

RESHI & ASSOCIATES

Company Secretaries

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Secretarial Compliance Report of Jammu and Kashmir Bank Limited for the Financial Year ended March 31, 2023

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Jammu and Kashmir Bank Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at Corporate Headquarters, M.A. Road, Srinagar, Jammu & Kashmir - 190001. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023 ('Review Period') complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I, Ghulam Jeelani Reshi, Proprietor of Reshi & Associates, Company Secretaries has examined:

- a) all the documents and records made available to me and explanation provided by the listed entity,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the year ended March 31, 2023 in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

- i) Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and circulars/ guidelines issued thereunder:

Note:

- 1) Pursuant to NSE Circular No. NSE/CML/2023/09 dated 25th January, 2023 and BSE Notice No. 20230125-9 dated 25th January, 2023, I confirm that the listed entity has submitted the Compliance Certificate to the Stock Exchanges w.r.t maintenance of Structured Digital Database as required under Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 for the quarters ended on 30th June, 2022, 30th September, 2022 and 31st December, 2022.
- 2) During the FY 2022-23, the listed entity has allotted 70000000 equity shares through Employees Stock Purchase Scheme (JKBESPS-2023). The said Employees Stock Purchase Scheme (JKBESPS-2023) had a qualified opinion of the Statutory Central Auditors and is reproduced as under:
 - *Clause 21 of J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023) as there was a restriction that the Eligible Employee under the scheme shall not be entitled to any loan facility specifically for the purchase of Shares of the Bank under the Scheme;*
 - *Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions (RBI/2015-16 /95 DBR.No. Dir.BC.10/13.03.00/2015-16) dated July 1, 2015 which strictly prohibited the Banks to extend advances to their employees to purchase their own bank's shares;*
 - *Section 39(1) & 42 of the Companies Act, 2013 as the allotment of the shares shall be made after receipt of funds under the said scheme in a separate Bank Account. However, the shares have been allotted on 21st March 2023 and payment was realised on 22.03.2023 and 23.03.20 23 i.e. before receipt of the entire fund in the ESPS Scheme Account of the Bank;*

Further refer to the Certification by the Secretarial Auditor in regard to the Employees Stock Purchase Scheme (JKBESPS-2023) was issued merely for its framework and has nothing to do with the implementation part of the Scheme.

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	None
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	None
4	Disqualification of Director:		

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
	None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
5	To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	The listed entity does not have any material subsidiary.
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI (LODR) Regulations, 2015.	Yes	None
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	None
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee.	NA	The listed entity has not entered into any related party transaction during the period requiring prior approval of the Audit Committee.
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015
11	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	No	The National Stock Exchange of India Limited and The BSE Limited have imposed a fine for delayed submission of disclosure under Regulation 23(9) of the SEBI (LODR) Regulations, 2015.
12	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	None

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 8th October, 2019:

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor	NA	Not applicable during the period under review.

	<p>before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>		
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	Not applicable during the period under review.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	Not applicable during the period under review.

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of the matters specified below:

Sr. No. (a)	Compliance Requirement (Regulations/circulars/guidelines including specific clause) (b)	Regulation/Circular No. (c)	Deviations (d)	Action Taken by (e)
1.	As per Regulation 23(9) of SEBI (LODR) Regulation, 2015, the listed entity shall make disclosures of Related Party Transactions every six months within fifteen days from the date of publication of its standalone and consolidated financial results.	Regulation 23 (9) of SEBI (LODR) Regulations, 2015	Delayed submission of Related Party Disclosure	National Stock Exchange of India Limited and The BSE Limited

Type of Action (f)	Details of Violation (g)	Fine Amount (h)	Observations/Remarks of the Practicing Company Secretary (i)	Management Response (j)	Remarks (k)
Imposition of Fine	Delayed submission of Related Party Disclosure	Rs.15,000/-+GST by each Exchange	The listed entity submitted its disclosure by a delay of one day.	The fine was levied by the Exchanges for the delayed submission of Related Party disclosure. Since the fine levied was not in accordance with the operational guidelines issued by the Exchanges, the National Stock Exchange of India Limited revoked the fine amount of Rs.10, 000/- and response from The BSE Limited is awaited.	

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Reshi & Associates
Company Secretaries
Firm Registration No: S2011JK536600
PR No. 2125/2022



Ghulam Jeelani Reshi
Proprietor

Place: Srinagar
Date: 26.05.2023

FCS No: 8720/ C P No: 10020
UDIN: F008720E000390585