Jammu & Kashmir Bank Limited

Corporate Headquarters
M A Road, Srinagar 190001
Kashmir, India
CIN: L65110JK1938SGC000048

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J&K Bank

Board Secretariat

Ref:-JKB/BS/F3652/2023/380
Date: 12th June, 2023

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

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code:532209

Sub: - Publication of Balance Sheet and Profit & Loss Account of the Bank for the Financial Year ended 31st March, 2023

Dear Sirs,

Pursuant to Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the copy of the newspaper publication of Balance Sheet and Profit & Loss Account of the Bank for the Financial Year ended 31st March, 2023 published in local newspaper "Rising Kashmir" (page no. 14, 15, 16, 17 & 18) on 11th June, 2023.

This is for your information and appropriate dissemination.

Yours faithfully

For Jammu and Kashmir Bank Limited

MOHAMMAD SHAFI MIR

Digitally signed by MOHAMMAD SHAFI MIR
DN: c=IN, postalCode=191131, st=JAMMU AND KASHMIR, street=- ,- ,GANDERBAL,GANJIPORA BATWINA ,191131, l=GANDERBAL, o=Personal, serialNumber=66e7c458fadfd58d0b1e3af6cfa93526782626d2f4a82a11e8de9af7cbcce6cd, pseudonym=2b629042794c4ea9b1843d8890c0d835, 2.5.4.20=bdd39f64681c707ace4fd04cc14c01b0a11429fb4ae57a30d2d7e722195a1fbc, email=SHAFI489@GMAIL.COM, cn=MOHAMMAD SHAFI MIR
Date: 2023.06.12 15:53:34 +05'30'

(Mohammad Shafi Mir)
Company Secretary

THE JAMMU & KASHMIR BANK LTD
CORPORATE HEADQUARTERS
M.A.ROAD, SRINAGAR
CIN: L65110JK1938SGC000048

J&K Bank
Serving To Empower

STANDALONE BALANCE SHEET
AS AT 31ST MARCH, 2023

	Schedule	As at 31.03.2023	As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
CAPITAL AND LIABILITIES			
Capital	1	1,031,623	933,030
Share Application Money		-	935,000
Reserves and Surplus	2	98,400,757	79,203,630
Deposits	3	1,220,377,383	1,147,103,799
Borrowings	4	28,923,058	23,708,173
Other Liabilities and Provisions	5	110,889,767	54,140,492
TOTAL :-		1,459,622,588	1,306,024,124
		-	
ASSETS		-	
Cash and Balance with Reserve Bank of India	6	77,940,577	77,502,028
Balance with Banks & Money at Call & Short Notice	7	10,846,044	10,348,444
Investments	8	348,291,521	338,349,883
Advances	9	822,854,513	704,006,750
Fixed Assets	10	22,715,388	19,536,800
Other Assets	11	176,974,545	156,280,219
TOTAL :-		1,459,622,588	1,306,024,124
Contingent Liabilities	12	52,337,681	55,249,390
Bills for Collection		17,054,071	15,380,639
Principal Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

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
Anil Kumar Goel Director DIN: 00672755	**Umesh Chandra Panday** Director DIN: 01185085	**Sudhir Gupta** Director DIN: 09614492	**Shahla Ayoub** Director DIN: 09834993
Pratik D Punjabi General Manager/CFO	**Mohammad Shafi Mir** Company Secretary		

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.	**For Arora Vohra & Co**	**For Dharam Raj & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 005755N	FRN: 009487N	FRN: 014461N
CA. Om Prakash Aggarwal	CA. Ashwani Aggarwal	CA. Dharam Raj
Partner	Partner	Partner
M.No. 083862	M.No. 013833	M.No. 094108
UDIN: 23083862BGVZAY6333	**UDIN: 23013833BGXIBM2873**	**UDIN : 23094108BGSNT07234**

Place: Srinagar
Date: 04/05/2023

STANDALONE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2023

		Schedule	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
			₹ '000' Omitted	₹ '000' Omitted
I	**INCOME**			
	Interest Earned	13	93,551,062	80,134,754
	Other Income	14	7,568,107	7,440,074
	TOTAL		**101,119,169**	**87,574,828**
II	**EXPENDITURE**			
	Interest Expended	15	46,098,253	41,022,458
	Operating Expenses	16	36,436,014	35,927,774
	Provisions and Contingencies		6,611,102	5,608,975
	TOTAL		**89,145,369**	**82,559,207**
III	**NET PROFIT / (LOSS)**		11,973,800	5,015,621
	TOTAL		**101,119,169**	**87,574,828**
IV	**APPROPRIATIONS**			
	TRANSFERED TO			
i)	Statutory Reserve		2,993,450	1,253,905
ii)	Capital Reserve		-	335,145
iii)	Revenue and Other Reserve		8,464,610	3,426,571
iv)	Investment Fluctuation Reserve		-	-
v)	Special Reserve		-	-
vi)	Proposed Dividend		515,740	-
vii)	Tax on Dividend		-	-
	TOTAL		**11,973,800**	**5,015,621**
	Principal Accounting Policies	17		
	Notes on Accounts	18		
	Earnings per Share (Basic/Diluted)		**12.43**	**6.04**

The Schedules Referred to above form an integral part of the Profit & Loss Account.

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
Anil Kumar Goel Director DIN: 00672755	**Umesh Chandra Panday** Director DIN: 01185085	**Sudhir Gupta** Director DIN: 09614492	**Shahla Ayoub** Director DIN: 09834993
Pratik D Punjabi General Manager/CFO	**Mohammad Shafi Mir** Company Secretary		

Place: Srinagar
Date: 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.	**For Arora Vohra & Co**	**For Dharam Raj & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 005755N	FRN: 009487N	FRN: 014461N
CA. Om Prakash Aggarwal	CA. Ashwani Aggarwal	CA. Dharam Raj
Partner	Partner	Partner
M.No. 083862	M.No. 013833	M.No. 094108
UDIN: 23083862BGVZAY6333	**UDIN: 23013833BGXIBM2873**	**UDIN : 23094108BGSNT07234**

Place: Srinagar
Date: 04/05/2023

STANDALONE SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2023

		As at 31.03.2023	As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
SCHEDULE 1 - CAPITAL			
	Authorised Capital		
	1,850,000,000 (P.Y. 1,850,000,000)		
	Equity Shares of Rs.1/- each	1,850,000	1,850,000
	Issued :-		
	1,031,697,861 (P.Y 933,104,594) Equity Shares of Rs.1/= each	1,031,698	933,105
	Subscribed and Paid-up Capital		
	1,031,479,861 (P.Y. 932,886,594)		
	Equity Shares of Rs. 1/- each	1,031,479	932,886
	Add Forfeited Equity Shares (218,000) (P.Y. 218,000)	144	144
	TOTAL*	**1,031,623**	**933,030**
Share Application Money Received (Pending Allotment)		**–**	**935,000**
SCHEDULE 2 - RESERVES & SURPLUS			
I.	**Statutory Reserves**		
	Opening Balance	24,037,433	22,783,528
	Additions during the year	2,993,450	1,253,905
	Deductions during the year	-	-
	Closing Balance	**27,030,883**	**24,037,433**
II.	**Capital Reserves**		
a)	**Revaluation Reserve Fixed Assets**		
	Opening Balance	9,498,454	9,726,180
	Additions during the year on account of Revaluation Reserve	3,519,560	-
	Deduction during the year (depreciation)	(205,389)	(227,726)
	Closing Balance	**12,812,625**	**9,498,454**
b)	**Others**		
	Opening Balance	2,888,472	2,553,327
	Additions during the year	-	335,145
	Deductions during the year		
	Closing Balance	**2,888,472**	**2,888,472**
III.	**Share Premium**		
	Opening Balance	17,604,651	10,959,119
	Additions during the year	4,219,506	6,645,532
	Deductions during the year		-
	Closing Balance*	**21,824,157**	**17,604,651**
IV.	**Revenue and other Reserves**		
a)	**Investment Fluctuation Reserve**		
	Opening Balance	377,800	377,800
	Additions during the year	1,718,000	-
	Deductions during the year	-	-
	Closing Balance	**2,095,800**	**377,800**
b)	**Special Reserve (U/S 36 (i) (viii) of i.Tax Act, 1961**		
	Opening Balance	1,231,600	1,231,600
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	**1,231,600**	**1,231,600**
c)	**Other Reserve**		
	Opening Balance	23,565,220	19,910,924
	Additions during the year	8,670,000	3,654,296
	Deductions during the year	(1,718,000)	-
	Closing Balance	**30,517,220**	**23,565,220**
	TOTAL (I,II,III & IV)*	**98,400,757**	**79,203,630**

* The amount of Rs. 338.31 crore (7.00 Crore in paid up capital and 331.31 crore in share premium account) mobilized on account of JKBESPS 2023 though included here, has not been reckoned as capital for the purpose of financial ratios involving net worth/capital. (Refer Note No. 15 notes to accounts.)

SCHEDULE 3 - DEPOSITS		As at 31.03.2023	As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
A I.	**Demand Deposits**		
	i) From Banks	1,331,995	1,496,306
	ii) From Others	138,600,300	142,480,572
	TOTAL (i & ii)	**139,932,295**	**143,976,878**
II.	**Saving Bank Deposits**	**520,247,496**	**504,769,219**
III.	**Term Deposits**		
	i) From Banks	21,387,369	15,118,741
	ii) From Others	538,810,223	483,238,961
	TOTAL (i & ii)	**560,197,592**	**498,357,702**
	TOTAL A (I+II+III)	**1,220,377,383**	**1,147,103,799**
B. I.	**Deposits of branches in India**	**1,220,377,383**	**1,147,103,799**
II.	Deposits of branches outside India	-	-
	TOTAL B (I+II)	**1,220,377,383**	**1,147,103,799**
SCHEDULE 4 - BORROWINGS			
I.	**Borrowings in India**		
	a) Reserve Bank of India	-	-
	b) Other Banks	-	-
	c) Unsecured Redeemable Debentures/Bonds (BASEL III for Tier I & Tier II Capital)	28,810,000	23,600,000
	d) Other Institutions & Agencies	113,058	108,173
	TOTAL (a to d)	**28,923,058**	**23,708,173**
II.	**Borrowings outside India**	-	-
	GRAND TOTAL (I & II)	**28,923,058**	**23,708,173**
	Secured borrowings included in I & II above	**Nil**	**Nil**

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		As at 31.03.2023	As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
i)	Bills Payable	2,985,297	2,710,593
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued	289,481	180,428
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	5,460,829	4,828,477
vi)	Other (Including Provisions)	102,154,160	46,420,994
	TOTAL (i to vi)	**110,889,767**	**54,140,492**
SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in Hand (Including Foreign Currency Notes)	6,373,076	6,160,287
II.	Balance with Reserve Bank of India		
	a) In Current Account	54,567,501	7,791,741
	b) In Other Accounts	17,000,000	63,550,000
	TOTAL (I & II)	**77,940,577**	**77,502,028**
SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	**In India**		
	i) Balance with Banks		
	a) In Current Accounts	416,670	341,548
	b) In Other Deposit Accounts	10	10
	TOTAL (i)	**416,680**	**341,558**
	ii) Money At Call and Short Notice		
	a) With Banks	1,000,000	-
	b) With Other Institutions	8,708,708	9,745,959
	TOTAL (ii)	**9,708,708**	**9,745,959**
	TOTAL I of (i & ii)	**10,125,388**	**10,087,517**
II.	**Outside India**		
	i) In Current Accounts	227,636	260,927
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	493,020	-
	TOTAL II of (i, ii & iii)	**720,656**	**260,927**
	GRAND TOTAL (I&II)	**10,846,044**	**10,348,444**
SCHEDULE 8 - INVESTMENTS			
I.	**Investments in India in**		
i)	Government Securities	291,558,271	304,126,187
ii)	Other Approved Securities	-	-
iii)	Shares (Pref. + Equity)	1,018,560	1,094,172
iv)	Debentures and Bonds	7,145,437	2,077,460
v)	Subsidiaries and/or Joint Ventures	400,000	200,000
vi)	Sponsored Institutions	87,508	87,508
vii)	Others :	-	
	a) Certificate of Deposit	47,754,843	30,385,902
	b) Suitfile	-	-
	c) Venture Capital	239	-
	d) Commercial Paper	-	-
	e) Security Receipts	326,663	378,654
	TOTAL (I)	**348,291,521**	**338,349,883**
II.	**Investments Outside India in**		
i)	Government Securities	Nil	Nil
ii)	Subsidiaries and/or Joint Ventures abroad	Nil	Nil
iii)	Others investments	Nil	Nil
	TOTAL (II)	-	-
	TOTAL (I & II)	**348,291,521**	**338,349,883**
III.	**Investments Category-Wise**		
i)	Held to Maturity	268,010,374	233,558,568
ii)	Held for Trading	11,726	298,950
iii)	Available for Sale	80,269,421	104,492,365
	TOTAL (III)	**348,291,521**	**338,349,883**
SCHEDULE 9 - ADVANCES			
A	i) Bills Purchased and Discounted	2,123,234	2,418,979
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	252,298,285	238,597,472
	iii) Term Loans	568,432,994	462,990,299
	TOTAL (i to iii)	**822,854,513**	**704,006,750**
B	i) Secured by Tangible Assets (includes advances against book debts)	566,150,949	487,601,750
	ii) Covered by Bank/Govt. Guarantees	3,602,502	4,270,737
	iii) Unsecured	253,101,062	212,134,263
	TOTAL (i to iii)	**822,854,513**	**704,006,750**
C	**I. Advances in India**		
	i) Priority Sector	253,934,033	288,029,477
	ii) Public Sector	6,416,170	7,544,369
	iii) Banks	39	151
	iv) Others	562,504,271	408,432,753
	TOTAL (i to iv)	**822,854,513**	**704,006,750**
	II. Advances Outside India		
	i) Due from Banks	-	-
	ii) Due from Others	-	-
	GRAND TOTAL (I & II)	**822,854,513**	**704,006,750**
SCHEDULE 10 - FIXED ASSETS			
I.	**Premises**		
	a) At cost/revalued as at 31st March of the preceding year	17,807,006	17,793,568
	Additions during the year	3,759,443	13,438
		21,566,449	**17,807,006**
	Deductions during the year	117,024	-
		21,449,425	**17,807,006**
	Depreciation to date	2,934,324	2,849,779
	Total (a)	**18,515,101**	**14,957,227**
	b) Constructions work in progress	441,257	430,769
	TOTAL (I) [a+b]	**18,956,358**	**15,387,996**
II.	**Other Fixed Assets (Including Furniture & Fixtures)**		
	a) At cost/revalued as at 31st March of the preceding year	15,199,548	14,451,027
	Additions during the year	1,101,660	798,941
		16,301,208	**15,249,968**
	Deductions during the year	16,330	56,096
		16,284,878	**15,193,872**
	Depreciation to date	12,557,812	11,078,587
	TOTAL (II)	**3,727,066**	**4,115,285**
	b) Constructions work in progress	**31,964**	**33,519**
	TOTAL (II) [a+b]	**3,759,030**	**4,148,804**
	GRAND TOTAL (I & II)	**22,715,388**	**19,536,800**

SCHEDULE 11 - OTHER ASSETS		As at 31.03.2023	As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
I.	Interest Accrued	6,992,882	5,904,195
II.	Inter Office Adjustment (Net)	702,481	703,103
III.	" Tax paid in Advance/Tax Deducted at Source (Net of Provisions)"	1,864,986	2,620,210
IV.	Stationery and Stamps	42,769	45,325
V.	Deferred Tax Asset (Net)	1,828,499	2,392,815
VI.	Non-Banking Assets acquired in satisfaction of claims	-	92,792
VII.	Others *	165,542,928	144,521,779
	TOTAL (I to VIII)	**176,974,545**	**156,280,219**

*** Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 68072650 thousand (Previous year Rs. 56912877 thousand)**

SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	2,446,709	7,082,854
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	19,013,257	17,044,620
IV.	Guarantees given on behalf of constituents:-		
	a) In India	21,964,418	22,162,782
	b) Outside India	247,358	225,339
V.	Acceptances, Endorsements & Other Obligations	5,926,586	6,289,224
VI.	Other items for which the Bank is Contingently liable	-	-
VII.	Liability on a/c of Depositors Education Awareness Fund (DEAF)	2,739,353	2,444,571
	TOTAL (I to VII)	**52,337,681**	**55,249,390**

STANDALONE SCHEDULES TO THE PROFIT & LOSS ACCOUNT

SCHEDULE 13 - INTEREST EARNED		YEAR ENDED As at 31.03.2023	YEAR ENDED As at 31.03.2022
		₹ '000' Omitted	₹ '000' Omitted
I.	Interest/Discount on Advances/Bills	69,975,540	60,153,801
II.	Income on Investments (Net of Amortization)	20,709,235	16,768,541
III.	Interest on Balances with R.B.I and other Inter Bank Funds	946,813	1,686,911
IV.	Others	1,919,474	1,525,501
	TOTAL (I to IV)	**93,551,062**	**80,134,754**
SCHEDULE 14 - OTHER INCOME			
I.	Commission, Exchange & Brokerage	1,586,530	1,945,332
II.	Profit /(Loss) on Sale of Investments (Net)	516,668	1,230,962
	Profit on Sale of Investments	562,506	1,248,437
	Less: Loss on sale of investments	(45,838)	(17,475)
III.	Profit /(Loss) on revaluation of Investments (Net)	(125,277)	(354,132)
	Profit on revaluation of Investments	-	8,122
	Less: loss on revaluation of investments	(125,277)	(362,254)
IV.	Profit/(Loss) on Sale of Land, Buildings & Other Assets (Net)	11,932	2,768
	Profit on Sale of Land, Buildings & Other Assets	12,721	8,236
	Less: Loss on Sale of Land, Buildings & Other Assets	(789)	(5,468)
V.	Profit /(Loss) on Exchange Transactions (Net)	142,024	163,664
	Profit on Exchange Transactions	143,195	163,695
	Less: Loss on E/Transactions	(1,171)	(31)
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/ in India	-	-
VII.	Miscellaneous Income	5,436,230	4,451,480
	TOTAL (I to VII)	**7,568,107**	**7,440,074**
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on Deposits	43,516,295	39,018,726
II.	Interest on RBI/Inter-Bank Borrowings	364,795	14,358
III.	Others	2,217,163	1,989,374
	TOTAL (I to III)	**46,098,253**	**41,022,458**
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for Employees	27,036,554	26,719,314
II.	Rent, Taxes and Lighting	1,047,628	975,976
III.	Printing and Stationery	97,637	86,772
IV.	Advertisement and Publicity	51,323	13,471
V.	Depreciation on Bank's Property	1,575,629	1,438,746
VI.	Directors Fees, Allowances and Expenses	27,257	20,895
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	130,780	221,015
VIII.	Law Charges	186,138	127,250
IX.	Postage, Telegrams, Telephones etc.	49,391	40,569
X.	Repairs and Maintenance	308,182	339,711
XI.	Insurance	1,441,397	1,293,741
XII.	Other Expenditure	4,484,098	4,650,314
	TOTAL (I to XII)	**36,436,014**	**35,927,774**

STANDALONE & CONSOLIDATED SCHEDULE 17 –
"PRINCIPAL ACCOUNTING POLICIES"

A.Overview
Jammu and Kashmir Bank (J&K Bank) is a Scheduled Commercial Bank and one of the oldest private sector banks in India, incorporated in 1938. J&K Bank is listed on both NSE and BSE and has its Corporate Headquarters at Srinagar. The Bank functions as a leading bank in the Union Territories of Jammu & Kashmir and Ladakh and is designated by Reserve Bank of India as agency bank for carrying out banking business for the Government of Jammu & Kashmir and Ladakh. J&K Bank caters to banking requirements of various customer segments which includes Business enterprises, employees of government, semi-government and autonomous bodies, farmers, artisans, public sector organizations and corporate clients. Group companies of the J&K Bank include JKBFSL (wholly owned subsidiary) and JK Grameen Bank (Associate RRB). The Bank offers a wide range of retail credit products, including home finance, personal loans, education loan, agriculture lending, trade credit and consumer credit and a number of unique financial products tailored to the needs of various customer segments.

B. Basis of preparation of Financial Statements
The accompanying financial statements are prepared on historical cost basis, except as otherwise stated, following the "Going Concern" concept and conform to the Generally Accepted Accounting Principles (GAAP) in India, applicable statutory provisions and regulatory norms prescribed by the Reserve Bank of India (RBI), statutory guidelines of the Banking Regulation Act, 1949, applicable mandatory Accounting Standards (AS)/Guidance Notes/pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.
The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

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

D. Significant Accounting Policies
1. Revenue Recognition
1.1 Income and expenditure are accounted on accrual basis, unless otherwise stated.
1.2 Interest / Discount income from Non-Performing Assets (NPAs) including investments is recognized in the Profit and Loss Account on realization basis, as per the prudential norms prescribed by RBI.
1.3 Partial recovery in Non-Performing Assets is appropriated first towards principal and thereafter towards interest.
1.4 Fee, commission (other than insurance commission & Government business), exchange income, locker rent, insurance claims, dividend on shares and units in Mutual Fund and interest on refund of income tax are accounted for on receipt basis.
1.5 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Deposits.
1.6 Unforeseen income/ expenses are accounted for in the year of receipt/ payment.
1.7 Stationery issued to branches has been considered as consumed.

2.Investments
Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:
2.1 Classification:
Investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, in accordance with the guidelines issued by Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.
i. Government Securities
ii. Other Approved Securities
iii. Shares
iv. Bonds and Debentures
v. Subsidiaries and Joint Ventures
vi. Others
2.2 Basis of classification:
i. Investments that the Bank intends to hold till maturity are categorized as "Held to Maturity (HTM)".
ii. Investments that are held principally for resale within 90 days from the date of purchase are categorized as "Held for Trading (HFT)".
iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
iv. An investment is classified as HTM, HFT or AFS at the time of its acquisition. Subsequent shifting amongst categories is done with the approval of the Board normally once in a year and in conformity with regulatory guidelines.
v. Investments in subsidiaries and associates are classified as HTM.
2.3 Valuation:
i. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless such costs are higher than the face value, in which case, the premium is amortised over the term to maturity using straight line method.
ii. The individual scrip's in the "Available-for-Sale" category are marked to market at quarterly intervals. The net depreciation under each of six classifications under which investments are presented in the balance sheet is fully provided for, whereas the net appreciation under any of the aforesaid classifications is ignored.
iii. The individual scrip in the "held-for-trading" category is marked to market at weekly intervals and the net depreciation under each of the six classifications under which investments are presented in the Balance Sheet is accounted for in the Profit and Loss account and appreciation is ignored.
iv. The market value for the purpose of periodical valuation of investments, in case of quoted securities included in "Available for Sale" and "Held for trading" categories is based on the prices declared by the Financial Benchmarks India Pvt. Ltd. (FBIL) in accordance with RBI circular FMRD. DIRD.7/14.03.025/2017-18 dated March 31, 2018. For securities whose prices are not published by FBIL, securities are revalued at market prices available from the trades/quotes on the stock exchanges and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).
In respect of unquoted securities, the procedure adopted is as below:

Category of Securities	Value
Government of India Securities and State Government Securities	At rates put out by FIMMDA/PDAI/ Financial Benchmarks India Pvt. Ltd. (FBIL)
Other Approved Securities, Preference Shares, Debentures and PSU Bonds	On yield to maturity (YTM) basis at the rate prescribed by FIMMDA/PDAI/FBIL with such mark ups as laid down by RBI or FIMMDA/PDAI/FBIL
Equity Shares	At Break-up value (without considering revaluation reserves) to be ascertained from the company's latest balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case, the latest balance sheet is not available, the shares shall be valued at Re.1 per company.
Mutual Fund Units	At latest re-purchase price declared by the Mutual Fund in respect of each scheme. In case of funds with a lock-in period or any other fund, where repurchase price is not available, units shall be value at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.
Treasury Bills and Commercial Papers	At carrying cost
Certificate of deposits	At carrying cost

v. Transfer of securities amongst categories is effected at the lower of acquisition cost/ book value/ market value on the date of transfer and the depreciation, if any, on such shifting is fully provided for and the book value of securities is changed accordingly.
vi. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method.
vii. Investments in subsidiary are valued at acquisition cost.
viii. Investments in J&K Grameen Bank/Sponsored Institutions are valued at carrying cost.
ix. The investment in security receipts obtained by way of sale of NPA to Asset Reconstruction Companies (ARCs) is recognized at lower of Net Book Value (NBV) (i.e. Book value less provisions held), of the financial asset and redemption value of the Security Receipt.

2.4 The depreciation in value of investments where interest/principal is in arrears is not set-off against the appreciation in respect of other performing securities. Such investments including Non-performing Non-SLR investments are treated applying RBI prudential norms on NPA Classification and appropriate provisions are made as per RBI norms and no income on such investments is recognized.
2.5 Profit or loss on sale of investments is taken to the Profit and Loss account. However, in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount of profit, net of taxes and the amount required to be transferred to Statutory reserve, is appropriated to the "Capital Reserve Account".
2.6 Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
2.7 Brokerage paid on securities purchased is charged to revenue account except for equity investment operations where the same is added to the cost of purchase of investment.
2.8 Repurchase & Reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
2.9 In accordance with RBI circular No. FMRD.DIRD.01/14.03.038/2018-19 dated July 24, 2018, the Bank has made changes in accounting for Repo/ Reverse Repo transactions including Triparty Repo (Other than transactions under the liquidity adjustment facility (LAF) with the RBI). Accordingly, the securities sold and purchased under Repo/Reverse Repo are accounted for as collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities are reflected using Repo/Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Cost and revenue are accounted as interest expenditure/Income as the case may be. Balance in Repo account is classified under schedule 4 (Borrowing) and balance in Reverse Repo account is classified under schedule 7 (Balance with Banks & money at call & short notice).
2.10 In respect of Non-Performing Securities, income is not recognized and appropriate provision is made for depreciation in the value of such securities as per Reserve Bank of India guidelines.

3. Advances
3.1 Classification of Advances and Provisions thereof have been made as per the Income Recognition, Asset Classification and Provisioning Norms formulated by the RBI viz., Standard, Sub-Standard, Doubtful and Loss Assets. Bank has made provisions on Non-Performing Assets as per the prudential norms prescribed by the RBI as under:

Category of Assets	Provision norms
Sub-Standard	15% on Secured Exposure 25% on Unsecured Exposure 20% on Unsecured Exposure in respect of Infrastructure loan accounts where certain safeguards such as escrow accounts are available
Doubtful-I	25% on Secured 100% on Unsecured
Doubtful-II	40% on Secured 100% on Unsecured
Doubtful-III	100% on Secured 100% on Unsecured
Loss	100%

3.2 Advances are shown net of unrealized interest and provisions/ Technical write offs made in respect of non-performing advances. Provisions on standard advances are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions - Others" and are not considered for arriving at the Net NPAs.
3.3 Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.
3.4 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.
3.5 The Bank also makes additional provisions on specific non-performing assets.
3.6 Appropriation of recoveries in NPAs are made in order of priority as under:
i. Principal Due
ii. Charges, Costs, Commission etc.
iii. Unrealized Interest/ Interest

4. Floating Provisions
In accordance with the RBI guidelines, the Bank has an approved policy for creation and utilization of floating provisions for advances. The quantum of floating provisions to be created is assessed at the end of each quarter. These provisions are utilized only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Fixed Assets and Depreciation
5.1 Fixed Assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Freehold premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation.
5.2 Cost includes cost of purchase, freight, duties, taxes and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalized only when it increases the future benefits from such assets or their functioning capability. The fixed assets are depreciated as per straight line method, considering residual value at 5% of original cost, as per the provisions of Companies Act 2013 based on the useful life of the assets prescribed in Part C of the Schedule II of the Companies Act 2013 as given hereunder:

Description of Fixed Assets	Useful Life (Years)
Buildings (With RCC Frame Structure)	60
Buildings (Other than RCC Frame Structure)	30
Boundary Wall	5
Plant and Machinery	15
Furniture and Fixtures	10
Vehicles	8
Others (Including temporary structures etc.)	3

Depreciation on computers (including ATMs/CDMs) along with software, forming integral part of the computers is computed at 33.33% on straight line method in terms of RBI guidelines issued vide letter no BP.1660/21.04.018/2001 dated 01.02.2001, taking residual value as Nil. However, in compliance with Section 15(1) of Banking Regulation Act 1949, the bank has written off the entire amount of intangible assets amounting to Rs.35.72 Crores as on March 31, 2023.
Useful life of the mobile phones is considered to be 2 years and the depreciation is charged in straight line method as per provisions of Companies Act 2013 with no residual value.
5.3 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
5.4 Premium paid for leasehold properties is amortized over the period of lease.
5.5 The Bank revalues freehold immovable assets every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. However, where such an increase is a reversal of any previous decrease arising on revaluation which has been charged to profit and loss account, such increase is credited to profit and loss account to the extent that it offsets the previously recorded decrease. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss account except that, to the extent such a decrease is related to a previous increase on revaluation that is included in Revaluation Reserve, it is charged against that earlier increase. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.
5.6 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

6.Employee Benefits
6.1 Short Term Employee Benefits:
The undiscounted amounts of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.
6.2 Long Term Employee Benefits:
i) Defined Contribution Plan:
Provident Fund: Provident Fund is a defined contribution scheme as the bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to profit and loss account. The Bank is paying matching contribution towards those employees who have not opted for the pension.
ii) Defined Benefit Plan
Gratuity
The Bank pays gratuity, a defined benefit plan, to vested employees on retirement or resignation or on death while in employment or on termination of employment. The Bank makes contribution to recognized trust which administers the funds on its own account or through insurance companies. Actuarial valuation of the gratuity liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account.
Pension
The Bank provides for pension to all eligible employees. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees based on the respective employee's years of service with the Bank and applicable salary. Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account. Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.
The Bank also operates a New Pension Scheme (NPS) for all employees joining the Bank on or after 1st August, 2010 (Such new joinees not being entitled to become members of the existing pension scheme). As per the scheme, these employees contribute 10% of their salary and the Bank contributes 14% of the employee's salary. The amount contributed by the Bank to NPS during the year is recognized in the profit and loss account.
Leave Salary
The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary, appointed by the Bank.

7. Transactions involving Foreign Exchange
7.1 Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
7.2 Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
7.3 Monetary Assets and Liabilities as on balance sheet date have been translated using closing rate as at year-end announced by FEDAI.
7.4 Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as an expense in the period in which they arise.
7.5 Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities and the resulting Profit or Loss is recognized in the Profit and Loss Account.

8. Segment Reporting
The Bank recognizes the business segment as the primary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

9. Taxes on Income
Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22- "Accounting for taxes on Income" respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets
10.1 In conformity with AS 29 – "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
10.2 No provision is recognized for
I. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
II. Any present obligation that arises from past events but is not recognized because:
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.
10.3 The Bank has made 100% provision for redemption against the accumulated reward points in respect of standard credit card holders.
10.4 Contingent Assets are not recognized in the financial statements.

11. Impairment of Assets
Fixed assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

12.Share Issue Expenses
Share issue expenses are charged to the Profit and Loss Account.

13.Earnings per Share
13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – "Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

SCHEDULE 18 – "NOTES ON STANDALONE ACCOUNTS"

Regulatory Capital

1.1 a) Composition of Regulatory Capital (Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	8549.38	7498.58*
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	9549.38	8498.58
iv)	Tier 2 capital	2352.40	1084.99
v)	Total capital (Tier 1+Tier 2)	11901.78	9583.57
vi)	Total Risk Weighted Assets (RWAs)	77373.33	72457.73
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	11.05%	10.35%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.34%	11.73%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.04%	1.50%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.38%	13.23%
xi)	Leverage Ratio	6.35%	6.27%
xii)	Percentage of the shareholding of **a)** Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year Share application money (Pending allotment)	9.85	21.94 2.85*
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year: Basel III Compliant Unsecured, Subordinated, Non-Convertible, Redeemable, Fully Paid- Up Debentures	1021	360

Revaluation Reserve has been reckoned as CET1 capital at a discount of 55% in line with RBI guidelines.

a) Drawdown from Reserves (Amount in ₹ crore)

S No.	Reserves	Amount Drawn	Purpose
1	Revaluation Reserve	20.54	Depreciation on revalued portion of fixed assets amounting to ₹ 20.54 crore has been transferred to General Reserve.
2	General Reserve	171.80	Transferred to Investment Fluctuation Reserve

1.2 The J&K Govt. General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020. As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd. consisting of 4,58,29,445 shares which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 shall be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The UT of Jammu and Kashmir has completed the transfer of the said 4,58,29,445 shares to UT of Ladakh on February 10, 2023.
1.3 On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crores Eighty Five Lacs Ninety Three Thousand Two Hundred and Sixty Seven) equity shares at a price of ₹ 32.70 (Rupees Thirty Two and Seventy Paisa Only) which was at a discount of 4.97% (i.e. ₹ 1,71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹ 93,49,99,830.90 (Rupees Ninety Three Crores Forty Nine Lacs Ninety Nine Thousand Eight Hundred Thirty and Ninety Paisa Only). The issue opened on March 28, 2022 and closed on March 31, 2022. As on 31st March, 2022 the said amount was received in share application money account (Escrow Account) and was pending appropriation subject to allotment of equity shares to the subscribers.
1.4 During the FY 2022-23, the Bank raised its equity capital through Employee Stock Purchase Scheme, 2023 (JKBESPS-2023) by allotting 7,00,00,000 (Seven Crore) equity shares to the eligible employees. The issue opened on 14th March 2023 and closed on 21st March 2023.
The scheme was voluntary in nature and the Bank received the subscription amount from the employees in a manner similar to ASBA by placing a lien on the subscription amount in the personal saving bank accounts of the subscribing employees. The Bank did not sanction any loan facility to its employees specifically for subscribing to the issue as prescribed in the scheme itself. Some employees subscribing to the issue had transferred some amounts from their pre-existing general purpose loan facilities (salary overdraft and personal consumption loans) to their savings bank accounts and used the same for subscribing to the share issue. The Bank has additionally taken an independent legal opinion from a reputed law firm confirming that the scheme has been implemented in conformity with all the governing regulations including compliance with RBI Circular no RBI/2015-16/95 DBR.No.Dir.BC.10/13.03.00/2015-16 on "Loans and Advances – Statutory and Other Restrictions" dated July 01, 2015.
On 21st March 2023, the Compensation Committee of Board of Directors approved the allotment of 700,00,000 (Seven Crore) equity shares with face value of ₹ 1.00 each to the eligible employees of the Bank under JKB ESPS 2023.
The Bank had accounted for this transaction in line with the 'Guidance Note on Accounting for Share-based Payments' issued by Institute of Chartered Accountants of India in September 2020, taking the fair value of the share as ₹48.33, face value of ₹ 1.00 per share and a premium of ₹ 47.33 per share (including discount of ₹ 9.08 per share). The total amount received by the Bank on this account is ₹338.31 crores which includes ₹7.00 crores as equity capital and ₹ 331.31 crores as share premium.
However, owing to the observations of the Statutory Auditors regarding transfer of amounts by some employees from their general purpose pre-existing personal loans (Salary Overdraft and Consumption Loan) to their Savings Bank account used for subscribing to the issue, we, as a matter of adopting prudent Corporate Governance Standards, have not reckoned the amount in the financial ratios/prudential limits concerning networth/capital funds and a decision in this regard shall be taken after getting the clarifications/clearance.

2. Asset Liability Management:
Maturity pattern of certain items of assets and liabilities (Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	445.78	1926.48	1999.91	2388.11	1284.67	1656.30	4370.12	6744.92	49726.65	35887.37	15607.42	122037.74
Advances	421.48	1349.54	1538.06	1186.46	932.92	868.58	3662.88	5428.33	38494.02	14586.15	13817.04	82285.45
Investments	3726.34	1.89	333.76	338.19	5517.17	54.75	2145.38	6115.88	5601.83	3975.22	7018.73	34829.15
Borrowings	5.15	0.00	0.00	0.00	0.00	1000.00	0.00	0.00	500.00	1387.16	0.00	2892.31
Foreign Currency assets	19.37	68.69	13.15	253.68	0.00	283.18	252.45	194.82	20.66	0.00	0.00	1106.00
Foreign Currency Liabilities	7.16	55.47	0.00	276.45	0.00	250.86	258.80	202.47	1.74	0.00	0.00	1052.95

Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the bank for compiling the Liquidity Report submitted to the RBI.

b) Liquidity Coverage Ratio (LCR) Amount in ₹ crore)

		Quarter March 2023		Quarter December 2022		Quarter September 2022		Quarter June 2022	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
	High Quality Liquid Assets								
1.	**Total High Quality Liquid Assets (HQLA)**	30280.73	30259.92	30102.74	29632.62	30131.40	30131.07	35335.83	35332.85
	Cash Outflows								
2.	**Retail deposits and deposits from small business customers, of which**	85082.06	6267.89	80874.26	5932.56	82182.59	5977.37	83092.82	6045.23
(i)	**Stable deposits**	46278.27	2313.95	43871.79	2193.60	44744.77	2237.24	45287.60	2264.71
(ii)	**Less stable deposits**	38803.78	3953.95	37002.47	3738.96	37437.81	3740.13	37805.23	3780.52
3.	**Unsecured wholesale funding, of which**	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(i)	**Operational Deposits (all counterparties)**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	**Non Operational deposits (all counterparties)**	19758.50	9495.77	22041.95	10824.49	24378.14	11556.90	28914.58	13805.36
(iii)	**Unsecured debt**	0.00	0.00	0.00	0.00	0	0	0	0
4.	**Secured Wholesale funding**		0.00		0.00		0.00		0.00
5.	**Additional requirements of which**	1.25	1.25	0.00	0.00	0.00	0.00	41.67	41.67
(i)	**Outflows related to derivative exposure and other collateral requirements**	0.86	0.86	0.00	0.00	0.00	0.00	41.67	41.67
(ii)	**outflows related to loss of funding on debt products**	0.00	0.00	0.00	0.00	0	0	0	0
(iii)	**credit and liquidity facilities**	0.00	0.00	0.00	0.00	0	0	0	0
6.	**Other contractual funding Obligations**	6957.00	598.56	9529.39	742.31	7039.83	643.30	7593.50	869.36
7.	**Other contingent funding Obligations**	3628.74	137.65	3530.68	161.25	3776.89	132.32	3854.92	141.22
8	**Total cash outflows**		16501.99		17660.60		18309.89		20902.84
	Cash Inflows								
9.	**Secured Lending (e.g. reverse repos)**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10.	**Inflows from fully performing exposures**	2397.04	1227.17	2520.01	1323.87	2186.84	1230.76	5882.22	0
11.	**Other cash inflows**	655.49	326.66	0.00	0.00	0	0	1866.19	1003.07
12.	**Total cash inflows**	3052.52	1553.83	2520.01	1323.87	2186.84	1230.76	7748.41	1003.07
13.	**TOTAL HQLA**		30259.92		29632.62		30131.07		35332.85
14.	**Total Net Cash Outflows**		14948.17		16336.73		17079.12		19899.77
15.	**Liquidity Coverage Ratio (%)**		202.43		181.39		176.42		177.55

In accordance with RBI guidelines vide circular no. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. We have considered 46 data points for the quarter March 2023.

DISCLOSURE ON LIQUIDITY COVERAGE RATIO AS ON 31.03.2023

Qualitative disclosure for LCR:
Liquidity Coverage Ratio (LCR) guidelines were implemented by the Banks with an objective to maintain adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet liquidity needs for a time-horizon up to 30 calendar days under a significantly severe liquidity stress scenario

$$LCR = \frac{\text{Stock of High-Quality Liquid Assets (HQLAs)}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

HQLA comprise of liquid assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The Total Net Cash Outflows are the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.
Bank's LCR was at 202.43% based on daily average of past three months (Q4 FY22-23). The position remained above theminimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs 30259.92 Cr which were mostly in the form of level 1 assets. The weighted average total net cash outflows were to the tune of Rs 16501.99 Cr. Liquidity Management in the Bank is driven by RBI guidelines and Bank's ALM Policy. ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. In addition to daily / monthly LCR reporting, Bank also prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis.

c) Net Stable Funding Ratio (NSFR)

	NSFR Disclosure Template					
	(₹ in Crore)	Unweighted value by residual maturity: No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted Value
	ASF Item					
1	Capital: (2+3)	**9420.77**	**1000.00**	**0.00**	**15664.70**	**26085.48**
2	Regulatory capital	9420.77	1000.00	0.00	1481.00	12388.14
3	Other capital instruments	0	0	0	14183.70	14183.70
4	Retail deposits and deposits from small business customers: (5+6)	**66016.40**	**14686.10**	**18029.94**	**0.00**	**91627.76**
5	Stable deposits	35028.25	9724.65	10618.36	0	52602.70
6	Less stable deposits	30988.16	4961.45	7411.58	0	39025.07
7	Wholesale funding: (8+9)	**0.00**	**5806.56**	**3721.19**	**0.00**	**4697.88**
8	Operational deposits	0.00	0.00	0.00	0	0.00
9	Other wholesale funding	0.00	5806.56	3721.19	0.00	4697.88
10	Other liabilities: (11+12)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0	0	0	0	0
13	Total ASF (1+4+7+10)					122897.48
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					1388.00
15	Deposits held at other financial institutions for operational purposes	**111.51**	**0.00**	**0.00**	**0.00**	**55.75**
16	Performing loans and securities: (17+18+19+21+23)	**333.61**	**14748.80**	**14453.57**	**54600.92**	**58358.00**
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	970.87	0	0	145.63
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	12497.58	9668.31	46601.21	49030.06
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	9633.80	6261.97
21	Performing residential mortgages, of which:	0	0	0	7382.98	5454.84
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0	0	4103.45	2667.24
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	333.61	1280.35	4785.26	616.73	3727.47
24	Other assets: (sum of rows 25 to 29)	**2438.22**	**0.00**	**0.00**	**9237.63**	**11655.88**
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	28.96	0.00	0.00	104.16	113.15
27	NSFR derivative assets		0	0	1.66	1.66
28	NSFR derivative liabilities before deduction of variation margin posted		0	0	1.55	1.55
29	All other assets not included in the above categories	2409.26	0.00	0.00	9130.26	11539.52
30	Off-balance sheet items		**0.00**	**2817.41**	**0.00**	**140.87**
31	Total RSF (14+15+16+24+30)					**71598.50**
32	Net Stable Funding Ratio (%)					**170.95%**

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding

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

Bank's NSFR comes to 170.95% as at the end of the quarter Q4 (FY 2022-23) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.3.2023 stood at Rs. 122897.48 crores and amount for Required Stable Funding (RSF) as on 31.03.2023 was Rs 71598.50 crores.
The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the deposits from retail customers, small business customers and non-financial corporate customers.
Under the Required Stable Funding (RSF) the primary drivers are unencumbered performing loans with residual maturities of one year or more.

3. Investments
a) Composition of Investment Portfolio
As at 31st March 2023 (Amount in ₹ crore)

Particulars	Investments in India: Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Investments outside India: Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	26752.29	0	0	0	85.67	0	26837.96	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	36.92	0	36.92	0	0	0	0	0
Net	26752.29	0	0	0	48.75	0	26801.04	0	0	0	0	0
Available for Sale												
Gross	2403.54	0	573.46	1013.96	0	4986.13	8977.09	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.78	299.42	0	177.95	950.15	0	0	0	0	0
Net	2403.54	0	100.68	714.54	0	4808.18	8026.94	0	0	0	0	0
Held for Trading												
Gross	0	0	1.20	0	0	0	1.20	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0.03	0	0	0	0.03	0	0	0	0	0
Net	0	0	1.17	0	0	0	1.17	0	0	0	0	0
Total Investments	29155.83	0	574.66	1013.96	85.67	4986.13	35816.25	0	0	0	0	0
Less: Provision for non-performing investments	0	0	467.05	294.98	0	48.24	810.27	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.81	299.42	36.92	177.95	987.10	0	0	0	0	0
Net	**29155.83**	**0**	**101.85**	**714.54**	**48.75**	**4808.18**	**34829.15**	**0**	**0**	**0**	**0**	**0**

As at 31st March 2022 (Amount in ₹ crore)

Particulars	Investments in India: Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Investments outside India: Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	23303.48	0.00	0.00	23.63	65.67	0.00	23392.78	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	36.92	0.00	36.92	0	0	0	0	0
Net	23303.48	0.00	0.00	23.63	28.75	0.00	23355.86	0	0	0	0	0
Available for Sale												
Gross	7109.14	0.00	558.80	306.63	0.00	3169.05	11143.62	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	0.00	92.59	694.38	0	0	0	0	0
Net	7109.14	0.00	109.40	154.24	0.00	3076.46	10449.24	0	0	0	0	0
Held for Trading												
Gross	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Net	0.00	0.00	0.02	29.87	0.00	0.00	29.89	0	0	0	0	0
Total Investments	30412.62	0.00	558.82	360.13	65.67	3169.05	34566.29	0	0	0	0	0
Less: Provision for non- performing investments	0.00	0.00	446.56	152.39	0.00	48.24	647.19	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	449.40	152.39	36.92	92.59	731.30	0	0	0	0	0
Net	**30412.62**	**0.00**	**109.42**	**207.74**	**28.75**	**3076.46**	**33834.99**	**0**	**0**	**0**	**0**	**0**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve (Amount in ₹ crore)

	Particulars	Current Year	Previous Year
	i) Movement of provisions held towards depreciation on investments a) Opening balance b) Add: Provisions made during the year c) Less: Write off / write back of excess provisions during the year d) Closing balance	 84.12 97.63 4.92 176.83	 48.71 60.61 25.20 84.12
	ii) Movement of Investment Fluctuation Reserve (IFR) a) Opening balance b) Add: Amount transferred during the year c) Less: Drawdown d) Closing balance	 37.78 171.80 0.00 209.58	 37.78 0.00 0.00 37.78
i)	Closing balance in IFR as a percentage of closing balance of investments in Available for Sale (AFS) and Held for Trade (HFT)/ Current category	2.61	0.36

c) Sale and Transfers to/from Held to Maturity (HTM) Category
The value of sale and transfer of securities to/from HTM Category (excluding permitted transfers) has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.
d) Non-SLR Investment Portfolio
i) Non-performing non-SLR investments (Amount in ₹ crore)

S. No.	Particulars	Current Year	Previous Year
a)	**Opening balance**	722.07	817.58
b)	**Additions during the year since 1st April**	172.34	18.53
c)	**Reductions during the above period**	24.02	114.04
d)	**Closing balance**	870.39	722.07
e)	**Total provisions held (including floating provision of ₹ 2.76 Crores and ₹ 29.57 crore of interest capitalized)**	810.27	649.94

ii) Issuer composition of non-SLR investments (Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities*		Extent of 'Unrated' Securities*		Extent of 'Unlisted' Securities*	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	69.31	19.85	69.31	19.85	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	1423.84	173.63	712.95	163.63	115.00	115.00	0.00	0.00	0.00	0.00
c)	Banks	4094.34	3096.74	0.00	53.50	0.00	23.50	0.00	0.00	0.00	0.00
d)	Private Corporates	824.89	715.56	279.93	123.15	0.00	0.00	23.03	24.18	23.03	24.18
e)	Subsidiaries/ Joint Ventures**	85.67	65.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	162.38	82.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Less: Provision held towards depreciation/ NPI***	987.10	731.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total ***	**5673.33**	**3422.37**	**1062.19**	**360.13**	**115.00**	**138.50**	**23.03**	**24.18**	**23.03**	**24.18**

*Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities are not segregated under these categories as these are exempt from rating/listing guidelines.
**Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.
*** Excludes floating provision of ₹ 2.76 Crores

e) Repo transactions (in face value terms) (Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo **a) Government securities** **b) Corporate debt securities** **c) Any other securities**	 1182.00 0.00 0.00	 1182.00 0.00 0.00	 9.71 0.00 0.00	 0.00 0.00 0.00
ii) Securities purchased under reverse repo **a) Government securities** **b) Corporate debt securities** **c) Any other securities**	 1600.00 0.00 0.00	 8825.00 0.00 0.00	 1030.15 0.00 0.00	 0.00 0.00 0.00

f) Investments include ₹45.67 Crores in Sponsored institution J&K Grameen Bank. Net worth of J&K Grameen Bank has eroded due to continuing losses and since there is a permanent diminution in carrying cost of investment, the Bank has made prudential provision of ₹ 36.92 Crore.
Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹ 100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.
g) Floating Provisions (Investments)

Particulars	Current Year	Previous Year
Opening balance	2.76	2.76
Additions made during the year	0.00	0.00
Utilization made during the year	0.00	0.00
Closing Balance	2.76	2.76

4. Asset Quality
a) Classification of advances and provisions held

(₹ in crores)

	Current Year: Standard	Non-Performing				Total	Previous Year: Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances		Total Standard Advances	Sub-standard	Doubtful	Loss Advances	Total Non-Performing	
Gross Standard Advances and NPAs												
Opening Balance	68721.92	879.77	4206.68	1434.08	6520.54	75242.46	64961.87	967.44	4876.28	1111.03	6954.75	71916.62
Add: Additions during the year					7446.61						3130.87	
Less: Reductions during the year*					8762.72						3565.08	
Closing balance	80951.21	734.52	3291.30	979.82	5204.43		68721.92	879.77	4206.68	1434.08	6520.54	75242.46

*Reductions in Gross NPAs due to:					8762.71						3565.08	
i) Upgradation					6448.58						2257.45	
ii) Recoveries (excluding recoveries from upgraded accounts)					1276.98						544.23	
iii) Technical/ Prudential Write-offs					453.22						758.01	
iv) Write-offs other than those under (iii) above					583.93						5.39	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	482.85	142.40	3108.85	1434.08	4685.33	5168.18	432.74	171.23	3565.88	1108.18	4845.29	5278.03
Add: Fresh provisions made during the year					(12.52)						588.96**	
Less: Excess provision reversed/ Write-off loans					914.82						748.92	
Closing balance of provisions held	546.08	134.15	2642.06	981.78	3757.99		482.85	142.40	3108.85	1434.08	4685.33	5168.18
** ₹ 588.96 crore includes ₹ 335.61 crores utilized from Floating Provision as per RBI Circular No RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dt May 05 2021												
Net NPAs												
Opening Balance		733.32	1016.78	0.00	1750.10			738.83	1230.50	0.00	1969.33	
Add: Fresh additions during the year					7459.13						2541.91	
Less: Reductions during the year					7847.90						2816.16	
Closing Balance ***		641.93	692.31	0.00	1334.24			733.32	1016.78	0.00	1750.10	
*** Closing balance has been arrived after subtracting ICAP of ₹ 60.77 crore (₹ 31.36 as on 31.03.2022 and ₹ 92.13 crore as on 31.03.2023), adding ₹ 36.84 crore of DIFV (₹ 36.84 crore as on 31.03.2022 and NIL as on 31.03.2023) and subtracting ECGC/ CGTMSE of ₹ 3.16 crore (₹ 16.91 crore as on 31.03.2022 and₹ 20.07 crore as on 31.03.2023)												
Floating Provisions												
Opening Balance						13.11						348.72
Add: Additional provisions made during the year						111.37						0.00
Less: Amount drawn down during the year						0.00						335.61****
Closing balance of floating provisions						124.48						13.11
**** As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, the bank has utilised ₹ 335.61 crore of floating Provisions upto 31.03.2022 after obtaining requisite prior approval from Board of Directors against the requirement for specific provision of non-performing assets.												
Technical write-offs and the recoveries made thereon												
Opening balance of Technical/ Prudential written-off accounts						4596.59						3970.79
Add: Technical/ Prudential write-offs during the year						329.61						758.01
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						464.37						132.20
Closing balance						4461.84						4596.59

Note: In accordance with the Board approved policy, the Bank has created additional floating provisions of ₹ 111.37 crores for advances during FY 2022-23, thereby taking the closing balance of floating provision for advances as on March 31, 2023 to ₹124.48 crores

Ratios	Current Year	Previous Year
Gross NPA to Gross Advances	6.04%	8.67%
Net NPA to Net Advances	1.62%	2.49%
Provision coverage ratio	86.20%	84.26%

b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
i)	**Priority Sector**						
1	Agriculture & Allied Activities	9183.74	672.39	7.32	8636.61	623.59	7.22%
2	Advances to Industries sector eligible as priority sector lending	2769.80	265.26	9.58	3469.21	308.29	8.89%
3	Services	9001.79	366.91	4.08	12955.26	757.76	5.85%
4	Personal Loans	5070.84	40.76	0.80	4546.77	42.10	0.93%
	Sub-Total (i)	**26026.17**	**1345.32**	**5.17**	**29607.85**	**1731.74**	**5.85%**
ii)	**Non-Priority Sector**						
1	Agriculture & Allied Activities	686.81	0.03	0.00	19.13	0.04	0.21%
2	Industry	11206.84	1162.25	10.37	9108.90	2000.54	21.96%
3	Services	19925.56	2416.48	12.13	11767.85	2510.24	21.33%
4	Personal loans	28310.34	280.35	0.99	24738.73	277.97	1.12%
	Sub-Total (ii)	60129.54	3859.11	6.42	45634.61	4788.80	10.49%
	Total (i + ii)	**86155.72**	**5204.43**	**6.04**	**75242.46**	**6520.54**	**8.67%**

c) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019

In terms of RBI Circular DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Bank has made additional provisions during previous quarters as per prescribed rates under the framework without any requirement for further provisions for the quarter ended March 31, 2023. The total provision as on March 31, 2023 is ₹ 61.24 crore as detailed below:

Amount of loans impacted by RBI Circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2023 out of (b) classified as NPA (c)	Provisions held as on 31.03.2022 (d)	Additional provision made during the year ended 31.03.2023 (e)	Provision held as on 31.03.2023 (f)
61.24	61.24	61.24	425.14	0.00	61.24

It is in place to mention that:

- Account of Hindustan Construction Company Ltd. Of ₹ 114.13 crore has been adjusted as per the resolution plan on 30.09.2022.
- In the account of Reliance Commercial Finance Ltd., the Bank has received an amount of ₹ 35.03 crores and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 30.09.2022.
- In the account of Reliance Finance Home Ltd., the Bank has received an amount of ₹ 30.42 crore and remaining amount has been waived off as per the Implementation Memorandum signed by ICA lenders on 29.03.2023.
- In the account of Reliance Infrastructure Ltd., the Bank has effected a recovery of ₹ 10 crore during the year.

d) Divergence in asset classification and provisioning:

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. DBR.BP.BC. No.31/21.04.018/2018-19 dated 1st April, 2019.

e) Disclosure of transfer of loan accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021.

i) The details of the Non-Performing Assets transferred during the year ended March 31, 2023 is given below:

S. No.	Particulars	Current Year			Previous Year		
		To ARCs	To permitted transferees	To other transferees	To ARCs	To permitted transferees	To other transferees
a.	No of accounts	3	Nil	1	Nil	Nil	Nil
b.	**Aggregate principal outstanding of loans transferred (₹ in crore)**	562.76	NA	188.11	NA	NA	NA
c.	**Weighted average residual tenor of the loans transferred (Years)**	2.68	NA	0	NA	NA	NA
d.	**Net book value of loans transferred (at the time of transfer) (₹ in crore)**	142.84	NA	0	NA	NA	NA
e.	**Aggregate consideration (₹ in crore)**	305.12	NA	94.33	NA	NA	NA
f.	**Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)**	1.23	NA	0	NA	NA	NA

Excess Provision amounting to ₹ 176.43 crore (Previous year Nil) on sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC) has been accounted for in the Profit & Loss Account.

ii) The Bank has not transferred any Special Mention Account and loan not in default.

iii) The Bank has not acquired any stressed loan or NPA during the year.

iv) Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2023:

(In ₹ Crore)

Recovery Rating Band	Book Value as on 31.03.2023	Book Value as on 31.03.2022
RR1+	13.39	0.00
RR1	0.00	13.39
RR3	0.00	26.00
RR4	64.26	38.27
NA*	4.55	4.55
Rating not assigned**	80.18	0.00
Total	**162.38**	**82.20**

*100% provisions made against the SRs

**SRs received in Q4 of FY 2022-23, as per ARC rating shall be assigned within 180 days

f) Fraud accounts

Particulars	Current year	Previous Year
Number of frauds reported	20	19
Amount involved in fraud (₹ Crore)	380.04	246.16
Amount of provision made for such frauds (₹ Crore)	375.32	244.61
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	Nil	Nil

g) Resolution Framework for COVID-19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID 19 related stress as per RBI Circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below:

(₹ in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	75.61	1.43	0.00	2.21	71.97
Corporate persons*	721.38	72.28	0.00	230.37	418.73
Of which MSMEs	105.64	17.74	0.00	3.78	84.12
Others	229.00	11.69	0.00	16.16	201.16
Total	**1025.99**	**85.40**	**0.00**	**248.74**	**691.85**

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

5. Exposures

a) Exposure to real estate sector

S.No		Particulars	Current Year	Previous Year
1.		**Direct Exposure**		
	(i)	**Residential Mortgages**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	**11650.95**	**9614.35**
		Of which individual housing loans eligible for inclusion in priority sector advances	4541.64	3802.99
	(ii)	**Commercial Real Estate**	**2177.29**	**2613.12**
		Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0	0
	(iii)	**Investment in Mortgage-Backed Securities (MBS) and other securitized exposures:**	0	0
	(a)	Residential	0	0
	(b)	Commercial real estate	0	0
2.		**Indirect Exposure**		
		Fund based and non-fund-based exposures on National housing Bank and Housing Finance Corporation	3025.03	1981.11
		Total Exposure to Real Estate Sector	**16853.27**	**14208.58**

b) Exposure to capital market

Particulars	(₹ in Crores) Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	74.42	77.88
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.04	0.04
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15.00	15.03
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.02	0.02
Total exposure to capital market	**89.48**	**92.97**

c) Risk category-wise country exposure **(₹ in Crores)**

Risk Category	Exposure (net) as at 31st March 2023	Provisions held as at 31st March 2023	Exposure (net) as at 31st March 2022	Provisions held as at 31st March 2022
Insignificant	118.98	0.00	169.82	0.00
Low	18.03	0.00	9.12	0.00
Moderately Low	1.98	0.00	0.00	0.00
Moderate	0.00	0.00	8.59	0.00
Moderately High	0.10	0.00	0.00	0.00
High	0.00	0.00	0.32	0.00
Very high	0.00	0.00	0.29	0.00
Total	**139.09**	**0.00**	**188.13**	**0.00**

d) Unsecured Advances **(Amount in ₹ Crores)**

Particulars	Current year	Previous Year
Total unsecured advances of the bank	25310.11	21213.43
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	NA	NA

e) Factoring exposures

The Banks factoring exposure as at 31.03.2023 is (Previous Year - Nil)

f) Intra-group exposures **(Amount in ₹ Crores)**

Particulars	Current Year	Previous Year
Total Amount of intra-group Exposure	15.00	15.00
Total Amount of top-20 intra group exposures	15.00	15.00
Percentage of intra –group exposures to total exposures of the bank on borrowers/customers	0.01%	0.02%
Details of breach of limit on intra-group exposures and regulatory action thereon, if any	NIL	NIL

g) Unhedged foreign currency exposure

In accordance with RBI circular no DBOD .BP.BC.85/21.06.200/2013-14 dated 15th January, 2014 and circular no DBOD. BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, banks are required to make an additional provision in respect of borrowers with Un-hedged Foreign Currency Exposures (UFCE) from April 1, 2014 onwards. Accordingly, our bank has made the necessary provisions. **(Amount in ₹ Crores)**

Particulars	Provision Held	
	Current Year 31.03.2023	Previous Year 31.03.2022
Opening balance	2.70	1.96
Additions during the Year	1.16	2.32
Deductions during the Year	0.10	1.58
Closing balance	3.76	2.70

The capital held by the Bank towards the foreign currency exposure amounts to ₹ 1.13 crores (previous year ₹ 3.03 crores).

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
Total Deposits of 20 largest depositors	10984.00	9899.72
Percentage of 20 largest deposits to total Deposits of the Bank	9.00	8.63%

b) Concentration of Advances **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
Total Advances to the twenty largest borrowers	11819.29	9396.12
Percentage of advances to twenty largest borrowers to total advances of the bank	13.28%	12.49%

c) Concentration of Exposures **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	12440.52	11044.73
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers/customers	11.89%	11.96%

d) Concentration of NPAs **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	2400.18	3613.22
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	46.12%	55.41%

7. Derivatives

a) Forward rate agreement/Interest rate swap **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	0.00	0.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	0.00
iii) Collateral required by the bank upon entering into swaps	0.00	0.00
iv) Concentration of credit risk arising from the swaps	0.00	0.00
v) The fair value of the swap book	0.00	0.00

b) Exchange traded interest rate derivatives **(Amounts in ₹ crore)**

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

c) Disclosures on risk exposures in derivatives

i) Qualitative disclosures

The only derivatives traded by the Bank in the foreign exchange market are forward contracts. Forward contracts are being used to hedge /cover the exposure in foreign exchange arising out of Merchant transactions and trading positions.

To cover the risks arising out of above derivatives, various limits like AGL, IGL and stop loss have been prescribed in the trading policy of the bank which are monitored through VaR.

Outstanding forward exchange contracts held for trading are revalued at the exchange rates for appropriate maturity rates as announced by FEDAI at the year-end exchange rates and the resultant gain/ loss is taken to revenue.

ii) Quantitative Disclosures **(Amounts in ₹ crore)**

Sr. No		Particulars	Current Year		Previous Year	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)		**Derivatives (Notional Principal Amount)**				
	a)	For Hedging	NIL	NIL	NIL	NIL
	b)	For Trading	NIL	NIL	NIL	NIL
(ii)		**Marked to Market Position**				
	a)	Asset (+)	NIL	NIL	NIL	NIL
	b)	Liability (-)	NIL	NIL	NIL	NIL
(iii)		**Credit Exposure (2)**	NIL	NIL	NIL	NIL
(iv)		**Likely Impact of 1% change in interest rate (100*PV01)**				
	a)	On hedging derivatives	NIL	NIL	NIL	NIL
	b)	On Trading derivatives	NIL	NIL	NIL	NIL
(v)		**Maximum & minimum of 100*PV01 observed during the year**				
	a)	On hedging	NIL	NIL	NIL	NIL
	b)	On Trading	NIL	NIL	NIL	NIL

d) Credit default swaps

Bank did not enter in any credit default swap.

8. Disclosures relating to securitisation

Sl.No	Particulars	Mar 31 (Current Year)	Mar 31 (Previous Year)
1.	No of SPEs holding assets for securitisation transactions originated by the originator	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures • First loss • Others	Nil	Nil
	a) On-balance sheet exposures • First loss • Others	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. a) Amount paid b) Repayment received c) Outstanding amount	Nil	Nil
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints a) Directly/Indirectly received and; b) Complaints outstanding	Nil	Nil

9. Off balance sheet SPVs sponsored

The bank has not floated any off Balance Sheet SPV.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund) **(Amounts in ₹ crore)**

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	244.30	200.50
Add: Amounts transferred to DEA Fund during the year	34.28	48.38
Less: Amounts reimbursed by DEA Fund towards claims	4.65	4.42
Closing balance of amounts transferred to DEA Fund	273.93	244.46

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No		Particulars	Previous year	Current year
		Complaints received by the bank from its customers		
1.		Number of complaints pending at beginning of the year	20	11
2.		Number of complaints received during the year	636	1662
3.		Number of complaints disposed during the year	645	1640
	3.1	Of which, number of complaints rejected by the bank	0	0
4.		Number of complaints pending at the end of the year	11	33
		Maintainable complaints received by the bank from Office of Ombudsman		
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	944	530
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	866	514
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	71	10
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note : Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme				

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Account opening/ difficulty in operation of accounts	2	120	2900	1	0
Staff Behavior	1	95	313	5	0
Loans and Advances	2	612	353	8	1
Credit Cards	0	99	27	1	0
Pension and facilities for senior citizens/ differently abled	0	66	266	0	0
Others	6	670	50	18	0
Total	**11**	**1662**	**161**	**33**	**1**
Previous Year					
Levy of charges without prior notice/ excessive charges / foreclosure charges	0	2	100	0	0
Staff Behavior	1	23	-75	1	0
Loans and Advances	0	135	-13	2	0
Internet/ Mobile/ Electronic Banking	0	2	-86	0	0
ATM/ Debit Cards	0	27	-3	0	0
Others	19	447	-7	8	0
Total	**20**	**636**	**-17**	**11**	**0**

12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2023, Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 has levied following monetary penalties on the Bank:

S.No.	Nature of Penalty	Number of Instances	Cumulative Amount (In ₹ lacs)
1.	Penalty imposed by RBI on Currency Chests	26	3.75*
2.	Penalty imposed by RBI on ATM Cash Outs	421	42.10*
	Total	**447**	**45.85**

*This amount has been recovered from the concerned employees.

13. Disclosures on remuneration

Type of disclosure		Information	
Qualitative	a)	Information relating to the composition and mandate of the Remuneration Committee.	Bank has constituted the Nomination and Remuneration Committee of the Board pursuant to the requirement of the Reserve Bank of India and the Companies Act, 2013, which constituted of following members of the Board as on 31.03.2023. Mr. Anand Kumar (Chairman N&RC) Mr. R K Chhibber Dr. Rajeev Lochan Bishnoi Mr. Naba Kishore Sahoo
	b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	• 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: **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

		Particulars	Current Year	Previous Year
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/Material Risk Takers)	g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	The Committee met ten times during the year and total sitting fee of ₹15,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit.	The Committee met seven times during the year and total sitting fee of ₹ 7,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input tax credit.
	h)	i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
		ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
		iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
		iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
	i)	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
		ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NIL	NA
	k)	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL
		ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
		iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l)	Number of MRTs identified	11* *Identified as per the revised Compensation Policy of the Bank	31* *Identified as per the Compensation Policy of the Bank
	m)	(i) Number of cases where malus has been exercised	NIL	Nil
		(ii) Number of cases where clawback has been exercised	NIL	Nil
		(iii) Number of cases where both malus and clawback have been exercised.	NIL	Nil
General Quantitative Disclosure	n)	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	• Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY 2022-23 was ₹ 11.08 lacs.Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 6.07X • Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.25 lacs.Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 5.59X *One WTD joined during middle of the year, however ratio of pay is annualised for calculation.	

14. Other Disclosures

a) Business ratios

Particulars	Current Year	Previous Year
Interest Income as a percentage to Working Funds	6.92%	6.63%
Non-Interest Income as a percentage to Working Funds	0.56%	0.62%
Cost of Deposits	3.79%	3.65%

Net Interest Margin	3.89%	3.50%
Operating Profit as a percentage to Working Funds	1.37%	0.88%
Return on Assets	0.89%	0.42%
Business (deposits plus advances) per employee(in ₹ crore)	15.57	13.87
Profit per employee (in ₹ crore)	0.09	0.04

b) Bancassurance business
Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business

(Amounts in ₹ crore)

Name of the Company	Current Year	Previous Year
PNB Metlife	47.36	41.44
Bajaj Allianz	20.00	17.64
IFFCO Tokio	3.33	3.05
Total	70.69	62.13

c) Marketing and distribution
The details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as under:

(Amounts in ₹ crore)

S.No	Nature of income	Current Year	Previous Year
1	Commission from JKBFSL on opening DEMAT Accounts	0.03	0.02
2	Commission from JKBFSL on mobilizing Mutual Funds	0.07	0.01
3	Service Charges from PMFBY	0.13	0.15
Total		0.23	0.18

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)
The Bank has purchased the following PSLCs during the year: (in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	50.00	1074.50
PSLC Agriculture	0.00	895.50
Total	50.00	1970.00

The Bank has sold the following PSLCs during the year: (in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Micro Enterprises	0.00	2000.00
Total	0.00	2000.00

e) Provisions and contingencies: (Amounts in ₹ crore)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	83.46	(20.66)
ii) Provision for bad and doubtful debts	(12.51)	253.35
iii) Provision made towards Income tax		
a. Current Tax	530.55	215.34
b. Deferred Tax	56.43	25.80
iv) Other provisions and contingencies		
a. Provision for depreciation on investments	0.00	0.00
b. Provision for dimunition in the fair value of restructured /rescheduled advances	(28.24)	(21.79)
c. Provision for Standard Assets	63.23	81.04
d. Provision for Contingent Liabilities	(2.33)	0.00
e. Provision for Frauds/Embezzlements (other than advances)	(1.74)	0.07
f. Provisions for Contingencies	(27.74)	27.74
Total	661.11	560.89

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)
RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year.
The bank has hired a consultant for implementation of Ind AS in the current year and has started the process of parallel conversion to Ind AS. It is pertinent to mention that the Bank had previously availed the services of a consultant for implementation of Ind AS but the contract was terminated due to non-performance by the Consultant.

g) Payment of DICGC Insurance Premium: (Amount in ₹ crore)

Sr.No	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	140.81	128.88
ii)	Arrears in payment of DICGC premium	Nil	Nil

h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks
Bank has estimated the additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020, amounting to ₹ 72.50 Crores. However, RBI vide their Circular RB1/2021-22/105 DOR.ACC. REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹3.625 Crores & ₹14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2023 respectively and the balance unamortized expense of ₹ 43.50 Crores has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the consequential net profit for the year ended March 31, 2023 would have been ₹ 1153.88 crore.

15. Disclosure Requirements as per the Accounting Standards
a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies
- During the year, there were no material prior period income/expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2022-23 as compared to those followed in the previous Financial Year 2021-2022.

b) Accounting Standard – 15 "Employee Benefits"
The bank has recognized in its books of accounts the liability arising out of employee benefits as the sum of the present value of obligation as reduced by fair value of plan assets on the balance sheet date, as under:

I - Principal Actuarial Assumptions as the Balance Sheet date:

Actuarial Assumptions	Pension		Gratuity		Leave Encashment	
Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.45%	7.30%	7.45%	7.31%	7.45%	7.30%
Expected Return on Plan Assets	7.00%	7.00%	7.00%	7.00%	NA	NA
Rate of Escalation in salary	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

II - Changes in Present value of the obligation (PVO)-Reconciliation of Opening & Closing Balance (₹ in crore)

Particulars	Pension	Gratuity	Leave Encashment
Present value of Obligation 01.04.2022	2156.57	933.21	469.32
Interest Cost	137.42	65.84	33.03
Current Service Cost	78.14	72.51	36.74
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial loss/ (gain) on obligations (Balancing figure)	822.47	113.45	(2.98)
Present Value of Obligations, 31.03.2023	2646.48	1120.08	501.41

III -Changes in the Fair Value of the Plan Assets-Reconciliation of Opening & Closing Balances: (₹ in crore)

Particulars	Pension	Gratuity	Leave Encashment
Fair Value of Plan Assets 01.04.2022	2152.00	925.43	0.00
Expected return on Plan assets	161.37	72.30	0.00
Contributions by Bank	665.31	200.00	66.80
Benefits paid	(548.13)	(64.94)	(34.71)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	129.44	(12.87)	0.00
Fair Value of Plan Assets, 31.03.2023	2560.00	1119.92	0.00

IV -Actual return on Plan Assets (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Expected return on Plan Assets	161.37	72.30	0.00
Actuarial (loss)/ gain on Plan Assets	129.44	(12.87)	0.00
Actual Return on Plan Assets	290.82	59.43	0.00

V -Net Actuarial Gain/ (loss) recognized (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Actuarial gain/ (loss) for the period – Obligation	822.47	113.45	(2.98)
Actuarial gain/ (loss) for the period – Plan Assets	(129.44)	12.87	0.00
Total Gain/ (Loss) for the period	693.03	126.32	(2.98)
Actuarial gain or (loss) recognized in the period	693.03	126.32	(2.98)
Unrecognized Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00

VI -Amount recognized in Balance Sheet & Related Analysis (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Present value obligation, 31.03.2023	2646.48	1120.08	501.41
Fair Value of Plan Assets, 31.03.2023	(2560.00)	(1119.92)	0.00
Difference	86.48	0.16	501.41
Unrecognized Transitional Liability	0.00	0.00	0.00
Unrecognized Past Service cost-vested benefits-Carried Forward	0.00	0.00	0.00
Liability Recognized in the Balance Sheet	86.48	0.16	501.41
Negative amount determined under Paragraph 55 of AS-15	0.00	0.00	0.00
Present value of available refunds and reductions in future contributions	0.00	0.00	0.00
Resulting asset as per Paragraph 59 (b) of AS-15	0.00	0.00	0.00

VII-Expense recognized in Profit and Loss Statement (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Current Service Cost	78.14	72.51	36.74
Interest Cost	137.42	65.84	33.03
Expected return on Plan assets	(161.37)	(72.30)	0.00
Net Actuarial gain/ (loss) recognized in the year	693.03	126.32	(2.98)
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	747.22	192.38	66.80

VIII-Movement in Net liability to be recognized in Balance Sheet (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Opening Net Liability	4.57	7.78	469.32
Expenses	747.22	192.38	66.80
Contributions/ Benefits paid	(665.31)	(200.00)	(34.71)
Closing Net Liability (Liability recognized in B/S in current period)	86.48	0.16	501.41

IX -Amount for the Current Period (₹ in Crore)

Particulars	Pension	Gratuity	Leave Encashment
Defined Benefit Obligation	2646.48	1120.08	501.41
Plan Assets	2560.00	1119.92	0.00
Surplus/(Deficit)	(86.48)	(0.16)	501.41
Experience Adjustments in Plan Liabilities	636.50	130.92	3.25
Actuarial loss/(gain) due to change in financial assumptions	185.97	(17.47)	(6.23)
Experience Adjustments in Plan Assets	(129.44)	12.87	0.00
Net actuarial loss/(gain) for the year	693.03	126.32	(2.98)

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

Particulars	Pension (%)	Gratuity (%)
Government of India Securities	1.00	4.89
State Government Securities	0.00	42.04
High Quality Corporate Bonds	0.00	41.27
Equity Shares of listed companies	0.00	6.23
Funds managed by Insurer	99.00	0.72
Other- Bank Deposits and CD's	0.00	4.85
Treasury Bills	0.00	0.00
Total	100.00	100.00

XI -Best Estimate of contribution during next year (₹ in Crore)

Particulars	Pension (Funded)	Gratuity (Funded)
Bank's best estimate of Contribution during next year	850.00	215.00

Particular Basis of assumption:
Discount rate: Discount rate has been determined by reference to market yields on the balance sheet date on Government Bonds of term consistent with estimated term of the obligations as per para 78 of AS-15.

Expected rate of return on plan assets: The expected return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

Rate of escalation in salary: The estimates of future salary increases considered in actuarial valuations taking into account inflation, seniority, promotion and other relevant factors mentioned in paras 83-91 of AS-15.

Attrition rate: Attrition rate has been determined by reference to past and expected future experience and includes all types of withdrawals other than death but including those due to disability.
*The above information is based on the information certified by the actuary except para XI above.

c) Accounting Standard – 17 "Segment Reporting"
i) The Bank has recognized business segment as its primary reportable segment under AS-17 classified into treasury, Corporate/ Wholesale banking, Retail banking and other banking Business. The necessary disclosure is given below:

(₹ in Crore)

STANDALONE SEGMENT REPORTING PARTICULARS	Current Year	Previous Year
1) Segment Revenue (Income)		
i) Treasury Operations	2406.11	2109.53
ii) Corporate/Wholesale Banking	1847.26	1661.08
iii) Retail Banking*	7016.52	5717.38
iv) Other Banking Business	73.93	62.59
v) Un-Allocated Business	0.00	0.00
Total	11343.82	9550.58
Less: Inter Segment Revenue	1231.90	793.09
Net Income from Operations	10111.92	8757.49
2) Segment Results		
i) Treasury Operations	102.59	149.30
ii) Corporate/Wholesale Banking	748.27	663.53
iii) Retail Banking*	2337.73	1358.73
iv) Other Banking Business	72.51	60.91
v) Un-Allocated Business	(1476.74)	(1489.77)
Profit/(Loss) from Ordinary Activities (Before Tax)	1784.36	742.70
Less: Tax Expenses/(credit)	586.98	241.14
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) After Tax	1197.38	501.56
3) Segment Assets		
i) Treasury Operations	43516.46	41147.40
ii) Corporate/Wholesale Banking	26183.85	20520.97
iii) Retail Banking*	76258.85	68933.94
iv) Other Banking Business	3.10	0.10
v) Un-Allocated Business	0.00	0.00
Total:-	145962.26	130602.41
4) Segment Liabilities		
i) Treasury Operations	145.18	13.15
ii) Corporate/Wholesale Banking	35468.54	30412.49
iii) Retail Banking*	100402.85	92152.30
iv) Other Banking Business	2.45	10.81
v) Un-Allocated Business	0.00	0.00
Total:-	136019.02	122588.75
5) Capital Employed (Segment Assets - Segment Liabilities)		
i) Treasury Operations	43371.28	41134.25
ii) Corporate/Wholesale Banking	(9284.69)	(9891.52)
iii) Retail Banking*	(24144.00)	(23218.36)
iv) Other Banking Business	0.65	(10.71)
v) Un-Allocated Business	0.00	0.00
Total:-	9943.24	8013.66

*RBI's Master Direction on Financial Statements – Presentation and Disclosures requires to sub-divide 'Retail Banking' into (a) Digital Banking (as defined in Circular on establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. During the year ended March 31, 2023, the Bank has commenced operations at two DBUs. Accordingly the segmental results for the retail banking segment for FY 2022-23 is sub-divided as below:

(₹ in Crore)

Particulars	Segment Revenue FY 2022-23	Segment Results FY 2022-23	Segment Assets as on March 31, 2023	Segment Liabilities as on March 31, 2023
Retail Banking	7016.52	2337.73	76258.85	100402.85
i) Digital Banking	0.02	(0.38)	0.60	0.22
ii) Other Retail Banking	7016.50	2338.11	76258.25	100402.63

ii) As the Bank does not have any overseas branch there is no requirement as to reporting of Geographical Segment.

d) Accounting Standard – 18 "Related Party Disclosures"
1. Related Parties (₹ in Crore)

Items/Related Party	JKB Financial Services Ltd. (Subsidiary)	J&K Grameen Bank (Associate)
Outstanding as at	31st March 2023	
Borrowings	0.00	0.00
Deposits	10.56	1448.52
Other Liabilities	0.00	0.00
Advances	7.84	11.67*
Investments	40.00	134.74
Other Assets	0.00	0.00
Maximum outstanding	During FY 2022-23	
Borrowings	0.00	0.00
Deposits	10.81	1448.52
Other Liabilities	0.00	0.00
Advances	11.47	26.68*
Investments	40.00	134.74
Other Assets	0.00	0.00
During the year	During FY 2022-23	
Interest Income	0.51	0.04
Interest Expenditure	0.39	73.07
Fixed Assets purchased from	0.00	0.00
Fixed Assets sold to	0.00	0.00
Income from services rendered to	0.10	0.94
Expenses for receiving services from	0.02	0.00
Remuneration paid	0.43	0.00

*₹11.67 crore is 50% share of Sponsor Bank for implementation of CBS by J&K Grameen Bank in the form of investment in Tier II Perpetual Bonds.

Key Management Personnel of the Bank: (₹ in Crore)

Particulars	Key Management Person	
	Shri Baldev Prakash (MD & CEO)	Shri Sudhir Gupta (Executive Director)
Period for which post held during FY 2022-23	From 01-04-2022 to 31-03-2023	From 14-12-2022 to 31-03-2023
Salary	1.03	0.12

Note: Transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, in terms of paragraph 5 of AS 18.

e) Accounting Standard – 19 "Leases"
The properties taken on lease/rental basis are renewable/cancellable at the option of the Bank.
The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar months' notice in writing.
Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates.
The lease rent recognized during the year is ₹ 83.57 crores (previous year being ₹ 77.79 crores).

f) Accounting Standard – 20 "Earnings per Share"
The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 – "Earnings per Share". Basic Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	93,28,86,594	71,34,50,938
Number of Equity Shares issued during the year	9,85,93,267	21,94,35,656
Number of Equity Shares outstanding at the end of the year	103,14,79,861	93,28,86,594
Weighted average number of equity shares used in computing basic earnings per share	96,35,89,450	83,07,51,542
Weighted average number of equity shares used in computing diluted earnings per share	96,35,89,450	83,07,51,542
Net profit / (loss) (₹ in crore)	1197.38	501.56
Basic earnings per share (₹)	12.43	6.04
Diluted earnings per share (₹)	12.43	6.04

g) Accounting Standard – 21 "Consolidated Financial Statements"
The Bank has a fully owned subsidiary company "JKB Financial Services Ltd.". The investment towards the capital of subsidiary company is ₹ 40.00 Crores (Previous Year ₹ 20.00 Crores). The consolidated financial statements are placed accordingly in terms of AS 21.

h) Accounting Standard – 22 "Accounting for Taxes on Income"
i) Current Tax:
During the year, the Bank has debited to Profit & Loss Account ₹ 530.55 crore (Previous Year ₹ 215.34 crore) on account of current tax. The current tax has been calculated in accordance with the provisions of Income Tax Act, 1961.
The Bank has exercised the option of lower tax permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

ii) Deferred Tax:
During the year, ₹ 56.43 crore has been debited to Profit & Loss Account (Previous Year debit ₹ 25.80 crore) on account of deferred tax.
The major components of DTA and DTL are given below

Timing Difference	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Depreciation on Assets	0.00	18.88	0.00	38.09
Leave Encashment/Gratuity/Pension/Bonus	126.20	0.00	121.36	0.00
Special Reserve	0.00	31.00	0.00	31.00
Wage Revision	30.53	0.00	0.00	0.00
Bad & Doubtful Assets	76.00	0.00	187.01	0.00
Total	232.73	49.88	308.37	69.09

j) Accounting Standard – 23 "Accounting for Investments in Associates in CFS"
The Bank has a sponsored Bank "J&K Grameen Bank". The investment towards the capital of associate concern is ₹34.01 Crores (Previous Year ₹ 34.01 Crores). Further, during the year ended March 31, 2023, the Bank has advanced an amount of ₹ 100.73 crore towards capital subscription in J&K Grameen Bank. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.
The consolidated financial statements are placed accordingly in terms of AS 23.

k) Accounting Standard – 28 "Impairment of Assets"
In the opinion of the Bank's management, there is no indication of material impairment to the non-monetary assets during the year.

l) Accounting Standard – 29 "Provisions, Contingent Liabilities and Contingent Assets"
i) Description of Contingent Liabilities

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments	This represents amount remaining unpaid towards liability for partly paid investments.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The derivative instruments become favourable or unfavourable as a result of fluctuations in market rates.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations
5	Other items for which the Bank is contingently liable	These include: a) Bills rediscounted by the Bank; b) Capital commitments; c) Investment purchases pending settlement; d) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF); e) Other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/arbitration/ out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

ii) Movement of provisions against Contingent Liabilities
The movement of provisions against contingent liabilities given in the table below: (₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance	26.45	11.70
Additions during the year	0.68	16.00
Amount utilised/reversed during the year	10.51	1.25
Closing balance	16.62	26.45

16. Additional Disclosures
a. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006
There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.
b. Office Accounts
Reconciliation/adjustment of inter-bank/inter-branch transactions, branch suspense, Government Transactions, NOSTRO, System Suspense, Clearing, and Sundry Deposits is in progress on an ongoing basis. The impact, in the opinion of the management of the un-reconciled entries, if any, on the financial statements would not be material.
c. Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):
In terms of RBI letter no. DBR,No.BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter no. DBR.BP.1908/21.04.048/2017-18 dated August 28, 2017 for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 129.35 crore (100% of total outstanding) as on 31st March 2023 (Previous year ₹ 325.74 crore {100% of total outstanding}
d. During the year ended March 31, 2023, the Bank has made provision of ₹ 139.99 crore towards wage revision on account of 12th Bi-Partite Wage Settlement effective from November 01, 2022 on ad-hoc basis. The same has been accounted for as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses."
e. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.
f. Miscellaneous Income:
During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income :

(₹ in Crore)

S No	Income Category	Amount
1.	Recovery in Technically Written Off Accounts	230.94
2.	Income On Card Business	134.78

g. Other Liabilities and provisions/ Other Assets:
Following items under the head Others (including provisions) in Schedule 5 – Other Liabilities and Provisions exceeds 1% of the total assets

(₹ in Crore)

S. No.	Particulars	Amount
1.	RTGS/NEFT/Real Time Settlement Receivable	5001.73
2.	IMPS Settlement Receivable	2337.78

Following items under the head Others in Schedule 11 – Other Assets exceeds 1% of the total assets

(₹ in Crore)

S. No.	Particulars	Amount
1.	Pension Receivable from Government	1782.62
2.	Real Time/NEFT Settlement Payable	4840.70
3.	IMPS/Money Send Settlement Payable	2355.05
4.	Investment in NABARD Refinance	1770.83
5.	Investment in RIDF Refinance	1723.64
6.	Investment in SIDBI Refinance	2301.28

h. Tax paid in advance/Tax deducted at source includes amount adjusted by Income Tax Department in respect of various disputed demands. Based on the favourable appellate orders and interpretation of law, no further provision has been considered by the management in respect of the disputed demands.

i) Fixed Assets
- Documentation formalities are pending in respect of certain immovable properties held by the Bank valued at ₹ 9.20 crores (previous year ₹ 9.18 crores). In respect of immovable properties valued at ₹ 49.89 crores (previous year ₹48.95 crores), Bank holds agreement to sell along with the possession of properties.
- During the current financial year, the Bank has revalued immovable properties based on the average valuation of reports obtained from two independent external valuers. The net revaluation surplus amounting to ₹ 351.96 crore has been credited to the Revaluation Reserve. Further, a net amount of ₹ 1.49 crore on account of revaluation has been credited to the profit and loss account as it was earlier charged to the profit and loss account.
- Pursuant to the revised Accounting Standard-10 "Property, Plant & Equipment" applicable from 1st April 2017, depreciation of ₹ 20.54 crores (previous year - ₹ 22.77 crores) on the revalued portion of fixed assets (being Premises & Land) has been transferred from the Revaluation Reserve to General Reserve.
- Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹ 0.76 crore (previous year ₹ 0.76 crore).

j. Corporate Social Responsibility (CSR)
Pursuant to Section 135 of the Companies Act 2013, specified companies covered under section 135(1) of the Companies Act 2013 are required to spend at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank was required to spend an amount of ₹ 1.18 crores (Previous Year ₹ 0.63 crores) on CSR activities during FY 2022-23, against which the Bank has spent an amount of ₹ 1.18 crores (Previous year ₹ 0.63 crores).

k. Provision Coverage Ratio (PCR)
Provision Coverage Ratio as on 31st March 2023 is 86.20% (previous year 84.26%) without taking into account floating provision of ₹ 124.48 crores held by the Bank, which has been included as part of Tier II Capital.

l. Investor Complaints
The details of investor complaints for the year ended March 31, 2023 are as under:

S No	Particulars	Number
1	No of complaints pending at the beginning of the financial year	Nil
2	No. of complaints received during the financial year	107
3	No. of complaints disposed during the financial year	107
4	No. of complaints pending at the end of the financial year	0

m. Letter of Comfort
The Bank has not issued any letter of comfort on behalf of the customers or on its behalf in respect of trade credits during the FY 2022-23.

n. Proposed Dividend
The Board of Directors at its meeting held on May 04, 2023 proposed a dividend of ₹ 0.50 per share (previous year nil), subject to approval of the members at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

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
Anil Kumar Goel Director DIN: 00672755	**Umesh Chandra Panday** Director DIN: 01185085	**Sudhir Gupta** Director DIN: 09614492	**Shahla Ayoub** Director DIN: 09834993
Pratik D Punjabi General Manager/CFO	**Mohammad Shafi Mir** Company Secretary		

Place: Srinagar
Date: 04 May, 2023

In terms of our report of even date annexed

For O. Aggarwal & Co.	For Arora Vohra & Co	For Dharam Raj & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 005755N	FRN: 009487N	FRN: 014461N
CA. Om Prakash Aggarwal	CA. Ashwani Aggarwal	CA. Dharam Raj
Partner	Partner	Partner
M.No. 083862	M.No. 013833	M.No. 094108
UDIN: **23083862BGVZAY6333**	UDIN: **23013833BGXIBM2873**	UDIN: **23094108BGSNT07234**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2023

		YEAR ENDED 31.03.2023 (Audited)	YEAR ENDED 31.03.2022 (Audited)
			(₹ in Crore)
A	CASH FLOW FROM OPERATING ACTIVITIES	(420.51)	(1,568.46)
B	CASH FLOW FROM INVESTING ACTIVITIES	(123.47)	(85.14)
C	CASH FLOW FROM FINANCING ACTIVITIES	637.59	941.06
	NET CHANGE IN CASH AND CASH EQUIVALENTS	93.61	(712.55)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,785.05	9,497.59
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,878.66	8,785.04
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	1,197.38	501.56
	Add : Provision for Taxes	586.98	241.14
	Net profit before taxes (i)	1,784.36	742.70
	Adjustment for :		
	Depreciation charges	157.56	143.87
	Provision for NPA's	(12.51)	253.35
	Provision on Standard Assets	63.24	81.04
	Depreciation on investment	(12.53)	(35.41)
	Provision for Non-Performing investment	83.46	(20.66)
	Other provisions	(60.05)	6.03
	Interest paid on subordinate Bonds (Financing Activities)	221.72	198.94
	Total Adjustment (ii)	440.89	627.16
	Operating profit before change in Operating assets & liabilities (i) + (ii)	2,225.25	1,369.86
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	7,327.36	6,649.23
	Increase / (Decrease) in Borrowings	0.49	(4.38)
	Increase / (Decrease) in Other liabilities & provisions	5,591.93	1,915.20
	(Increase) / Decrease in investments	(1,065.09)	(2,964.67)
	(Increase) / Decrease in Advances	(11,844.02)	(3,790.50)
	(Increase) / Decrease in Other Assets	(2,201.39)	(4,500.25)
	Net Cash flow from Operating activities (iii)	(2,190.72)	(2,695.37)
	Cash generated from operation (i + ii + iii)	34.53	(1,325.52)
	Less : Tax paid	455.03	242.95
	TOTAL : (A)	(420.50)	(1,568.46)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(123.47)	(85.14)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(123.47)	(85.14)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	9.86	21.94
	b) Share Application Money	(93.50)	93.50
	b) Share Premium	421.95	664.55
	c) Tier I & II Bonds	521.00	360.00
	d) Dividend & Dividend Tax Paid	-	-
	e) Interest Paid on Bonds	(221.72)	(198.94)
	TOTAL :(C)	637.59	941.06
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	7,750.20	3,685.33
	b) Balance with Banks & Money at Call & Short Notice	1,034.84	5,812.26
	TOTAL :(D)	8,785.04	9,497.59
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	7,794.06	7,750.20
	b) Balance with Banks & Money at Call & Short Notice	1,084.60	1,034.84
	TOTAL :(E)	8,878.66	8,785.04

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
Anil Kumar Goel Director **DIN:** 00672755	**Umesh Chandra Panday** Director **DIN:** 01185085	**Sudhir Gupta** Director **DIN:** 09614492	**Shahla Ayoub** Director **DIN:** 09834993
Pratik D Punjabi General Manager/CFO	**Mohammad Shafi Mir** Company Secretary		

Place: Srinagar
Date: 04/05/2023

Auditors Certificate:
WWe have verified the attached Standalone Cash Flow Statement of THE JAMMU & KASHMIR BANK LIMITED which has been compiled from and is based on the Audited Financial Statements for the year ended March 31st, 2023 and March 31st, 2022. To the best of our knowledge and belief and according to the information and explanations given to us, it has been prepared pursuant to clause 32 of the Listing Agreement with the Stock Exchanges.

Place: Srinagar
Date: 04/05/2023

For O. Aggarwal & Co.	For Arora Vohra & Co	For Dharam Raj & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 005755N	FRN: 009487N	FRN: 014461N
CA. Om Prakash Aggarwal	CA. Ashwani Aggarwal	CA. Dharam Raj
Partner	Partner	Partner
M.No. 083862	M.No. 013833	M.No. 094108
UDIN: 23083862BGVZAW1983	**UDIN: 23013833BGXIBL4757**	**UDIN: 23094108BGSNTP4935**

Place: Srinagar
Date: 04/05/2023

O Aggarwal & Co. **Chartered Accountants**	**Arora Vohra & Co.** **Chartered Accountants**	**Dharam Raj & Co.** **Chartered Accountants**

INDEPENDENT AUDITOR'S REPORT

To the Members of Jammu & Kashmir Bank Limited, Report on Audit of the Standalone Financial Statements

Qualified Opinion
1. We have audited the accompanying standalone financial statements of Jammu & Kashmir Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. In which are included the Returns of 47 branches/offices audited by us and 972 branches audited by Statutory Branch Auditors for the year ended on that date. The Branches/offices audited by us and those audited by other auditors have been selected by the Comptroller & Auditor General of India in accordance with the guidelines issued to the Bank by the Reserve Bank of India.
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2023, and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion
2. We draw attention to the matter described below, the possible effects of undetected misstatements on the financial statements due to the inability to obtain sufficient and appropriate audit evidence which is material but, not pervasive either individually or in aggregate.
a) Refer to Note No. 15 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).
The Compensation Committee of the Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees(who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

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

b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating

Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we can not comment on those transactions.

c) The possible impact of such misstatement referred to in Points 'a' & 'b' above are as follows If the Regulating Authority declare this issue as illegal & irregular allotment of shares in violation of various statutory provisions aforementioned,:

(1) Refer to Note No 1 .of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of Rs. 1 each (i.e. Rs. 5,17,62,954/- of FY 2021-22 & Rs. 7,00,00,000/- of FY 2022-23). **the Share Capital will be overstated by Rs. 12,17,62,954/- i.e. 11.80% of the total paid-up share capital of the bank.**

(2) Refer to Note No.2 .of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 218.41 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). **the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.**

(3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier I & Capital conservation buffer), **the financial ratios/prudent limits concerning net worth/capital funds have been adjusted due to observations made above at Sno. 1 and 2 in regard to such overstated Share capital 7-00 crores , Share Premium 331.31 crore due to prohibited advances to the employees for the purchase of shares.**

(4) Refer to Note No.9 of the financial statement regarding Advances, a factual position of the Loan and Advances availed by the employees for the purchase of shares is not properly & separately disclosed. In the absence of complete information provided by the management, we are unable to quantify.
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

3. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

4. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.
We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in **(i)** planning of the scope of our audit work and evaluating the results of our work; and **(ii)** to evaluate the effect of any identified misstatement in the financial statements.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

6. We did not audit the financial statements / information of 972 branches and processing centres included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of **Rs. 66031.33 crores** as at 31st March 2023 and total revenue of **Rs. 6503.25 crores** for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 91.03 % of advances, 93.51 % of deposits and 93.84 % of Non-performing assets as at 31st March 2023 and 64.31 % of revenue for the year ended 31st March 2023. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
7. The annual financial results include the results for the quarter ended 31st March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.
Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 .

9. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-A" to this Report.

10. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
(a) we have obtained all the information and explanations except for the matter described in the Basis for Qualified Opinion which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
(b) the transactions of the Bank except for the matter described in the Basis for Qualified Opinion, which have come to our notice, have been within the powers of the Bank;
(c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
(d) the profit and loss account shows a true balance [of profit or loss] for the year then ended.

10. Further, as required by section 143(3) of the Act, we report that:
a) we have sought and except for the matter described in the Basis for Qualified Opinion obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b) except for the matter described in the Basis for Qualified Opinion, in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
c) the reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us
e) except for the matter described in the Basis for Qualified Opinion in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
f) As per Notification No. GSR 463(E) sated 05.06.2015 Section 164(2) of Companies Act, 2013 is not applicable to Jammu & Kashmir Bank Limited being a Government Company.
g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
h) as per the Notification No.GSR 463(E) dated 05.06.2015 Section 197 of Companies Act, 2013 is not applicable to The Jammu & Kashmir Bank Limited, being a Government Company;
i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12., to the financial statements;
ii. the Bank has made Nil provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts –
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
v. The Bank has not declared or paid any dividend during the year 2022-23.
vi. The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.(This Clause is applicable from the financial 2023-2024).

For O Aggarwal & Co. Chartered Accountants FRN: 005755N	**For Arora Vohra & Co. Chartered Accountants FRN: 009487N**	**For Dharam Raj & Co. Chartered Accountants FRN: 014461N**
CA O.P.Aggarwal Partner M.No. 083862 UDIN: 23083862BGVZAY6333	**CA Ashwani Aggarwal Partner M.No. 013833 UDIN: 23013833BGXIBM2873**	**CA Dharam Raj Partner M.No. 094108 UDIN: 23094108BGSNT07234**

Date: 04/05/2023
Place: Srinagar

Annexure-A to Para 14 of independent auditor's report of even date on the standalone Financial Results of Jammu & Kashmir Bank Limited.

Directions/sub-directions of Comptroller and Auditor General of India under Section 143(5) of Companies Act 2013 for the Financial Year 2022-2023

S. No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any may be stated.	As per information and explanation given to us the bank has system in place to process all the accounting transactions through IT.	**NIL**
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	**Refer Schedule 18 Note 4(b) and 4(g)**
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There are no deviations. The loans received are utilized for the intended purpose. However, during the FY 2022-23 grants/subsidy received has been utilized in accordance with the stipulated guidelines.	**NIL**

For O Aggarwal & Co. Chartered Accountants FRN: 005755N	**For Arora Vohra & Co. Chartered Accountants FRN: 009487N**	**For Dharam Raj & Co. Chartered Accountants FRN: 014461N**
CA O.P.Aggarwal Partner M.No. 083862 UDIN: 23083862BGVZAY6333	**CA Ashwani Aggarwal Partner M.No. 013833 UDIN: 23013833BGXIBM2873**	**CA Dharam Raj Partner M.No. 094108 UDIN: 23094108BGSNT07234**

Date: 04/05/2023
Place: Srinagar

Annexure B to the independent auditor's report of even date on the standalone financial statements of Jammu & Kashmir Bank Limited

(Referred to in paragraph 10(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
1. We have audited the internal financial controls over financial reporting of The Jammu & Kashmir Bank Limited ('the Bank') as at 31 March 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')".] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For O Aggarwal & Co. Chartered Accountants FRN: 005755N	**For Arora Vohra & Co. Chartered Accountants FRN: 009487N**	**For Dharam Raj & Co. Chartered Accountants FRN: 014461N**
CA O.P.Aggarwal Partner M.No. 083862 UDIN: 23083862BGVZAY6333	**CA Ashwani Aggarwal Partner M.No. 013833 UDIN: 23013833BGXIBM2873**	**CA Dharam Raj Partner M.No. 094108 UDIN: 23094108BGSNT07234**

Date: 04/05/2023
Place: Srinagar