Closing balance	2.70	1.96

The capital held by the Bank towards the foreign currency exposure amounts to ₹ 3.03 crores (previous year ₹ 3.92 crores)

49. 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 RBI/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 ₹ 7.25 Crores & ₹ 14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2022 respectively and the balance unamortized expense of ₹ 58.00 Crores has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit for the year ended March 31, 2022 would have been lower by ₹ 43.40 Crores.

50. The Bank has accounted for following Exceptional Items:

The Board has accorded approval for creating of corpus for funding of entire Medical Allowance and of 60% of Adjustment pay (formerly called Variable pay) components of the Pension Fund to the tune of ₹ 319.36 Crores. Accordingly the Bank has charged the entire amount to the Profit and Loss account during the year ended 31st March 2022, out of which ₹ 270 crores has been accounted for as Exceptional Item.

51. Other Expenditures/Miscellaneous Income:

During the year the following expenditures incurred were more than 5% of the total other expenditures of ₹ 465.03 Crores:

(₹ In Crores)

Sn.	Expense Head	₹ Crore	% to Other Expenses
1.	Wages to Armed Guards / Temporary staff	86.62	19%
2.	NPA Principal Waiver	29.60	6%
3.	IT Services	48.99	11%
4.	Card Processing/ Transaction Charges	88.32	18.99%

During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income of ₹ 8794.41 Crores:

(₹ In Crores)

Sn.	Expense Head	₹ Crore	% to Other Expenses
1.	Minimum Balance Charges	88.34	1.00%
2.	Release of Technical Write-off	113.21	1.29%
3.	Income On Card Business	140.14	1.59%

Schedule 18

"Notes on Consolidated Accounts"

52. Liquidity Coverage Ratio (LCR)

(₹ in Crores)

		Quarter March 2022		Quarter December 2021		Quarter September 2021		Quarter June 2021	
		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 (HOLA)	34249.01	34245.95	32335.34	32307.36	33133.11	33115.13	34977.00	34959.02
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	71609.80	5032.82	48859.67	3131.86	47960.40	3067.86	48460.83	3087.34
(i)	Stable deposits	42563.12	2128.16	35166.05	1758.30	34564.05	1728.22	35174.81	1758.74
(ii)	Less stable deposits	29046.68	2904.67	13693.62	1373.56	13396.35	1339.63	13286.02	1328.60
3	Unsecured wholesale funding ,of which	24452.24	11641.53	14921.54	7062.79	14671.58	6955.76	14905.86	6931.16
(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)	24452.24	11641.53	14921.54	7062.79	14671.58	6955.76	14905.86	6931.16
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5	Additional requirements of which	32.36	32.36	42.45	42.45	29.88	29.88	24.60	24.60
(i)	Outflows related to derivative exposure and other collateral requirements	32.36	32.36	42.45	42.45	29.88	29.88	24.60	24.60
(ii)	outflows related to loss of funding on debt products	0	0	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	7462.69	714.89	7240.14	690.35	7067.58	719.84	7611.01	686.05
7	Other contingent funding Obligations	4334.01	158.62	3651.74	122.98	3636.51	121.66	3234.54	103.56
8	Total cash outflows	107891.11	17580.23	74715.53	11050.43	73365.94	10894.99	74236.84	10832.71
Cash Inflows									
9	secured Lending (e.g. reverse repo)	4474.87	0.42	3582.25	0.00	5125.23	0.00	5166.36	0.00
10	Inflows from fully performing exposure	2085.95	1197.07	2473.75	1455.97	2460.70	1457.85	2530.09	1516.63
11	Other cash inflows	9.57	9.57	0.82	0.82	0.00	0.00	0.00	0.00
12	Total cash inflows	6570.39	1207.06	6056.81	1456.79	7585.93	1457.85	7696.45	1516.63
TOTAL HQLA		34249.01	34245.95	32335.34	32307.36	33133.11	33115.13	34977.00	34959.02
Total Net Cash Outflows		101320.72	16373.17	68658.72	9593.64	65780.02	9437.14	66540.39	9316.08
Liquidity Coverage ratio (%)			209.16%		336.76%		350.90%		375.25%

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2022

Qualitative disclosure for LCR:

Liquidity Coverage Ratio (LCR) BLR-1 aims to ensure that a bank maintains an adequate level of unencumbered High-Quality Liquidity Assets (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The Bank has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. Bank has put in place Contingency Funding Plan approved by the Board. The contingency Funding Plan includes stored Liquidity in the form of 1% of NDTL in the shape of excess SLR and 2% in the shape of CD's/Liquid Funds or 3% in any of the two i.e., excess SLR or CD's/Liquid Funds. These investments can be liquidated any time to generate cash and maintain sufficient liquidity for funding, growth and meeting repayment obligations. LCR is being computed strictly as per RBI guidelines issued vide circular BOD.BP.BC.No. 120/21.04.098/2013-14 and subsequent amendments issued by RBI. HQLA primarily include government securities in excess of minimum Statutory Liquidity Ratio



Schedule 18

"Notes on Consolidated Accounts"

(SLR), the extent allowed under the marginal Standing Facility to avail Liquidity for LCR (FALLCR). Cash and balances in excess of cash reserve requirement with RBI also constitute HQLA.

Average LCR of the Bank was 209.16% for quarter March 2022 which is well above the regulatory requirement of 100% prescribed by RBI. 18 data points have been used to arrive at Average LCR.

LCR statement in the prescribed format is submitted to RBI at the end of every month and put up to the Board and Management as part of ICAAP at quarterly intervals.

53. Net Stable Funding ratio (NSFR)

Quantitative Disclosure: The following table contains the unweighted and weighted values of the NSFR components.

Annexure IX						
NSFR Disclosure Template (₹ in Crores)						
S.No.	ASF Item	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
1	Capital: (2+3)	8078.68	0.00	0.00	14769.18	22847.86
2	Regulatory capital	8078.68	0.00	0.00	1560.00	9638.68
3	Other capital instruments/term deposit with residual maturity of 1 year or more	0.00	0.00	0.00	13209.18	13209.18
4	Retail deposits and deposits from small business customers: (5+6)	61566.86	16121.09	14203.93	0.00	84105.95
5	Stable deposits	18628.37	4948.65	4487.93	0.00	26661.71
6	Less stable deposits	42938.48	11172.44	9716.00	0.00	57444.23
7	Wholesale funding: (8+9)	0.00	7718.53	2701.57	0.00	4959.31
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	0.00	7718.53	2701.57	0.00	4959.31
10	Other liabilities: (11+12)	5414.04	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	5414.04	0.00	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					111913.14
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1522.16
15	Deposits held at other financial institutions for operational purposes	111.50	0.00	0.00	0.00	55.75
16	Performing loans and securities: (17+18+19+21+23)	623.51	16565.64	9097.51	47229.88	49667.63
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	974.60	0.00	0.00	146.19

Schedule 18

"Notes on Consolidated Accounts"

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:	0.00	113420.7	9097.51	35027.91	38629.09
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.0	8282.48	5383.61
21	Performing residential mortgages, of which:	0.00	0.00	0.00	12164.10	8422.13
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	9586.75	6231.39
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	623.51	4248.97	0.00	37.86	2470.40
24	Other assets: (sum of rows 25 to 29)	6307.38	0.00	0.00	6926.45	9250.84
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	8.35	0.00	0.00	110.06	100.64
27	NSFR derivative assets		0.00	0.00	1.93	1.93
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.39	0.39
29	All other assets not included in the above categories	6299.03	0.00	0.00	6814.06	9147.86
30	Off-balance sheet items	0.00	0.00	1824.90	0.00	91.24
31	Total RSF (14+15+16+24+30)					60587.84
32	Net Stable Funding Ratio (%)					185%

DISCLOSURE ON NET STABLE FUNDING RATIO AS ON 31.03.2022

Qualitative disclosure for NSFR

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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

The above ratio should be equal to at least 100% on an ongoing basis

Bank's NSFR comes to 185% as at the end of the quarter Q4 (FY 2021-22) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.03.2022 stood at ₹ 111913.14 crores and amount for Required Stable Funding (RSF) as on 31.03.2022 was ₹ 60587.64 crores. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. The amount of stable funding required (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its Off-Balance Sheet (OBS) exposures



Schedule 18

"Notes on Consolidated Accounts"

54. Disclosure 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 comprises of following members of the Board as on 31.03.2022. Mr. Naba Kishore Sahoo (Chairman N&RC) Dr. Rajeev Lochan Bishnoi Mr. Umesh Chandra Pandey
	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: <ol 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

Schedule 18

"Notes on Consolidated Accounts"

		Quantitative Disclosure			
		Particulars	31.03.2022	31.03.2021	
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Material Risk Takers)	g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	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	The Committee met six times during the year and total sitting fee of ₹ 7,20,000.00* 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.	NA	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	31* *Identified as per the Compensation Policy of the Bank	Not Applicable	
	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 FY2021-22 was ₹ 11.25 lacs.* Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2021-22): 5.59X ➤ Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2020-21 was ₹ 14.23 lacs.* Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2020-21): 4.79X 		

Note: Mean pay for FY 2020-21 is more than the mean pay for FY 2021-22 due to the reason that the mean pay for 2020-21 includes the wage revision arrears.



Schedule 18

"Notes on Consolidated Accounts"

55. Pursuant to the Master Direction on Financial Statements-Presentation and Disclosures issued by Reserve Bank of India on 30th August, 2021 and subsequent clarification dated 15th Nov.2021, provision for depreciation on investment earlier classified as part of provision & contingencies has been reclassified as part of other income.
56. The Principal Accounting Policies (Schedule 17) and Notes on Accounts (Schedule 18) form an integral part of these Accounts.
57. Previous year figures have been regrouped / rearranged, wherever necessary and possible, to conform to current year figures. In cases where disclosures have been made for the first time in terms of RBI guidelines, previous year's figures have not been given.

FOR & ON BEHALF OF THE BOARD

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

Dr. Mohamad Ishaq Wani
Director
DIN: 08944038

Rajni Saraf
President/CFO

Mohammad Shafi Mir
Company Secretary

Place : Srinagar
Date: 12th May 2022

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 Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWBGK7182

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWANB8293

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIWAF9295

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVOPY2263

Place : Srinagar
Date: 12th May 2022

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

		YEAR ENDED 31.03.2022 (Audited) ₹ '000' Omitted	YEAR ENDED 31.03.2021 (Audited) ₹ '000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(15,680,452)	(141,654)
B	CASH FLOW FROM INVESTING ACTIVITIES	(851,847)	(759,827)
C	CASH FLOW FROM FINANCING ACTIVITIES	9,414,326	(1,987,500)
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,117,973)	(2,888,981)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	95,037,041	97,926,022
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	87,919,068	95,037,041
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	4,948,511	4,284,468
	Add : Provision for Taxes	2,422,765	1,034,976
	Net profit before taxes (i)	7,371,276	5,319,444
	Adjustment for :		
	Depreciation charges	1,440,866	1,342,811
	Share of loss in Associates	-	(137,978)
	Provision for NPA's	2,533,487	10,231,465
	Provision on Standard Assets	810,416	115,655
	Depreciation on investment	369,240	7,191
	Provision for Non-Performing investment	(206,601)	306,115
	Other provisions	60,268	(157,966)
	Interest paid on subordinate Bonds (Financing Activities)	1,985,642	1,987,500
	Total Adjustment (ii)	6,993,318	13,694,793
	Operating profit before change in Operating assets & liabilities (i) + (ii)	14,364,594	19,014,237
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	66,554,683	102,614,669
	Increase / (Decrease) in Borrowings	(43,796)	(43,796)
	Increase / (Decrease) in Other liabilities & provisions	19,083,648	7,210,531
	(Increase) / Decrease in investments	(30,274,212)	(77,731,858)
	(Increase) / Decrease in Advances	(37,829,010)	(34,524,100)
	(Increase) / Decrease in Other Assets	(45,101,062)	(15,803,988)
	Net Cash flow from Operating activities (iii)	(27,609,749)	(18,278,542)
	Cash generated from operation (i + ii + iii)	(13,245,155)	735,695
	Less : Tax paid	2,435,297	877,349
	TOTAL : (A)	(15,680,452)	(141,654)



Consolidated Cash Flow Statement

for the year ended 31st March, 2022

B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(851,847)	(759,827)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(851,847)	(759,827)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	219,436	-
	b) Share Application Money	935,000	-
	b) Share Premium	6,645,532	-
	c) Tier I & II Bonds	3,600,000	-
	d) Dividend & Dividend Tax Paid	-	-
	e) Interest Paid on Subordinate Debt	(1,985,642)	(1,987,500)
	TOTAL :(C)	9,414,326	(1,987,500)
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	36,853,326	29,474,809
	b) Balance with Banks & Money at Call & Short Notice	58,183,715	68,451,213
	TOTAL :(D)	95,037,041	97,926,022
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	13,952,028	36,853,326
	b) Balance with Banks & Money at Call & Short Notice	73,967,040	58,183,715
	TOTAL :(E)	87,919,068	95,037,041

FOR & ON BEHALF OF THE BOARD

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

Dr. Mohamad Ishaq Wani
Director
DIN: 08944038

Rajni Saraf
President/CFO

Mohammad Shafi Mir
Company Secretary

Place : Srinagar
Date: 12th May 2022

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, 2022 and March 31st, 2021. 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 Hem Sandeep & Co
Chartered Accountants
FRN: 009907N

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

CA. Om Prakash Aggarwal
Partner
M.No. 083862
UDIN : 22083862AIWBGK7182

CA. Hardeep Aggarwal
Partner
M.No. 088243
UDIN : 22088243AIWANB8293

CA. Mantreshwar Karna
Partner
M.No. 512175
UDIN : 22512175AIW AFC9295

CA. Dharam Raj
Partner
M.No. 094108
UDIN : 22094108AIVOPY2263

Place : Srinagar
Date: 12th May 2022

Basel III - Pillar 3 Disclosures

as at March 31, 2022

The Reserve Bank of India (RBI) vide its circular under reference DBR.No.BP.BC. 1/21.06.201/2015-16 dated July 1, 2015 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%20March_22.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 Institution 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 Institution 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 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-polishing 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.

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 under applicable laws and are independent of the management.

As on date of this report, the Board consists of eleven (11) Directors as detailed hereunder:

S. No.	Category	Name of Director
1	Executive Director	Mr. Baldev Prakash (Managing Director and CEO)
2	Non-Executive Non-Independent Directors	Mr. Vivek Bharadwaj, IAS, Mr. Nitishwar Kumar, IAS, Mr. R K Chhibber, Dr. Mohmad Ishaq Wani
3	Non-Executive Independent Directors	Dr. Rajeev Lochan Bishnoi, Mr. Naba Kishore Sahoo, Mr. Umesh Chandra Pandey, Mr. Anil Kumar Goel, Mrs. Sushmita Chadha and Mr. Anand Kumar

None of the above Directors are related to each other.

During the FY 2021-22, there were following changes in the composition of the Board:

- Mr. Rigzian Sampheal, IAS (DIN: 08157221) ceased to be the Director on the Board of the Bank w.e.f April 21, 2021 consequent upon his resignation from the Board of Directors of the Bank.
- Mr. Atal Dulloo, IAS (DIN: 03542909) was appointed as Govt. Nominee Director w.e.f September 01, 2021 in place of Dr. Arun Kumar Mehta, IAS (DIN: 02712778).
- Mr. Vikram Gujral (DIN: 03637222) ceased to be the Director on the Board of the Bank w.e.f September 30, 2021 consequent upon his non re-appointment at the 83rd Annual General Meeting of the Bank.
- Mr. Nitishwar Kumar, IAS (DIN : 05326456) and Dr. Mohmad Ishaq Wani (DIN : 08944038) were appointed as Directors in the category of rotational directors at the 83rd Annual General Meeting of the Bank on 30th September 2021.

- Mr. Baldev Prakash (DIN: 09421701) was appointed as a Govt. Nominee Director on December 27, 2021 and further as Managing Director and CEO (MD&CEO) of the Bank to be effective from the date of his actual joining. He joined as the MD&CEO of the Bank on December 30, 2021.
- Subsequent to joining of Mr. Baldev Prakash as MD & CEO, Mr. R K Chhibber ceased to be the Chairman and Managing Director of the Bank.
- Mr. Anil Kumar Misra (DIN: 08066460) ceased to be the RBI appointed Additional Director on the Board of the Bank w.e.f January 04, 2022 consequent upon withdrawal of his nomination by the Reserve Bank of India.
- Dr. Rajeev Lochan Bishnoi (DIN: 00130335) and Ms. Monica Dhawan (DIN: 01963007) ceased to be Independent Directors on the Board of the Bank w.e.f January 11, 2022 consequent upon completion of their terms.
- Dr. Rajeev Lochan Bishnoi (DIN: 00130335) was appointed as an Independent Director on the Board of the Bank for a second term w.e.f. January 21, 2022.
- Mr. Umesh Chandra Pandey (DIN: 01185085) and Mr. Anil Kumar Goel (DIN: 00672755) were appointed as Independent Directors on the Board of the Bank w.e.f January 21, 2022.
- Mrs. Sushmita Chadha (DIN: 02939808) was appointed as an Independent Director on the Board of the Bank w.e.f January 31, 2022.
- Mr. Naba Kishore Sahoo (DIN: 07654279) was re-appointed as an Independent Director on the Board of the Bank w.e.f March 01, 2022.
- Mr. Anand Kumar (DIN: 03041018) was appointed as an Independent Director on the Board of the Bank w.e.f March 03, 2022.

During the year under report, no Independent Director resigned before the expiry of his/her tenure.

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.

FREQUENCY OF BOARD MEETINGS

During the year under report, Fourteen (14) Board Meetings were held, in due compliance with statutory provisions, on the following dates:

04.06.2021, 17 & 18.06.2021, 13.08.2021, 02.09.2021, 13 & 14.09.2021, 18.10.2021, 12.11.2021, 16.11.2021, 28.12.2021, 21.01.2022, 31.01.2022, 08.02.2022, 03.03.2022 and 17.03.2022.

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, 2022 are set out in the following table:

Name of Director	Board Meetings attended during the year/ tenure	Whether Attended AGM held on 30.09.2021	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) (From 30.12.2021)	05/05	NA ³	01 ⁵	--	--	--
Mr. R. K. Chhibber (DIN: 08190084) (Upto 30.12.2021)	09/09	Y	01 ⁵	--	--	--
Dr. Arun Kumar Mehta, IAS (DIN: 02712778) (Upto 01.09.2021)	01/03	NA ³	(Note) ²	--	--	--



Mr. Atal Dulloo, IAS (DIN: 03542909) (From 01.09.2021 to 17.05.2022)	07/11	Y	(Note) ²	--	--	--
Mr. Anil Kumar Misra (DIN: 08066460) (Upto 04.01.2022)	08/09	N	--	--	--	--
Non-Executive Non-Independent Directors						
Mr. Nitishwar Kumar, IAS (DIN: 05326456)	03/14	N	Ratle Hydroelectric Power Corp. Ltd.	--	--	--
Mr. R. K. Chhibber (DIN: 08190084) (From 30.12.2021)	05/05	Y	--	--	--	--
Mr. Rigzian Sampheal, IAS (DIN: 08157221) (Upto 21.04.2021)	0/0	NA ³	--	--	--	--
Mr. Vikram Gujral (DIN: 03637222) (Upto 30.09.2021)	05/05	Y	--	01	--	--
Dr. Mohamad Ishaq Wani (DIN: 08944038)	14/14	Y	--	--	--	--
Non-Executive Independent Directors						
Dr. Rajeev Lochan Bishnoi (DIN: 00130335) (Upto 11.01.2022 and From 21.01.2022)	13/13	Y	04 ⁴	01	(02) • V L S Finance Lim- ited ⁴ • South Asian Enter- prises Ltd. (Independent Director)	2 (1)
Ms. Monica Dhawan (DIN: 01963007) (Upto 11.01.2022)	09/09	Y	--	05	--	--
Mr. Naba Kishore Sahoo (DIN: 07654279)	14/14	Y	--	--	--	--
Mr. Umesh Chandra Pandey (DIN: 01185085) (From 21.01.2022)	04/04	NA ³	--	03	--	--
Mr. Anil Kumar Goel (DIN: 00672755) (From 21.01.2022)	04/04	NA ³	--	03	--	--
Mrs. Sushmita Chadha (DIN: 02939808) (From 31.01.2022)	03/03	NA ³	--	--	--	--
Mr. Anand Kumar (DIN: 03041018) (From 03.03.2022)	01/01	NA ³	--	--	--	--

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. Dr. Arun Kumar Mehta, IAS and Mr. Atal Dulloo, IAS being in full time employment of Govt. of UT of J&K were also on the Board of various PSUs of UT of J&K.
3. On the date of the AGM, the concerned Directors were not on the Board of the Bank.
4. Dr. Rajeev Lochan Bishnoi has resigned from South Asian Enterprises Limited w.e.f 07th May, 2022.
5. Mr. Baldev Prakash was appointed as Director on Board of JKB Financial Services Limited in place of Mr. R.K. Chhibber from 4th February 2022.

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 the Bank. 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), Corporate Centre, Mumbai. 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, 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).

He is also on the Board of JKB Financial Services Limited.

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 three decades, his areas of expertise include Credit, Finance, IT, Corporate & Retail Banking, Risk management, Trade Finance, Foreign exchange, Business continuity planning, HR and Bancassurance.

As Vice-President in 2009, he headed the Technology Department of the Bank and made remarkable contributions in furthering the technology infrastructure of the Bank besides instituting the process of providing relevant expertise to the staff.

He served as Chairman, J&K Grameen Bank for two years and nine months 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. Chhibber assumed the charge of Chairman and Managing Director of the Bank in June 2019 and continued at this position till December 2021.

Besides being Director in the Bank, Mr. Chhibber does not hold directorship in any other public limited company.

Mr. Vivek Bharadwaj, IAS

DIN: 02847409

Mr. Vivek Bharadwaj is a 1990 batch Indian Administrative Service Officer. Initially from West Bengal cadre where he has served in different capacities, he has also been on Central deputation and is currently on deputation to the AGMUT cadre (Jammu and Kashmir segment). He is presently posted as Financial Commissioner (Additional Chief Secretary), Finance Department, Govt. of J&K. He has been appointed on the Board of the Bank w.e.f May 17, 2022. He has earlier served on the Boards of several companies in West Bengal and was on the Board of Coal India in 2017 apart from South Eastern Coal Fields Limited.

Mr. Bharadwaj has done his schooling from Mayo College and Demonstration School, Ajmer. He holds B.A (Hons) in Economics from Sriram College of Commerce, Delhi University (1984-87), LL.B from Maharishi Dayanand University, Rohtak and Post-Graduation in Business Administration (Public Policy) from University of Ljubljana, Slovenia. Further, he has attended the prestigious courses of Leadership & Change Management and Leadership Development program from reputed IIM's based in Ahmedabad and Indore.

For his contribution towards the society, he has been awarded the prestigious "Skoch Award-2010 - The world is open award" for providing computer-aided education to Scheduled Caste dominated schools in Bankura and Burdwan and "The Stockholm Challenge Award", which is a worldwide competition of pioneering IT projects. Out of the 742 IT projects from 90 countries, the project for provision of Computer Aided Design (CAD) skills to handloom weavers/designers at Shantipur, Nadia was among the 15 short-listed for the finals.

As a researcher, he has a number of publications to his name, out of which following have been the most impactful:

- A study on ICT usage in Indian Schools (2006) - The answer to what is happening in Computer Education from 1000 Indian Schools.
- Efficiency & Management practices of select public examining bodies in India- Benchmarking Boards and their performance.

In addition, Mr. Bharadwaj delivers speeches in conferences on Infrastructure, IT & Education and also takes time in writing articles on governance issues.

Mr. Bharadwaj being in full time employment of the Govt. of UT of J&K is also on the Board of various PSUs of the J&K UT including Jammu & Kashmir Development Finance Corporation Ltd. and Ratle Hydroelectric Power Corporation Ltd.



Mr. Nitishwar Kumar, IAS
DIN: 05326456

Mr. Nitishwar Kumar is an Indian Administrative Services Officer of 1996 batch. He is presently serving as Principal Secretary to Hon'ble Lieutenant Governor, Govt. of Jammu & Kashmir (UT). Prior to this, he was serving as Joint Secretary/ Member Secretary, National Council for Teacher Education (NCTE), Department of School Education & Literacy, Ministry of Education.

His career in different fields of administration spans over 24 years. Having worked in different capacities and departments at State and Central government level, he possesses a wide range of experience and expertise. He has served in various sectors viz Health, Education, Revenue, Agriculture, Energy, Transportation, Water Resources, Cooperation and Human Resource Development. In many of his assignments, he has been responsible for Planning and Programme implementation, which is his area of expertise.

Mr. Kumar is a post graduate in Economics and has also done Masters in Public Management and Governance from London School of Economics & Pol. Science.

He is also an avid reader and keen observer of nature and is widely known for his literary pursuits, poetry and singing.

Dr. Rajeev Lochan Bishnoi
DIN: 00130335

Dr. Rajeev Lochan Bishnoi, 62, is a credit specialist and advises corporates and banks on balance sheet stress, risk processes and improving the overall financial health of the enterprise. He was till recently a Government of India nominee Director on the Board of one of India's largest Government owned banks viz. Bank of India, where he also served as the Chairman of its Audit Committee and a member of its Board Committees on Credit, Human Resource, Wilful Defaulters, Risk Management, Customer Service and Remuneration & Nomination. He was director on the board and in various board level committees of BOI Merchant Bankers Limited as Independent Director until March 2021.

Dr. Bishnoi is an Independent Director on the Boards of VLS Finance Ltd, VLS Securities Ltd, VLS Capital Ltd and South Asian Enterprises Ltd. He is a life member of Non-Executive Directors in Conversation Trust (NEDICT) promoted by Mr. M. Damodaran, former UTI Chairman & Secretary (Banking), 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. He was a lead organizer 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.

Dr. Bishnoi has a deep interest in Education and is a member of the Board of Management of Shobhit University (U.P.). With a strong commitment to Renewable and Sustainable Energy Development, Rajeev founded ADS Greenlife Foundation - devoted in the field of clean and green technologies.

A Former Advisor to the UP Export Corporation Ltd., Rajeev 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 Fellow Member of the Institute of Chartered Accountants of India and was member of its Professional Development Committee. Currently, he is a partner in Chartered Accountancy firm M/S Jain & Malhotra, New Delhi. Rajeev is a hobby poet and has recently written a book of his poetry and Dohas in Hindi, titled "Man Laago Mero Yaar Fakiri Mein" published by Sahitya Bhandar, Allahabad.

Mr. Naba Kishore Sahoo
DIN: 07654279

Mr. Naba Kishore Sahoo, aged 63 years has been a banker throughout his life. Starting his career as scale I officer in Canara Bank, he 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.

Besides being Director in the Bank, Mr. Sahoo does not hold directorship in any other public limited company.

Dr. Mohmad Ishaq Wani
DIN: 08944038

Dr. Mohmad Ishaq Wani holds a Masters in Science, M.Phil. and Doctorate from the University of Kashmir. He joined State Accounts Services after qualifying State Combined Competitive Examination in 1984 and has served the Government of Jammu & Kashmir at various positions for over 3 decades. These include codal and budgeting matters, treasury administration & associated functions, GP funds management and administrative issues.

Dr. Wani has held various positions at different points of time during his service, which inter-alia include Director General Accounts and Treasuries, Budget and J & K Funds Organization, Director Budget & Codes, Director Finance (SKIMS) etc.

Dr. Wani had been associated with interpretation of Financial Codes, vetting of proposals and consent to drawing up of contracts by the various Departments during his term in the Codes Division. He has tendered opinion on matters involving significant financial implications and settling of specific pay anomaly issues.

The responsibilities in budgeting has inter alia revolved round to drawing up of Demand for Grants after collation and analysis of financial data, preparation of Annual Financial Statement (AFS) and its subsequent monitoring. Other spheres of activity therein included vetting of schemes & furnishing of opinion on financial matters. He had also been associated with standardization of detailed heads of accounts and integration of structural changes in budgets involving differentiation of expenditure into Revenue and Capital components and doing away with the other tiers of classification.

Dr. Wani has attempted substantial rejuvenation of Fund Organisation in terms of computerization and dedicated networking to bring in methods for improvement in working conditions and proper HR management. This ultimately paved way for ease in settlement of cases of superannuating employees.

Dr. Wani has served as Finance Member of various apex state level contract committees of Public Works Department, Public Health Engineering Department, SKIMS, Irrigation and Flood control Department and Mechanical Engineering Department over a period of time to oversee that canons of Financial Propriety relating to high end contracts are followed in letter and spirit.

He has also served as Member Secretary of the Empowered Committee for regularization of Adhoc/Contractual/Consolidated employees under J&K Civil Services Special Provisions Act.

In recognition of outstanding contributions and implementation of finance rules and regulations in different departments as a public servant, Dr. Wani was conferred with the State Award for meritorious public service in the year 2014.

Besides being Director in the Bank, he does not hold Directorship in any public limited company.

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 is 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.

Besides being Director in the Bank, he does not hold Directorship in any public limited company.

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, Member of various Research Groups of ICAI & NIRC since several years, 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, NGOs, 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", 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.

Besides being Director in the Bank, he does not hold Directorship in any public limited company.

Mrs. Sushmita Chadha
DIN: 02939808

Ms. Sushmita Chadha is a Post Graduate in Chemistry from University of Delhi with CAIIB and Certification in Leadership Programme from Indian School of Business, Hyderabad having immense and prolific experience of three decades in the Banking sector.

Having joined the State Bank of India as a Probationary Officer in 1987, Ms. Sushmita Chadha possesses significant experience and competencies in key areas of Banking like Corporate Credit, Risk Management, International Banking and Financial Inclusion. With a long stint in Corporate Banking including assignments as Relationship Manager in Industrial Finance Branch, New Delhi and AGM Credit Processing,



Overseas Branch, New Delhi and in Corporate Accounts Group, Mumbai, she effectively handled key relationships including Godrej Group and Hindustan Unilever. Ms. Sushmita Chadha has headed the Operational Risk Management Department of SBI for a period of three years and has also served as Chief Executive Officer, Sydney for four years, heading the international business of the Bank in Australia. Moreover, she has led the Financial Inclusion function of SBI, including a network of 60000 Business Correspondents and retired as Chief General Manager, Risk Management Department with responsibility for Fraud Prevention and Monitoring and Centralised Transaction Monitoring.

Ms. Sushmita Chadha has been a Director on Board of CORDEX India Private Limited, an IBA initiative for Operational Risk Data Exchange from 2010 to 2012.

Besides being Director in the Bank, she does not hold Directorship in any public limited company.

Mr. Anand Kumar
DIN: 03041018

Mr. Anand Kumar is an information technology (IT) specialist who has experience of more than three decades in IT development and management. Mr. Kumar has done his Bachelors of Technology (Electrical Engineering) from IIT, Banaras Hindu University, Varanasi and Post Graduate Diploma in Management (PGDM) from IIM Lucknow.

Mr. Anand Kumar has worked in various multi-national banking and financial services organisations such as Citigroup, HSBC, Barclays, Fiserv, etc. 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, revenue growth, 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.

Besides being Director in the Bank, he does not hold Directorship in any public limited company.

DETAILS OF NUMBER OF SHARES/CONVERTIBLE DEBENTURES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31-03-2022

As on 31-03-2022, except Mr. R K Chhibber holding 11000 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.	Mr. Vivek Bharadwaj, IAS	Govt. Nominee Director	Administration, Economics, Law and Business Management
3.	Mr. Nitishwar Kumar, IAS	Rotational Director	Administration, Management, Rural Economy, Agriculture & Cooperation
4.	Mr. R K Chhibber	Additional Director	Banking, Finance, Accountancy, Treasury & Investment Management, Agriculture & Rural Economy
5.	Dr. Rajeev Lochan Bishnoi	Independent Director	Banking, Finance, Accountancy, SSI
6.	Mr. Naba Kishore Sahoo	Independent Director	Banking, Agriculture & Rural Economy, Human Resource Management, Risk Management
7.	Dr. Mohamad Ishaq Wani	Rotational Director	Administration, Management and Finance
8.	Mr. Umesh Chandra Pandey	Independent Director	Banking, Finance, Accountancy, Economics, SSI, Risk Management
9.	Mr. Anil Kumar Goel	Independent Director	Accountancy, Finance, Agriculture & Rural Economy, Information Technology, Risk Management
10	Mrs. Sushmita Chadha	Independent Director	Banking, Finance, Risk Management and Business Management
11.	Mr. Anand Kumar	Independent Director	Information Technology and Business Management

REMUNERATION OF DIRECTORS CHAIRMAN & MD/MANAGING DIRECTOR & CEO

Remuneration of the Chairman & MD / 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. Rajesh Kumar Chhibber was the Chairman & Managing Director (CMD) of the Bank till 30th December, 2021. Thereafter, Mr. Baldev Prakash took over as MD & CEO pursuant to the approval from RBI. The details of remuneration paid to them in the financial year 2021-22 are as under:

(Amount in ₹)

Particulars	Mr. R.K. Chhibber (CMD) (from 01.04.2021 to 30.12.2021)	Mr. Baldev Prakash (MD & CEO)* (from 30.12.2021 to 31.03.2022)
Basic salary	3858342	563718
Allowances and perquisites	1056201	735354
Provident Fund	---	58140
Pension Fund	---	58140
Gratuity	---	58140
PL Encashment	18560	---

* Includes superannuation and / or other perquisites of Rs. 1.74 lakhs to Mr. Baldev Prakash.

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 @₹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 RBI) are entitled to profit related compensation to the extent of one percent of the profit of the Bank for the relevant financial year, subject to a maximum of ₹10 Lakhs per annum per Director.

The details of sitting fees and remuneration paid to Non-Executive Directors during the financial year 2021-22 are as under:

Particulars of Remuneration					
Other Non - Executive Directors	Mr. Anil Kumar Misra	Mr. Vikram Gujral	Mr. Sonam Wangchuk	Mr. R K Chhibber	Dr. Mohmad Ishaq Wani
Fee for attending Board and Committee Meetings	5,60,000.00	12,80,000.00	---	4,80,000.00	18,40,000.00
Commission	---	10,00,000.00	4,63,014.00	---	3,97,260.00
Others (please specify)	---	---	---	---	---
Sub Total (1)	5,60,000.00	22,80,000.00	4,63,014.00	4,80,000.00	22,37,260.00

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	22,00,000.00	18,00,000.00	28,00,000.00	5,60,000.00	5,20,000.00	4,00,000.00	40,000.00
Commission	10,00,000.00	10,00,000.00	10,00,000.00	---	---	---	---
Others (Interview Fee)	40,000.00	40,000.00	---	---	---	---	---
Sub Total (2)	32,40,000.00	28,40,000.00	38,00,000.00	5,60,000.00	5,20,000.00	4,00,000.00	40,000.00
Total = (1+2)	1,74,20,274.00						

(Note : In addition the the above the Bank has paid GST @ 18% on sitting fee under reverse charge mechanism, out of which 9% has been claimed as input tax credit.)

FAMILIRISATION 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/familisation.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 report is as under:



Mr. R. K. Chhibber	(Chairman)
Mr. Baldev Prakash (From 31.01.2022)	(Member)
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (Upto 17.06.2021)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mrs. Sushmita Chadha (From 31.01.2022)	(Member)

The Committee met eight (08) times during the year on 04.06.2021, 06.08.2021, 14.09.2021, 08.10.2021, 01.11.2021, 21.12.2021, 07.02.2022 and 07.03.2022. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	8	8	100
Mr. Baldev Prakash (From 31.01.2022)	2	2	100
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	1	0	0
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	2	2	100
Dr. Rajeev Lochan Bishnoi (Upto 17.06.2021)	1	1	100
Ms. Monica Dhawan (Upto 11.01.2022)	6	6	100
Mr. Naba Kishore Sahoo	8	8	100
Mrs. Sushmita Chadha (From 31.01.2022)	2	2	100

Audit Committee

Brief terms of Reference /Roles & Responsibilities

The main functions of the Audit Committee are 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 House Keeping.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	(Chairman)
Mr. Anil Kumar Misra (Upto 04.01.2022)	(Member)
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Member)
Mr. Anil Kumar Goel (From 31.01.2022)	(Member)

The Committee met nine (09) times during the year on 19.04.2021, 16.06.2021, 21.06.2021, 12.08.2021, 10.11.2021, 11.11.2021, 22.12.2021, 07.02.2022 and 24.03.2022. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 21.01.2022)	9	9	100
Mr. Anil Kumar Misra (Upto 04.01.2022)	7	6	85.71
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	2	2	100
Ms. Monica Dhawan (Upto 11.01.2022)	7	6	85.71
Mr. Naba Kishore Sahoo	9	9	100
Mr. Umesh Chandra Pandey (From 31.01.2022)	2	2	100
Mr. Anil Kumar Goel (From 31.01.2022)	2	2	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:

Mr. R. K. Chhibber (Upto 31.01.2022)	(Chairman)
Mrs. Sushmita Chadha (From 31.01.2022)	(Chairperson)
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	(Member)
Ms. Monica Dhawan (From 17.06.2021 to 11.01.2022)	(Member)
Mr. Naba Kishore Sahoo	(Member)
Dr. Mohmad Ishaq Wani (From 17.06.2021)	(Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Member)

The Integrated Risk Management Committee met four (04) times during the year on 30.06.2021, 31.07.2021, 09.11.2021 and 28.02.2022.

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber (Upto 31.01.2022)	3	3	100
Mrs. Sushmita Chadha (From 31.01.2022)	1	1	100
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	4	4	100
Ms. Monica Dhawan (From 17.06.2021 to 11.01.2022)	3	3	100
Mr. Naba Kishore Sahoo	4	4	100
Dr. Mohmad Ishaq Wani (From 17.06.2021)	4	4	100
Mr. Umesh Chandra Pandey (From 31.01.2022)	1	1	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 would be to monitor and review all the frauds of ₹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	(Chairman)
Mr. Baldev Prakash (From 31.01.2022)	(Member)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022)	(Member)
Mr. Naba Kishore Sahoo (Upto 31.01.2022)	(Member)
Dr. Mohmad Ishaq Wani (From 17.06.2021 to 31.01.2022)	(Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Member)
Mr. Anil Kumar Goel (From 31.01.2022)	(Member)
Mrs. Sushmita Chadha (From 31.01.2022)	(Member)

The Special Committee of Board on Frauds (SCBF) met four (04) times during the year on 02.06.2021, 31.07.2021, 16.10.2021 and 26.02.2022. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	4	4	100
Mr. Baldev Prakash (From 31.01.2022)	1	1	100
Mr. Vikram Gujral (Upto 30.09.2021)	2	2	100
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022)	3	3	100
Mr. Naba Kishore Sahoo (Upto 31.01.2022)	3	3	100
Dr. Mohmad Ishaq Wani (From 17.06.2021 to 31.01.2022)	2	2	100
Mr. Umesh Chandra Pandey (From 31.01.2022)	1	1	100



Mr. Anil Kumar Goel (From 31.01.2022)	1	1	100
Mrs. Sushmita Chadha (From 31.01.2022)	1	1	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. R. K. Chhibber (Upto 31.01.2022) (From 31.01.2022)	(Chairman) (Member)
Mr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)
Dr. Mohamad Ishaq Wani (From 17.06.2021 to 31.01.2022) (From 31.01.2022)	(Member) (Chairman)
Mr. Anil Kumar Goel (From 31.01.2022)	(Member)
Mrs. Sushmita Chadha (From 31.01.2022)	(Member)

The Customer Service Committee met four (04) times during the year on 29.06.2021, 15.09.2021, 21.12.2021 and 25.02.2022. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	4	4	100
Mr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Mr. Vikram Gujral (Upto 30.09.2021)	2	2	100
Ms. Monica Dhawan (Upto 11.01.2022)	3	3	100
Dr. Mohamad Ishaq Wani	4	4	100
Mr. Anil Kumar Goel (From 31.01.2022)	1	1	100
Mrs. Sushmita Chadha (From 31.01.2022)	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:

Ms. Monica Dhawan (Upto 11.01.2022)	(Chairperson)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Mr. Naba Kishore Sahoo	(Member)
Dr. Mohamad Ishaq Wani (From 17.06.2021)	(Member)
Mr. Anil Kumar Goel (From 31.01.2022)	(Chairman)
Mr. Baldev Prakash (From 31.01.2022)	(Member)
Dr. Rajeev Lochan Bishnoi (From 31.01.2022)	(Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Member)

The Information Technology Strategy Committee met six (06) times during the year on 09.04.2021, 02.06.2021, 31.07.2021, 16.08.2021, 16.10.2021 and 02.03.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Ms. Monica Dhawan (Upto 11.01.2022)	5	5	100
Mr. Vikram Gujral (Upto 30.09.2021)	4	4	100
Mr. Naba Kishore Sahoo	6	6	100
Dr. Mohamad Ishaq Wani (From 17.06.2021)	3	3	100
Mr. Anil Kumar Goel (From 31.01.2022)	1	1	100
Mr. Baldev Prakash (From 31.01.2022)	1	1	100
Dr. Rajeev Lochan Bishnoi (From 31.01.2022)	1	1	100
Mr. Umesh Chandra Pandey (From 31.01.2022)	1	1	100

Legal and Impaired Assets Resolution Committee

Brief terms of Reference /Roles & Responsibilities

The Committee reviews the legal matters and suit 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	(Chairman)
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)

Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Baldev Prakash (From 31.01.2022)	(Member)
Mrs. Sushmita Chadha (From 31.01.2022)	(Member)

The Legal and Impaired Assets Resolution Committee met three (03) times during the year on 29.06.2021, 15.09.2021 and 26.02.2022. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	3	3	100
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Mr. Vikram Gujral (Upto 30.09.2021)	2	2	100
Mr. Naba Kishore Sahoo	3	3	100
Mr. Baldev Prakash (From 31.01.2022)	1	1	100
Mrs. Sushmita Chadha (From 31.01.2022)	1	1	100

Nomination & Remuneration Committee

Bank has constituted a Nomination & Remuneration Committee of the Board 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:

- 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.
- 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.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that-
 - 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:

- Devising a policy on diversity of board of directors;
- 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	(Chairman)
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Ms. Monica Dhawan (Upto 17.06.2021)	(Member)
Dr. Mohmad Ishaq Wani (From 28.12.2021 to 31.01.2022)	(Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Member)

The Nomination & Remuneration Committee met seven (07) times during the year on 02.06.2021, 02.09.2021, 13.09.2021, 16.10.2021, 09.11.2021, 14.02.2022 and 02.03.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Naba Kishore Sahoo	7	7	100
Mr. Vikram Gujral (From 17.06.2021 to 30.09.2021)	2	2	100
Dr. Rajeev Lochan Bishnoi	7	7	100
Ms. Monica Dhawan (Upto 17.06.2021)	1	1	100
Dr. Mohmad Ishaq Wani (From 28.12.2021 to 31.01.2022)	0	0	0
Mr. Umesh Chandra Pandey (From 31.01.2022)	2	2	100

Corporate Social Responsibility Committee:

Brief terms of Reference /Roles & Responsibilities

The Role and Functions of the Committee shall be as under:

- 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 spending 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	(Chairman)
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)
Mr. Vikram Gujral (Upto 17.06.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (From 17.06.2021 to 11.01.2022)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)
Dr. Mohamad Ishaq Wani (From 17.06.2021)	(Member)
Mr. Anil Kumar Goel (From 31.01.2022)	(Member)

The Corporate Social Responsibility Committee met three (03) times during the year on 29.06.2021, 21.12.2021 and 25.02.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	3	3	100
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Mr. Vikram Gujral (Upto 17.06.2021)	0	0	0
Dr. Rajeev Lochan Bishnoi (From 17.06.2021 to 11.01.2022)	2	2	100
Ms. Monica Dhawan (Upto 11.01.2022)	2	2	100
Dr. Mohamad Ishaq Wani (From 17.06.2021)	3	3	100
Mr. Anil Kumar Goel (From 31.01.2022)	1	1	100

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 security holders 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, 932 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	18	18	0
2.	Intimation of the Bank Mandate / NECS Mandate	1	1	0
3.	Non-receipt of Share Certificates	100	100	0
4.	Loss of Share Certificates and request for issue of duplicate share certificate(s)	83	83	0
5.	Deletion / inclusion of joint name and transmission	77	77	0
6.	Non-receipt of dividend warrants (NRDW)	29	29	0
7.	Registration of NECS	6	6	0
8.	Receipt of dividend warrants for revalidation	1	1	0
9.	Intimation of the Nomination form details	6	6	0
10.	Letters from SEBI/ Stock Exchanges	13	13	0
11.	Request for stock split in lieu of old shares	6	6	0
12.	Others	667	667	0
	Total	932	932	0

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Chairman)
Mr. Vikram Gujral (Upto 17.06.2021) (From 17.06.2021 to 30.09.2021)	(Member) (Chairman)
Dr. Rajeev Lochan Bishnoi (From 17.06.2021 to 31.01.2022)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)
Dr. Mohmad Ishaq Wani (From 17.06.2021 to 28.12.2021) (From 28.12.2021 to 31.01.2022) (From 31.01.2022)	(Member) (Chairman) (Member)
Mr. Umesh Chandra Pandey (From 31.01.2022)	(Chairman)
Mr. Anil Kumar Goel (From 31.01.2022)	(Member)

The Stakeholders Relationship Committee met three (03) times during the year on 30.06.2021, 14.09.2021 and 25.02.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Mr. Vikram Gujral (Upto 17.06.2021) (From 17.06.2021 to 30.09.2021)	2	2	100
Dr. Rajeev Lochan Bishnoi (From 17.06.2021 to 31.01.2022)	2	2	100
Ms. Monica Dhawan (Upto 11.01.2022)	2	2	100
Dr. Mohmad Ishaq Wani (From 17.06.2021 to 28.12.2021) (From 28.12.2021 to 31.01.2022) (From 31.01.2022)	3	3	100
Mr. Umesh Chandra Pandey (From 31.01.2022)	1	1	100
Mr. Anil Kumar Goel (From 31.01.2022)	1	1	100

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. Vice Presidents & above.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber (Upto 31.01.2022) (From 31.01.2022)	(Chairman) (Member)
Mr. Baldev Prakash (From 31.01.2022)	(Chairman)
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	(Member)
Ms. Monica Dhawan (From 17.06.2021 to 11.01.2022)	(Member)
Dr. Mohmad Ishaq Wani (From 17.06.2021)	(Member)

The Human Resource Development Committee met three (03) times during the year on 30.06.2021, 16.10.2021 and 26.02.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	3	3	100
Mr. Baldev Prakash (From 31.01.2022)	1	1	100
Dr. Arun Kumar Mehta, IAS (Upto 17.06.2021)	0	0	0
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	3	3	100
Ms. Monica Dhawan (From 17.06.2021 to 11.01.2022)	2	2	100
Dr. Mohmad Ishaq Wani (From 17.06.2021)	3	3	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. R. K. Chhibber (Upto 31.01.2022)	(Chairman)
Mr. Baldev Prakash (From 31.01.2022)	(Chairman)
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	(Member)
Mr. Naba Kishore Sahoo (Upto 31.01.2022)	(Member)



Dr. Mohmad Ishaq Wani (From 17.06.2021)	(Member)
Ms. Sushmita Chadha (From 31.01.2022)	(Member)

The Investment Committee met four (04) times during the year on 02.06.2021, 31.07.2021, 16.10.2021 and 26.02.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber (Upto 31.01.2022)	3	3	100
Mr. Baldev Prakash (From 31.01.2022)	1	1	100
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022) (From 31.01.2022)	4	4	100
Mr. Naba Kishore Sahoo (Upto 31.01.2022)	3	3	100
Dr. Mohmad Ishaq Wani (From 17.06.2021)	3	3	100
Ms. Sushmita Chadha (From 31.01.2022)	1	1	100

GST Steering Committee

Brief terms of Reference /Roles & Responsibilities

To monitor/review the implementation of GST Laws in the Bank and to evaluate the implications/opportunities of GST to the Bank.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber	(Chairman)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Naba Kishore Sahoo	(Member)

The GST Steering Committee met one (01) time during the year on 02.09.2021. The Meeting was attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	1	1	100
Dr. Rajeev Lochan Bishnoi	1	1	100
Mr. Naba Kishore Sahoo	1	1	100

The GST Steering Committee was dissolved vide Board Resolution No. 08 dated 18.10.2021, since this was a specific purpose Committee.

OTHER SPECIFIC PURPOSE COMMITTEES

Special Committee of Board (Constituted to devise a roadmap for alignment of pay structure of the Bank compliant with the IBA pay scales)

Brief terms of Reference /Roles & Responsibilities

To devise a roadmap for alignment of pay structure of the Bank compliant with the IBA pay scales.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Naba Kishore Sahoo	(Chairman)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Ms. Monica Dhawan (Upto 11.01.2022)	(Member)

The Committee met five (05) times during the year on 27.04.2021, 01.05.2021, 05.06.2021, 02.07.2021 and 15.09.2021. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Naba Kishore Sahoo	5	5	100
Mr. Vikram Gujral (Upto 30.09.2021)	5	5	100
Ms. Monica Dhawan (Upto 11.01.2022)	5	5	100

Compensation Committee

Brief terms of Reference /Roles & Responsibilities

To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Bank and its employees, as applicable.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Naba Kishore Sahoo	(Chairman)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022)	(Member)
Dr. Mohmad Ishaq Wani	(Member)

The Committee met three (03) times during the year on 16.06.2021, 06.08.2021 and 24.09.2021. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Naba Kishore Sahoo	3	3	100
Mr. Vikram Gujral (Upto 30.09.2021)	3	3	100
Dr. Rajeev Lochan Bishnoi (Upto 11.01.2022)	3	3	100
Dr. Mohmad Ishaq Wani	3	3	100

Special Committee of Board (Constituted for the purpose of reviewing the down gradation of M/s Bharat Hotels Ltd.)
Brief terms of Reference /Roles & Responsibilities

To review the down gradation of M/s Bharat Hotels Ltd

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Umesh Chandra Pandey	(Chairman)
Dr. Rajeev Lochan Bishnoi (Upto 15.03.2022)	(Member)
Mr. Anil Kumar Goel	(Member)

The Committee met two (02) times during the year on 03.03.2022 and 28.03.2022. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Umesh Chandra Pandey	2	2	100
Dr. Rajeev Lochan Bishnoi (Upto 15.03.2022)	1	1	100
Mr. Anil Kumar Goel	2	2	100

Capital Issuance Committee

Brief terms of Reference /Roles & Responsibilities

To do all such acts, things and deeds as may be necessary for the Issue including allotment of the shares & Debentures.

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)
Dr. Mohmad Ishaq Wani	(Member)

The Committee met three (03) times during the year on 28.03.2022, 30.03.2022 and 31.03.2022. 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
Dr. Mohmad Ishaq Wani	3	3	100

Share Allotment Committee

Brief terms of Reference /Roles & Responsibilities

To do all such acts, deeds and things which are necessary in relation to the Issue and allotment of securities.

Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R K Chhibber	(Chairman)
Mr. Vikram Gujral (Upto 30.09.2021)	(Member)
Dr. Mohmad Ishaq Wani	(Member)

The Committee met once during the year on 16.09.2021. The Meeting was attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R K Chhibber	1	1	100
Mr. Vikram Gujral (Upto 30.09.2021)	1	1	100
Dr. Mohmad Ishaq Wani	1	1	100

The Committee was dissolved and the role of the Committee has been assigned to Capital Issuance Committee.

MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Bank met on 30th June, 2021. All Independent Directors attended the meeting.

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.

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.

Declaration:

I confirm that for the year under review, 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 - 11.05.2022

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.

Performance Evaluation Policy for the Board and Members of the Board

The Board of Directors on the recommendations of the Nomination & 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). 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.

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 to the members of public.

Policy for Determining Material Subsidiary

Regulation 16(1) of listing regulations provides 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.

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.

Code on Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Bank has emplaced 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.

The above policies/Codes have been hosted on the website of the Bank and can be accessed through the link <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

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 an "Internal Complaints Committee for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace" 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 (1) 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.

ETHICAL STANDARDS EMPLOYED BY THE BANK

The Bank has emplaced 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 did not receive any reference 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)

During the period under report, the Bank issued and allotted 16,76,72,702 equity shares on preferential basis to the Government of Jammu and Kashmir, the promoter of the Bank for cash at a price of ₹ 29.82 per equity share including a premium of ₹ 28.82 per share aggregating to a total of ₹ 499,99,99,973.64 after obtaining the necessary statutory and regulatory approvals. The allotment was made on September 16, 2021.

The Bank during the reporting period also issued and allotted 2,85,93,267 equity shares at a price of ₹32.70 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. 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.

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 12th May, 2022.

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 report, due to unprecedented and extraordinary reasons beyond its control, the Bank has involuntarily become non-compliant with certain provisions of the 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 2021-2022.

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 2019-20	63.55	During the Financial year 2019-20, the Reserve Bank of India had imposed a monetary penalty of ₹50 lakhs on account of delayed reporting of Fraud and ₹13.55 lakhs on currency chests. In addition to this, the Stock Exchanges (NSE & BSE) imposed a penalty of ₹106200/- each for delay in submission of financial results. However, consequent upon the representation of the Bank to SEBI/Stock Exchanges, the Stock Exchanges have granted waiver of penalty to the Bank for non-compliance with the provisions of Regulation 33 (3) of the SEBI listing regulations
FY 2020-21	2.81	During the Financial year 2020-21, a penalty of ₹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 ₹ 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 ₹2.81 lakhs (out of which penalty of ₹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 ₹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 ₹1.02 lakhs on currency chests.

IMPORTANT EVENTS AFTER THE CLOSURE OF FINANCIAL YEAR ENDED 31.03.2022

This report covers the period of financial year of the Bank beginning on 1st April, 2021 to 31st March, 2022. However, few material events listed below happened from 1st April, 2022 till the date of this report.

- a) On 01st April, 2022, the Bank allotted 2,85,93,267 (Two Crore Eighty Five Lac 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 Crore 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.
- b) The Board of Directors of the Bank on 27th April, 2022 decided to obtain consent of the Members of the Bank through Postal Ballot by way of special resolutions for:



- Re-appointment of Mr. Naba Kishore Sahoo (DIN: 07654279) as an Independent Director on the Board of the Bank.
- Appointment of Mr. Anand Kumar (DIN: 03041018) as an Independent Director on the Board of the Bank.

The shareholders of the Bank approved the above mentioned resolutions on 29th May, 2022.

- c) The Government of Jammu & Kashmir vide order no. 567-JK(GAD) of 2022 dated 17th May, 2022 nominated Mr. Vivek Bharadwaj, IAS {Financial Commissioner (Additional Chief Secretary), Finance Department} as Government Nominee Director on the Board of Directors of the Bank in place of Mr. Atal Dulloo, IAS (Additional Chief Secretary) with effect from 17th May, 2022 and the same was taken on record by the Board of Directors of the Bank in their meeting held on 10th June, 2022.
- d) 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.
- e) 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.

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 separated 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 Chairperson. 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) Audit Qualifications

The audit report on the financial statements of the Bank for 2021-22 has unmodified opinion.

c) Reporting of Internal Auditors

The findings of internal/concurrent auditors are consolidated and placed before the Audit Committee by the Bank periodically.

d) 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.

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.
- Proxy can vote on a poll. In case of vote on poll, the number of votes of a shareholder is proportionate to the number of equity shares held by him. In case of the 84th Annual General Meeting of the Bank which will be conducted by Video-Conferencing / Other Audio-Visual Means pursuant to the relevant MCA circulars, physical attendance of the shareholders has been dispensed with and accordingly, the facility for appointment of proxies for attending and voting on behalf of shareholders will not be available at the 84th Annual General Meeting of the Bank.
- 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 shareholders acting either directly or indirectly, and effective means of redress.

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 Ltd. 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)

The Bank has paid the custodial fees to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05 2011 dated April 27, 2011 for the financial year 2022-23.

Registrar and Transfer Agent (RTA)

M/s KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Unit: - Jammu and Kashmir Bank Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad - 500 032 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@jkmail.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

LISTING OF OTHER SECURITIES

The Bank had listed the following Bonds in The BSE Limited and their Stock Code are as under:

1. Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds amounting to a total of Rs.500 Crores in the nature of Debentures issued on 24.03.2017 (ISIN: INE168A08038 Stock Code: 956055). The Bonds were redeemed on maturity date i.e. 24.06.2022.
2. Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds amounting to a total of ₹ 500 Crores in the nature of Debentures issued on 28.12.2017 (ISIN: INE168A08046 Stock Code: 957375).
3. Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III additional Tier 1 Bonds amounting to a total of ₹ 1000 Crores in the nature of debentures issued on 14.06.2018 (ISIN: INE168A08061 Stock Code: 958016).
4. Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds amounting to a total of ₹ 360 Crores in the nature of Debentures issued on 30.03.2022 (ISIN: INE168A08079 Stock Code: 973898).

Debenture Trustees

Name : IDBI Trusteeship Services Ltd.

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 Services Ltd.

Address : The Ruby, 2nd Floor, SW, Senapati Bapat Marg, Dadar West, Mumbai-400028.

Phone : 9130352937

Email ID : meet.soni@axistrustee.in

Financial Calendar (April 01, 2021 to March 31, 2022)

Board meeting for consideration of Accounts	12 th May, 2022	
Dispatch of Annual Report / Notice of AGM by electronic mode	2 nd August, 2022	
Date, Time and Venue of the 84 th AGM	Meeting will be held on Wednesday 24 th August, 2022 through video conferencing/OAVM at 11:00 AM	
Record date for the purpose of determining eligibility of dividend	For the Financial Year 31 st March, 2022, the Bank has not declared any dividend, hence not applicable	
Board meeting for considering un-audited results for the first 3 quarters of FY 2021-22	Quarter ending	Approval Date
	30 th June, 2021	13 th August, 2021
	30 th September, 2021	12 th November, 2021
	31 st December, 2021	8 th February, 2022



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
81 st Annual General Meeting	Thursday, 26 th September, 2019 at 11:00 AM	Jammu and Kashmir Bank Limited, Corporate Headquarters, M. A. Road, Srinagar.	<ul style="list-style-type: none"> Confirmation for extension in the term of Independent Director. Raising of Equity Tier I Capital, upto the tune of ₹550 Crore Raising of Basel III compliant Tier II Capital, upto the tune of ₹1050 Crore. Alteration in Articles of Association.
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.

POSTAL BALLOT

During the period under report, the Bank sought approval of the Members for below mentioned special resolutions via postal ballot notices dated June 19, 2021 and February 17, 2022 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, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner. The scrutinizer submitted his reports to the Chairman & MD/ 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 Stock Exchanges.

A. Postal Ballot notice dated June 19, 2021:

The above notice contained the following special resolutions:

- Authority to the Board of Directors of the Bank to Offer, Issue and Allot Equity Shares on a Preferential basis to the Government of Jammu and Kashmir, Promoter and Majority Shareholder of the Bank.
- Issue of Shares to Employees and Whole Time Directors of the Bank.

There were total 1,60,614 shareholders of the Bank as on the record date i.e. June 11, 2021 out of which 514 members comprising of 49,97,51,262 equity shares representing 70.02% 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
Issue of Capital on Preferential basis	49,97,37,627	49,95,99,124	1,38,503	99.97	0.03
Issue of Shares to Employees and Whole Time Directors of the Bank	49,97,37,957	49,57,09,900	40,28,057	99.19	0.81

The above special resolutions were passed with requisite majority on July 21, 2021 and results were declared on July 22, 2021 and were communicated to the stock exchanges and displayed on the Bank's website www.jkbank.com.

B. Postal Ballot notice dated February 17, 2022:

The above notice contained the following special resolutions:

- Cancellation of Unissued Share Capital of the Bank
- Amendments in the Articles of Association of the Bank
- Appointment of Dr. Rajeev Lochan Bishnoi (DIN: 00130335) as an Independent Director on the Board of the Bank.
- Appointment of Mr. Anil Kumar Goel (DIN: 00672755) as an Independent Director on the Board of the Bank.
- Appointment of Mr. Umesh Chandra Pandey (DIN: 01185085) as an Independent Director on the Board of the Bank.
- Appointment of Mrs. Sushmita Chadha (DIN: 02939808) as an Independent Director on the Board of the Bank.
- Approval of J&K Bank Employee Stock Option Scheme - 2022.
- Payment of Fixed Remuneration to Non-Executive Directors of the Bank.

There were total 1,94,350 shareholders of the Bank as on the record date i.e. February 11, 2022 out of which 576 members comprising of 66,31,26,337 equity shares representing 71.08% of the issued share capital participated in the e-voting process. The breakup of the votes is as mentioned below:

S. No	Resolution	No. of valid votes polled	Votes cast in favour	Votes cast against	% of Votes cast in favour	% of Votes cast against
(i)	Cancellation of Unissued Share Capital of the Bank	663099990	663060483	39507	99.99	00.01
(ii)	Amendments in the Articles of Association of the Bank	663104420	663055330	49090	99.99	00.01
(iii)	Appointment of Dr. Rajeev Lochan Bishnoi (DIN: 00130335) as an Independent Director on the Board of the Bank	663106373	654977988	8128385	98.77	1.23
(iv)	Appointment of Mr. Anil Kumar Goel (DIN: 00672755) as an Independent Director on the Board of the Bank	663106512	663050725	55787	99.99	00.01
(v)	Appointment of Mr. Umesh Chandra Pandey (DIN: 01185085) as an Independent Director on the Board of the Bank	663106211	663051265	54946	99.99	00.01
(vi)	Appointment of Mrs. Sushmita Chadha (DIN: 02939808) as an Independent Director on the Board of the Bank	663106564	663055441	51123	99.99	00.01
(vii)	Approval of J&K Bank Employee Stock Option Scheme - 2022	663106119	2737831	660368288	0.42	99.58
(viii)	Payment of Fixed Remuneration to Non-Executive Directors of the Bank	663104475	4000923	659103552	0.60	99.40

Except for special resolutions listed at s.no (vii) and (viii) which were lost the remaining special resolutions were passed with requisite majority on March 20, 2022 and results were declared on March 21, 2022 and were communicated to the stock exchanges and displayed on the Bank's website www.jkbank.com.

At present, the Bank has no plan to pass special resolution through Postal Ballot. The shareholders will be intimated as and when it will be planned.

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 Agents, M/s KFin Technologies Limited and are approved by the Board / Share Transfer Committee of the Bank. The service requests of such nature are processed within a period of ten (10) days from

the date of receipt of the relevant documents by Registrar and Share Transfer Agents.

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
2016-17	Nil	----	----
2017-18	Nil	----	----
2018-19	Nil	----	----
2019-20	Nil	----	----
2020-21	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) Ltd. As on 31st March, 2022, the position of dematerialized shares as well as physical shares is as under:

(As on 31.03.2022)

Particulars	No. of shares	%age
Physical Shares	1,22,48,146	1.31
Dematerialized Shares	920,638,448	98.69
Total	932,886,594	100.000



DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022

S.NO	Category	No. of Holders	% to Holders	Number of Shares	% to Total
1	Upto 5000	185818	94.5292	96624977	10.3576
2	5001 - 10000	7586	3.8591	52117669	5.5867
3	10001 - 20000	2263	1.1512	29028243	3.1117
4	20001 - 30000	356	0.1811	8806014	0.944
5	30001 - 40000	155	0.0789	5467068	0.586
6	40001 - 50000	108	0.0549	4970914	0.5329
7	50001 - 100000	161	0.0819	11822132	1.2673
8	100001 & Above	125	0.0636	724049577	77.6139
	Total	98.6871	100.00	93,28,86,594	100.00

LIST OF SHAREHOLDERS HOLDING MORE THAN 1% AS ON 31.03.2022

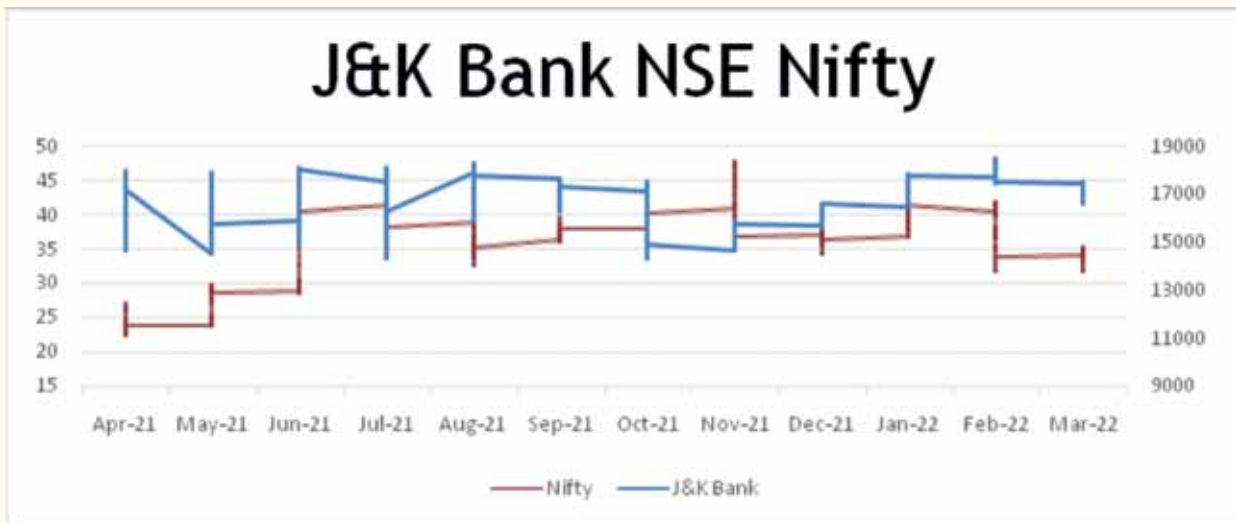
S. No.	NAME	SHARES	% TO EQT	CATEGORY
1	Govt. of Jammu & Kashmir Through: a. Chief Secretary b. Secretary Finance Deptt.	61,72,33,825 3,68,64,455	70.1156	PRO
2	Life Insurance Corporation Of India	1,46,91,715	1.5749	QIB
	Total	668,789,995	71.6905	

SHARE PRICE & VOLUME OF SHARES TRADED

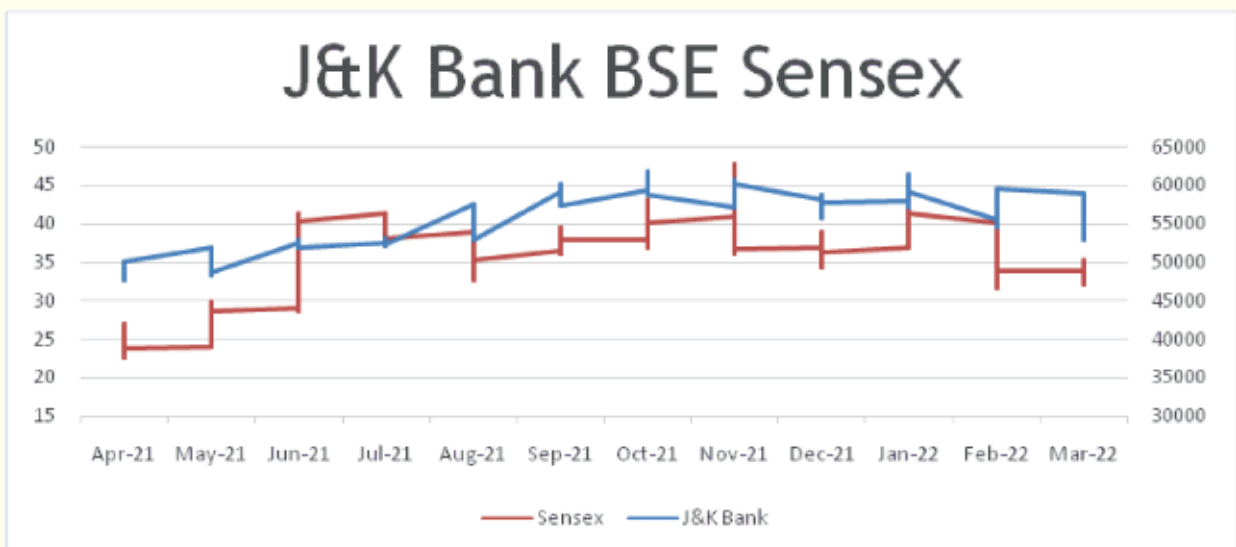
The monthly high and low prices of the Bank's shares and volume of shares traded on The BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the period April 2021 to March 2022 are as under:

Month	The BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Monthly Volumes	High (₹)	Low (₹)	Monthly Volumes
April-21	28.10	22.50	6946995	28.10	22.50	63268283
May-21	30.45	23.25	15858164	30.40	23.30	102755343
June-21	44.35	28.50	42188073	44.30	28.50	320038612
July-21	42.10	36.60	13537463	42.15	36.25	80557806
August-21	39.85	31.55	10318068	40.00	31.55	48885635
September-21	40.30	35.30	12499276	40.35	35.40	73530709
October-21	44.45	36.75	16805014	44.45	36.75	122575269
November-21	48.20	35.90	18120475	48.30	35.80	125898538
December-21	39.60	34.15	8252220	39.45	34.15	54829918
January-22	43.60	35.60	15076856	43.60	35.50	93373674
February-22	42.80	31.50	10357575	42.75	31.50	54945325
March-22	35.65	31.30	7539471	35.65	31.20	37371432

J&K Bank Share price versus NSE - Nifty



J&K Bank Share price versus BSE - Sensex

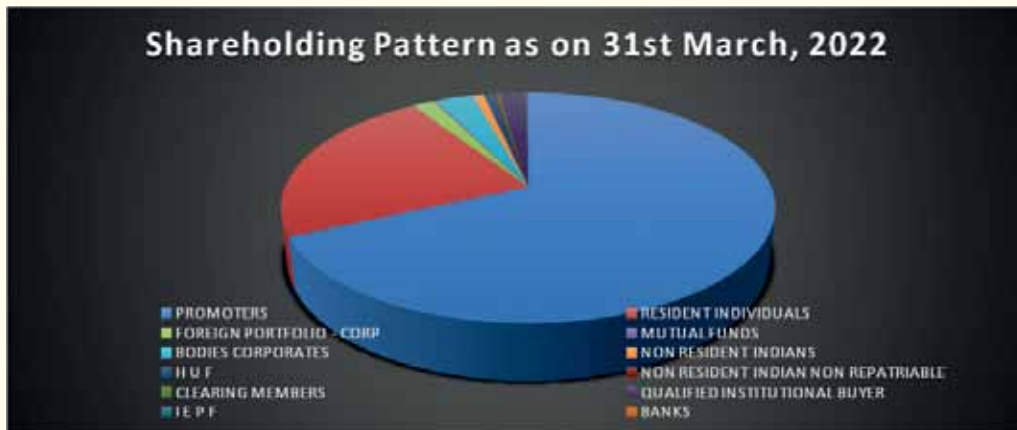


SHAREHOLDING PATTERN AS ON 31.03.2022

JAMMU & KASHMIR BANK LIMITED		
Share holding pattern as on 31 st March 2022		
Description	Total Shares	Percentage
PROMOTERS	654098280	70.1155
RESIDENT INDIVIDUALS	215754102	23.1276
BODIES CORPORATES	23385346	2.5068
Qualified Institutional Buyer	14691715	1.5749
FOREIGN PORTFOLIO - CORP	6630858	0.7108
H U F	6369460	0.6828
NON RESIDENT INDIANS	6047290	0.6482
MUTUAL FUNDS	1995136	0.2139
CLEARING MEMBERS	1446638	0.1551



NON RESIDENT INDIAN NON REPATRIABLE	1224243	0.1312
I E P F	952720	0.1021
TRUSTS	277856	0.0298
DIRECTORS	11000	0.0012
NBFC	1750	0.0002
BANKS	200	0.0000
Total	932886594	100.0000



LIST OF CREDIT RATINGS OF DEBT INSTRUMENTS ISSUED BY BANK.

S. No.	Particulars	31.03.2022	31.03.2021	Rating Agency
1	Credit rating and change in credit rating (if any):			
	1. Certificate of Deposits	CRISIL A1+(Reaffirmed)	CRISIL A1+	CRISIL
	2. Short Term Deposits	CRISIL A1+(Reaffirmed)	CRISIL A1+	
	3. Long term Deposits	FAA-/Negative (Reaffirmed)	FAA-/Negative	
	4. Tier II Sub ordinate Debt	BWR AA - Negative (Reaffirmed)	BWR AA - Negative (Reaffirmed)	Brickwork
5. AT1	IND A + Stable (outlook changed from Negative to Stable) CARE A+/Stable BWR A Negative (Reaffirmed)	IND A + Negative (Downgrade) BWR A Negative (Reaffirmed)	India Ratings Care Ratings Brickwork	

PLANT LOCATION

Being a banking company, the Bank does not have plants. As on March 31, 2022, the Bank has 980 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, 2022 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	Dr. Arun Kumar Mehta, IAS (ceased w.e.f September 01, 2021)	02712778	March 15, 2019
03	Mr. Atal Dulloo, IAS	03542909	September 01, 2021
04	Mr. Nitishwar Kumar, IAS	05326456	October 09, 2020
05	Mr. Rigzian Sampheal, IAS (ceased w.e.f April 21, 2021)	08157221	December 22, 2020
06	Mr. Rajesh Kumar Chhibber	08190084	June 10, 2019
07	Mr. Anil Kumar Misra (ceased w.e.f January 04, 2022)	08066460	July 03, 2019
08	Mr. Vikram Gujral (ceased w.e.f September 30, 2021)	03637222	March 26, 2019
09	Dr. Rajeev Lochan Bishnoi	00130335	January 21, 2022*
10	Ms. Monica Dhawan (ceased w.e.f January 11, 2022)	01963007	January 11, 2020
11	Mr. Naba Kishore Sahoo	07654279	March 01, 2020
12	Dr. Mohmad Ishaq Wani	08944038	November 06, 2020
13	Mr. Anil Kumar Goel	00672755	January 21, 2022
14	Mr. Umesh Chandra Pandey	01185085	January 21, 2022
15	Mrs. Sushmita Chadha	02939808	January 31, 2022
16	Mr. Anand Kumar	03041018	March 03, 2022

* Mr. Baldev Prakash was appointed as a Govt. Nominee Director on December 27, 2021 and was subsequently appointed as MD & CEO to be effective from the date of actual joining (i.e. December 30, 2021). Dr. Rajeev Lochan Bishnoi was initially appointed on January 11, 2020 for a period of two years and ceased w.e.f January 11, 2022. He was again appointed for a period of 3 years w.e.f January 21, 2022.

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)

FCS No -8720; C P No: 10020
 UDIN: F008720D000503720

Place: Srinagar
 Date: 17.06.2022



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 Ltd ("Bank") for the year ended on March 31, 2022, 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 17, 2022, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on March 31, 2022.

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: F008720D000503753

Place: Srinagar
Date: 17.06.2022

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 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
 (formerly known as KFin Technologies Private Limited)
 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.

Shareholders' Helpdesk Timings: 11:00 a.m. to 1:00 p.m.
 Between Monday to Friday (except on Bank holidays)
 Telephone: +91-194-2483775, +91-194-
 2481930/31/32/33/34/35, Ext: 753610 and 753611.
 Email: sharedeptt_gc@jkbmail.com

For IEPF related matters contact-
 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

Name of the Compliance Officer of the Bank:
 Mr. Mohammad Shafi Mir
 Company Secretary
 Telephone: +91-194-2483775

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

Our contact center may be reached at the toll free number: 1800-890-2122.

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:

- [iamlistening@jkbmail.com](mailto:iamlisting@jkbmail.com) (for clients who have updated their e-mail addresses at their base business units)
- jkbcustomercare@jkbmail.com (for general clients)

For grievances other than Shareholder grievances please send your communication to the following email addresses:

- 1) Depository Services: helpdesk@jkbfsi.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:18008902122.
 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

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 quoting the reference folio number and attaching a photocopy of the CANCELLED cheque leaf of their active core banking



account and also a 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 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. Dividend for and up to the financial year ended March 31, 2014 has already been transferred to the IEPF on August 20, 2021 and the dividend pertaining to year ended March 31, 2015 shall be transferred to IEPF in the month of August, 2022. The details of unclaimed dividend for the financial year ended 2015 onwards and the last dates for claiming such dividend are given below:

Dividend for the year ended	Date of Declaration of dividend	Last date for claiming dividend
March 31, 2015	August 22, 2015	August 21, 2022
March 31, 2016	July 20, 2016	July 19, 2023

(The Bank has not declared any Dividend for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21)

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 2013-14, were transferred to the designated Dematerialized Account of the IEPF authority on August 27, 2021. 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	476266
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 2020-21	164	1,92,108

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@jkmail.com

D) Names of Depositories for dematerialization of equity shares (ISIN No. INE168A01041)

- National Securities Depository Limited (NSDL)
- Central Depository Services (India) Limited (CDSL)



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:

- (a) Name of guardian:
- (b) Signature of guardian:
- (c) 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 Private Limited** (Unit: J&K Bank) Plot 31-32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032 . 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.

Signature

Name

Address

Folio No./Client ID

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 THE NEW 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:



- (a) Date of attaining majority:
- (b) Name of guardian:
- (c) Signature of guardian:
- (d) 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:

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Witness:

Signature:

Name:

Address:

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INSTRUCTIONS:

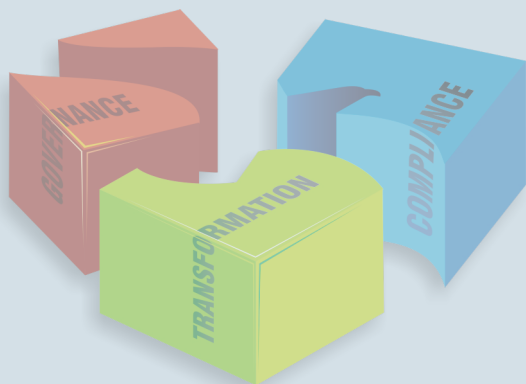
1. In case you are holding physical shares, the duly filled-in form be sent to Company Secretary, The Jammu and Kashmir Bank Limited, Board Secretariat, Corporate Headquarters, M.A. Road, Srinagar - 190001 or to our Share Transfer Agent: M/s **KFin Technologies Private Limited** (Unit: J&K Bank) Plot 31-32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032 . 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.

Signature

Name

Address

Folio No./Client ID



84TH
ANNUAL
GENERAL
MEETING
(AGM)
OF THE
SHAREHOLDERS

AUDITORS

O Aggarwal & Co.
Chartered Accountants

Arora Vohra & Co.
Chartered Accountants

Hem Sandeep & Co.
Chartered Accountants

Dharam Raj & Co.
Chartered Accountants

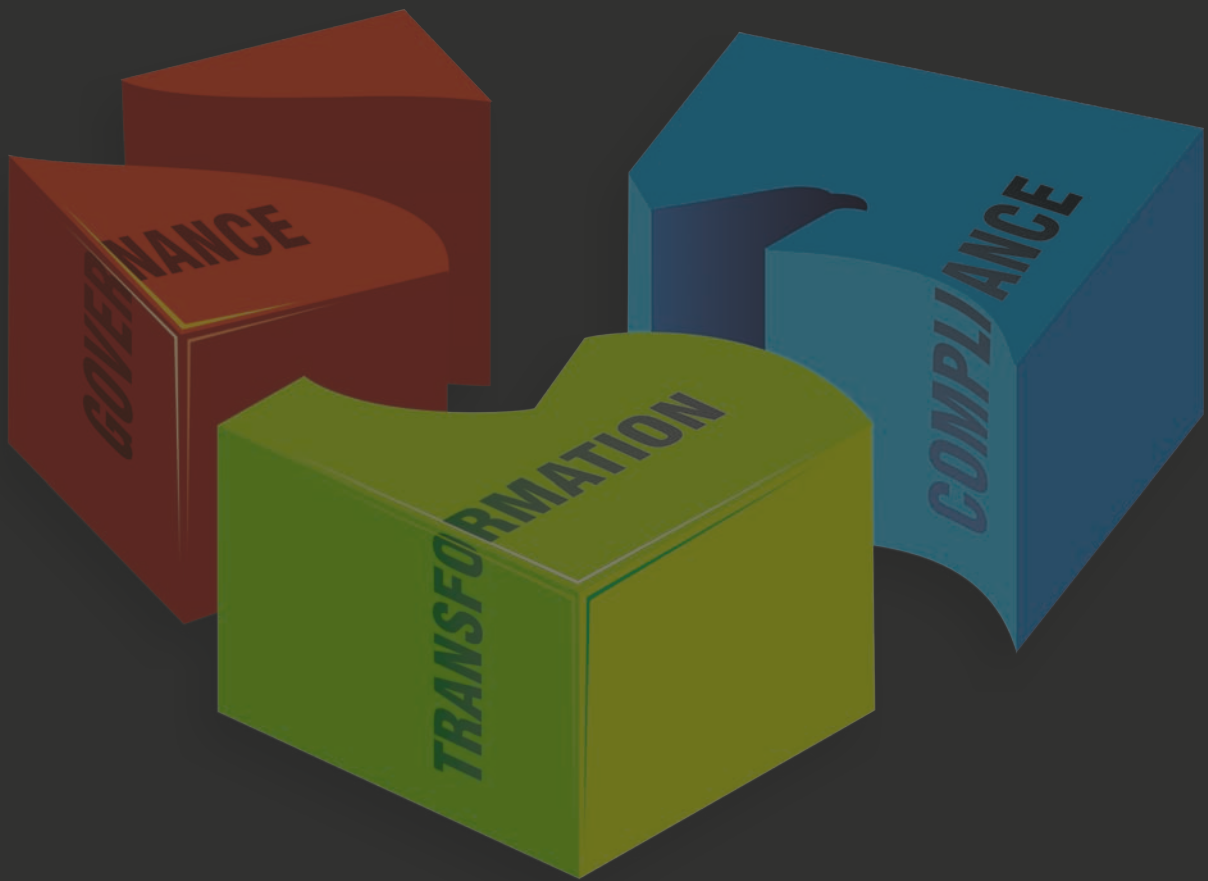
REGISTRAR AND TRANSFER AGENT

M/s KFin Technologies Limited
(Formerly M/s KFin Technologies Private 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 & 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

Beyond the HORIZON



CONCEPT & DESIGN | IC&KM DEPARTMENT