

Jammu & Kashmir Bank Limited

Corporate Headquarters
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Kashmir, India
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Board Secretariat

Ref:-JKB/BS/F3652/2023/349
Date: 05th May, 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:- AUDITED RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31ST MARCH, 2023 (STANDALONE & CONSOLIDATED)

Dear Sirs,

Pursuant to Regulation 33(3) (d) and Regulation 52 read with the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Audited Financial Results (Consolidated and Standalone) of the Bank for the quarter and financial year ended 31st March, 2023.

The results were approved by the Board of Directors at their meeting held today i.e. 4th /5th May, 2023.

The meeting started at 04:00 P.M. on 04th May, 2023 and concluded at 02:15 A.M on 5th May, 2023.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu and Kashmir Bank Limited

(Mohammad Shafi Mir)
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON THE QUARTERLY AND YEAR TO DATE AUDITED STANDALONE FINANCIAL RESULTS OF JAMMU & KASHMIR BANK LIMITED PURSUANT TO REGULATION 33 AND 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

TO THE BOARD OF DIRECTORS OF JAMMU & KASHMIR BANK LIMITED

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of **Jammu & Kashmir Bank Limited** for the quarter ended March 31, 2023 and the year ended March 31, 2023 attached herewith, being submitted by the Bank pursuant to the requirement of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at March 31, 2022, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us.

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 these standalone financial results:

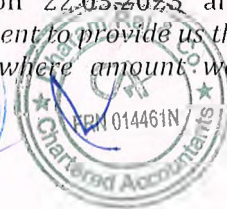
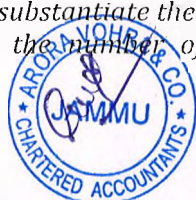
- i. are presented in accordance with the requirements of regulation 33 and 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit/ loss and other financial information for the quarter ended March 31, 2023 and the year ended March 31, 2023.

Basis for Qualified Opinion

1. 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.1.4 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).***

The Compensation Committee of the Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was



transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the management, it seems that there is violation of:

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

b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we can not comment on those transactions.

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

(1) Refer to Schedule No.1 of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of 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 Schedule No.2 of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 2263.53 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.

(3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier 1 & 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 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 standalone financial results, 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.

Board of Directors' Responsibility for the Standalone Financial Results

These standalone financial results have been compiled from the interim standalone financial statements. The Bank's Board of Directors are responsible for the preparation of these standalone Financial Results that give a true and fair view of the net profit/ loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25 (AS 25) "Interim Financial Reporting" specified under section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulation Act, 1949 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

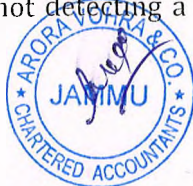
Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 standalone financial results 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 standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

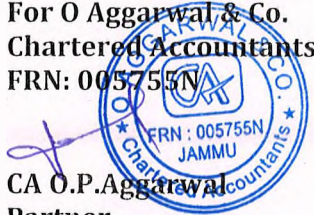


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Other Matters

These standalone financial results incorporate the relevant returns of 972 branches including Nil foreign branches audited by the other auditors specially appointed for this purpose. These branches audited by other auditors cover 91.03 % of advances, 93.51 % of deposits and 93.84 % of Non-performing assets as on March 31, 2023 and 25.07 %/64.31% of revenue for the quarter ended March 31, 2023 /for the year ended March 31, 2023. In conduct of our audit, we have taken note of the unaudited returns in respect of Nil (number) branches certified by the respective branch's management. These unaudited branches cover Nil % of advances, Nil % of deposits and Nil % of Non-performing assets and Nil % of revenue for the quarter ended March 31, 2023/ for the year ended March 31, 2023.

Our opinion on the standalone financial results is not modified in respect of above matter.

<p>For O Aggarwal & Co. Chartered Accountants FRN: 005755N</p>  <p>CA O.P. Aggarwal Partner M.No. 083862 UDIN: 2308386284ZANI9 83</p>	<p>For Arora Vohra & Co. Chartered Accountants FRN: 009487N</p>  <p>CA Ashwani Aggarwal Partner M.No. 013833 UDIN: 23013833B9XIBL4757</p>	<p>For Dharam Raj & Co. Chartered Accountants FRN: 014461N</p>  <p>CA Dharam Raj Partner M.No. 094108 UDIN: 23094108B9SNTPL4935</p>
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Date: 04/05/2023


Place: Srinagar

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ IN CRORES)

	Schedule	As at	As at
		31.03.2023 (AUDITED)	31.03.2022 (AUDITED)
CAPITAL AND LIABILITIES			
Capital	1	103.16	93.30
Share Application Money		0.00	93.50
Reserves and Surplus	2	9840.08	7920.36
Deposits	3	122037.74	114710.38
Borrowings	4	2892.31	2370.82
Other Liabilities and Provisions	5	11088.97	5414.05
TOTAL :-		145962.26	130602.41
ASSETS			
Cash and Balance with Reserve Bank of India	6	7794.06	7750.20
Balance with Banks & Money at Call & Short Notice	7	1084.60	1034.84
Investments	8	34829.15	33834.99
Advances	9	82285.45	70400.68
Fixed Assets	10	2271.54	1953.68
Other Assets	11	17697.46	15628.02
TOTAL :-		145962.26	130602.41

FOR & ON BEHALF OF THE BOARD


Baldev Prakash
Managing Director & CEO
DIN: 09421701

Place : Srinagar
Dated : 04/05/2023

In terms of our report of even date annexed

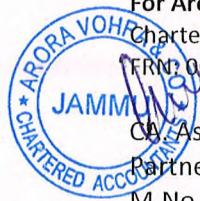
For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA. Om Prakash Aggarwal
Partner
M.No. 083862



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA. Ashwani Aggarwal
Partner
M.No. 013833



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

CA. Dharam Raj
Partner
M.No. 094108



Place : Srinagar
Date: 04/05/2023



J&K Bank

THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L65110JK1938SGC000048

(₹ In Crores)

STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2023		QUARTER ENDED			YEAR ENDED	YEAR ENDED
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
S.No.	PARTICULARS	(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
1	Interest Earned (a+b+c+d)	2512.12	2440.82	2012.95	9355.11	8013.48
	a) Interest/Discount on Advances/Bills	1860.09	1853.82	1497.34	6997.55	6015.38
	b) Income on Investments	559.57	527.07	433.90	2070.92	1676.86
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	38.14	1.91	40.51	94.68	168.69
	d) Others	54.32	58.02	41.20	191.96	152.55
2	Other Income	166.28	241.85	196.46	756.81	744.01
3	Total Income (1 + 2)	2678.40	2682.67	2209.41	10111.92	8757.49
4	Interest Expended	1262.57	1183.44	1037.45	4609.83	4102.25
5	Operating Expenses (I+II)	966.23	955.12	854.25	3643.60	3322.78
	I. Employees Cost	720.71	718.80	594.83	2703.66	2401.93
	II. Other Operating Expenses	245.52	236.32	259.42	939.94	920.85
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	2228.80	2138.56	1891.70	8253.43	7425.03
7	Operating Profit before Provisions and Contingencies (3-6)	449.60	544.11	317.71	1858.49	1332.46
8	Provisions (other than tax) and Contingencies	(175.21)	27.05	(56.30)	74.13	319.76
9	-Of which provisions for NPA (Prov. For Bad & Doubtful Debts)	(66.17)	(64.33)	0.00	(12.51)	253.35
10	Exceptional Items	0.00	0.00	255.49	0.00	270.00
11	Profit (+)/loss (-) from ordinary activities before tax (7-8-10)	624.81	517.06	118.52	1784.36	742.70
12	Tax Expenses	148.48	205.47	6.32	586.98	241.14
	-Income Tax Provisions (Incl. current tax)	160.48	172.48	8.21	530.55	215.34
	-Deferred Tax Asset/(Liability)	(12.00)	32.99	(1.89)	56.43	25.80
13	Profit (+)/loss (-) from ordinary activities after tax (11-12)	476.33	311.59	112.20	1197.38	501.56
14	Extraordinary Items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
15	Net Profit (+)/Loss (-) for the period (13-14)	476.33	311.59	112.20	1197.38	501.56
16	Paid-up Equity Share Capital (Face Value Rs. 1/- per share) *	103.16	96.16	93.30	103.16	93.30
17	Reserves excluding Revaluation Reserves *				8550.81	6970.52
18	Revaluation Reserves				1281.26	949.85
19	Analytical Ratios					
	(i) Percentage of Shares held by Govt of J&K	63.41%	68.03%	70.12%	63.41%	70.12%
	(ii) Capital Adequacy Ratio % (BASEL III) *	15.38%	13.82%	13.23%	15.38%	13.23%
	(CET1 Ratio) *	11.05%	9.45%	10.35%	11.05%	10.35%
	(TIER1 Ratio) *	12.34%	10.77%	11.73%	12.34%	11.73%
	(iii) Earning per Share (EPS) (Rs.)					
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the date and for the previous year (* not annualized)	4.91	3.24*	1.20*	12.43	6.04
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized)	4.91	3.24*	1.20*	12.43	6.04
	(iv) NPA Ratio's					
	a) Amount of Gross NPAs	5204.43	5945.97	6520.54	5204.43	6520.54
	b) Amount of Net NPAs	1334.24	1613.61	1750.10	1334.24	1750.10
	c) % of Gross NPAs to Gross Advances	6.04%	7.25%	8.67%	6.04%	8.67%
	d) % of Net NPAs to Net Advances	1.62%	2.08%	2.49%	1.62%	2.49%
	(v) Return on Assets (Annualized)	1.37%	0.92%	0.36%	0.89%	0.42%
	(vi) Net worth *	8323.67	7895.53	7063.82	8323.67	7063.82
	(vii) Outstanding redeemable preference shares					
	(viii) Capital redemption reserve/Debt redemption reserve					
	(ix) Debt-equity ratio *	0.35	0.36	0.33	0.35	0.33
	(x) Total Debts to total assets	0.02	0.02	0.02	0.02	0.02
	(xi) Operating Margin (%) (Operating Profit/Total Income)	16.79%	20.28%	14.38%	18.38%	15.22%
	(xii) Net Profit Margin (%) (Net Profit after tax/Total Income)	17.78%	11.61%	5.08%	11.84%	5.73%
20	Aggregate of Public Share Holding					
	(i) No. of Shares	377371581	307381581	278788314	377371581	278788314
	(ii) Percentage of Share Holding	36.59%	31.97%	29.88%	36.59%	29.88%
21	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	654098280	654098280	654098280	654098280	654098280
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the total share capital of the company)	63.41%	68.03%	70.12%	63.41%	70.12%

* Computed on adjusted capital (capital reduced by Rs. 338.31 crore on account of JKBESPS 2023)

FOR & ON BEHALF OF THE BOARD

Baldev Prakash
 Managing Director & CEO
 DIN: 09421701

Place: Srinagar
 Date: 04/05/2023

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

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

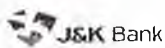
CA. Om Prakash Aggarwal
 Partner
 M.No. 083862

For Arora Vohra & Co.
 Chartered Accountants
 FRN: 009487N

CA. Ashwani Aggarwal
 Partner
 M.No. 015833

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

CA. Dharam Raj
 Partner
 M.No. 094108



THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L65110JK1938SGC000048

₹ In Crores

STANDALONE SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2023	QUARTER ENDED			YEAR ENDED	YEAR ENDED
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
PARTICULARS	(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
1) SEGMENT REVENUE (INCOME)					
i) Treasury Operations	650.98	581.86	528.14	2406.11	2109.53
ii) Corporate/Wholesale Banking	541.08	475.87	388.18	1847.28	1661.08
iii) Retail Banking *	1773.31	1909.61	1463.99	7016.52	5717.38
iv) Other Banking Business	21.88	18.56	20.89	73.93	62.59
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total	2987.25	2985.90	2401.20	11343.82	9550.58
Less: Inter Segment Revenue	308.85	303.23	191.79	1231.90	793.09
Net Income from Operations	2678.40	2682.67	2209.41	10111.92	8757.49
2) Segment Results					
i) Treasury Operations	14.01	15.75	20.59	102.59	149.30
ii) Corporate/Wholesale Banking	400.74	184.98	274.97	748.27	663.53
iii) Retail Banking *	600.51	713.16	357.94	2337.73	1358.73
iv) Other Banking Business	21.52	18.22	20.43	72.51	60.91
v) Un-Allocated Business	(411.97)	(415.05)	(555.41)	(1476.74)	(1489.77)
Profit/(Loss) from Ordinary Activities (Before Tax)	624.81	517.06	118.52	1784.36	742.70
Less: Tax Expenses/(credit)	148.48	205.47	6.32	586.98	241.14
Less: Extraordinary Profit/(Loss)	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss) After Tax	476.33	311.59	112.20	1197.38	501.56
3) Segment Assets					
i) Treasury Operations	43516.46	41137.47	41147.40	43516.46	41147.40
ii) Corporate/Wholesale Banking	26183.85	22944.95	20520.97	26183.85	20520.97
iii) Retail Banking *	76258.85	69854.35	68933.94	76258.85	68933.94
iv) Other Banking Business	3.10	2.63	0.10	3.10	0.10
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total:-	145962.26	133939.40	130602.41	145962.26	130602.41
4) Segment Liabilities					
i) Treasury Operations	145.18	845.09	13.15	145.18	13.15
ii) Corporate/Wholesale Banking	35468.54	32269.80	30412.49	35468.54	30412.49
iii) Retail Banking *	100402.85	91993.56	92152.30	100402.85	92152.30
iv) Other Banking Business	2.45	2.73	10.81	2.45	10.81
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total:-	136019.02	125111.18	122588.75	136019.02	122588.75
5) Capital Employed (Segment assets-Segment Liabilities)					
i) Treasury Operations	43371.28	40292.38	41134.25	43371.28	41134.25
ii) Corporate/Wholesale Banking	(9284.69)	(9324.85)	(9891.52)	(9284.69)	(9891.52)
iii) Retail Banking	(24144.00)	(22139.21)	(23218.36)	(24144.00)	(23218.36)
iv) Other Banking Business	0.65	(0.10)	(10.71)	0.65	(10.71)
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total :-	9943.24	8828.22	8013.66	9943.24	8013.66

Note: (*) RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated 7th April, 2022) and (b) Other Retail Banking segment. During the year ended March 31, 2023, the Bank has commenced operations at two DBU's. Accordingly, the segmental results for retail banking segment for FY2023 is sub-divided as below.

(₹ In Crores)

Particulars	Segment Revenue for year ended	Segment Results for year ended	Segment Assets as at	Segment Liability as at
	31.03.2023	31.03.2023	31.03.2023	31.03.2023
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

FOR & ON BEHALF OF THE BOARD

Managing Director & CEO
 DIN: 09421701

Place: Srinagar
 Date: 04/05/2023

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For Chartered Accountants
 FRN: 0051551V

M. Om Prakash Aggarwal
 Partner
 M.No. 083807

For Arora Vohra & Co
 Chartered Accountants
 FRN: 009487N

M. Anand Prakash Aggarwal
 Partner
 M.No. 013833

For Dheram Raj & Co.
 Chartered Accountants
 FRN: 014461W

Dheram Raj
 Partner
 M.No. 01108



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

		YEAR ENDED	YEAR ENDED
		31.03.2023	31.03.2022
		(Audited)	(Audited)
		₹ In Crores	
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. Rajesh Lochan Bishnoi
Director
DIN: 00130355

Naba Kishore Sahoo
Director
DIN: 07654279

Anil Kumar Goel
Director
DIN: 00672755

Umesh Chandra Panday
Director
DIN: 01185085

Sudhir Gupta
Director
DIN: 09614492

Shahla Ayoub
Director
DIN: 09834993

Pratik D Punjabi
General Manager/CFO

Mohammad Shafi Mir
Company Secretary

Place: Srinagar
Date: 04/05/2023

Auditors Certificate:

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

For D. Aggarwal & Co.
Chartered Accountants
FNN: 065793N

CA. Dr. Prakash Aggarwal
Partner
M.No. 083862

Place: Srinagar
Date: 04/05/2023

For Arora Vohra & Co.
Chartered Accountants
ERN: 009487N

CA. Ashwani Aggarwal
Partner
M.No. 033833

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

CA. Dharam Raj
Partner
M.No. 094108

O Aggarwal & Co. Chartered Accountants	Arora Vohra & Co. Chartered Accountants	Dharam Raj & Co. Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON THE QUARTERLY AND YEAR TO DATE AUDITED CONSOLIDATED FINANCIAL RESULTS OF JAMMU & KASHMIR BANK LIMITED PURSUANT TO REGULATION 33 AND 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

TO THE BOARD OF DIRECTORS OF JAMMU & KASHMIR BANK LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Jammu & Kashmir Bank Limited** ("the Bank/ the parent) and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, for the year ended March 31, 2023 ("the Statement"), being submitted by the Bank pursuant to the requirement of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to consolidated Pillar 3 disclosure as at March 31, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us. Attention is drawn to the fact that the consolidated financial results/ financial information for the corresponding year ended March 31, 2023 as reported in these financial results have been approved by the Bank's Board of Directors.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion in section of our report and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial results/ financial information of, subsidiaries, associates and jointly controlled entities, the aforesaid financial results:

- a) include the financial results of the following entities:

S.No.	Name of Company	Relation
1	Jammu & Kashmir Bank Ltd	Parent
2	JKB Financial Services Limited	Subsidiary
3	J&K Grameen Bank	Associate

- b) are presented in accordance with the requirements of regulation 33 and 52 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at March 31, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us; and
- c) give a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit/ loss and other financial information of the Group for the year ended March 31, 2023.

Basis for Qualified Opinion:

1. 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.1.4 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).

The Compensation Committee of the Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the management, it seems that there is violation of:

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

b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we can not comment on those transactions.

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

(1) Refer to Schedule No.1 of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of 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 Schedule No.2 of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 2263.53 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.

(3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier 1 & 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 Schedule No9.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. ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and jointly controlled entities 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 consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for Consolidated Financial Results

These Consolidated Financial Results have been compiled from the consolidated Annual audited financial statements. The bank's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit/ loss and other financial information of the Group including its associates and jointly controlled entities in accordance with the Accounting Standards specified under section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding of the assets of the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.



In preparing the consolidated financial results, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of Consolidated Financial Results

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associates and jointly controlled entities 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 consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled



entities to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial results of which we are the independent auditors 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.

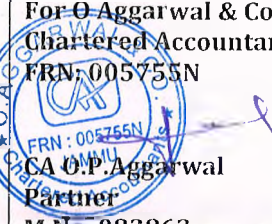
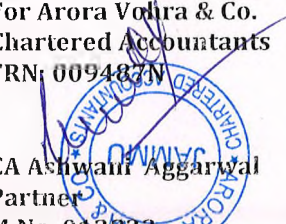

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

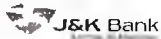
The consolidated financial results include the audited financial results of 1 subsidiary and 1 associates, whose financial statements/ financial results/ financial information reflect Group's share of total assets of Rs. 6174.44 Crores as at March 31, 2023, Group's share of total revenue of Rs. 469.15 Crore and Group's share of total net (loss) after tax of Rs. 11.35 crore and Rs.50.41 Crore for the quarter and year ended March 31, 2023 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent Auditors. The independent auditors' reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Financial Results include the results for the quarter ended March 31, 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 subject to limited review by us .

<p>For O Aggarwal & Co. Chartered Accountants FRN: 005755N</p>  <p>CA O.P. Aggarwal Partner M.No. 083862 UDIN: 23083862B9V2AV73 80</p>	<p>For Arora Vohra & Co. Chartered Accountants FRN: 009487N</p>  <p>CA Ashwani Aggarwal Partner M.No. 013837 UDIN: 23013833B9X1BK8417</p>	<p>For Dharam Raj & Co. Chartered Accountants FRN: 014461N</p>  <p>CA Dharam Raj Partner M.No. 094108 UDIN: 23094108B9S7R4855</p>
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Date: 04/05/2023
Place: Srinagar



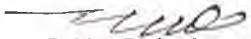
THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR
CIN:L65110JK1938SGC000048

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ IN CRORES)

	Schedule	As at 31.03.2023 (AUDITED)	As at 31.03.2022 (AUDITED)
CAPITAL AND LIABILITIES			
Capital	1	103.16	93.30
Share Application Money		0.00	93.50
Reserves and Surplus	2	9793.16	7890.31
Minority Interest	2A	0.00	0.00
Deposits	3	122027.18	114702.77
Borrowings	4	2892.31	2370.82
Other Liabilities and Provisions	5	11096.78	5425.33
TOTAL :-		145912.59	130576.03
ASSETS			
Cash and Balance with Reserve Bank of India	6	7794.06	7750.20
Balance with Banks & Money at Call & Short Notice	7	1104.80	1041.70
Investments	8	34780.40	33785.25
Advances	9	82277.61	70393.08
Fixed Assets	10	2271.75	1953.94
Other Assets	11	17683.97	15651.86
TOTAL :-		145912.59	130576.03

FOR & ON BEHALF OF THE BOARD


Baldev Prakash
Managing Director & CEO
DIN: 09421701

Place : Srinagar
Dated : 04/05/2023

In terms of our report of even date annexed

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N
CA. Om Prakash Aggarwal
Partner
M.No. 083862



For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N
CA. Ashwani Aggarwal
Partner
M.No. 013833



Place : Srinagar
Date : 04/05/2023



THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L65110JK1930SGC000048

(₹ In Crores)

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2023		QUARTER ENDED			YEAR ENDED	YEAR ENDED
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
S.No.	PARTICULARS	(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
1	Interest Earned (a+b+c+d)	2512.30	2440.87	2012.45	9355.23	8012.98
	a) Interest/Discount on Advances/Bills	1860.09	1853.82	1496.84	6997.55	6014.88
	b) Income on Investments	559.57	527.07	433.90	2070.92	1676.86
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	38.03	1.62	40.51	94.17	168.69
	d) Others	54.61	58.36	41.20	192.59	152.55
2	Other Income	168.38	243.85	199.09	765.24	753.48
3	Total Income (1 + 2)	2680.68	2684.72	2211.54	10120.47	8766.46
4	Interest Expended	1262.40	1183.22	1036.83	4609.44	4101.34
5	Operating Expenses (I+II)	968.11	956.78	855.82	3650.86	3328.65
	I Employees Cost	722.08	719.96	595.62	2708.56	2405.08
	II. Other Operating Expenses	246.03	236.82	260.20	942.30	923.57
6	Total Expenditure (4+5)	2230.51	2140.00	1892.65	8260.30	7429.99
	(Excluding Provisions & Contingencies)	0.00	0.00			
7	Operating Profit before Provisions and Contingencies (3-6)	450.17	544.72	318.89	1860.17	1336.47
8	Provisions (other than tax) and Contingencies	(175.20)	27.04	(56.31)	74.13	319.75
9	-Of which provisions for NPA (Prov. For Bad & Doubtful Debts)	(66.17)	(64.33)	0.00	(12.51)	253.35
10	Exceptional Items	0.00	0.00	255.49	0.00	270.00
11	Profit (+)/Loss (-) from ordinary activities before tax (7-8-10)	625.37	517.68	119.71	1786.04	746.72
12	Tax Expenses	148.64	205.64	6.63	587.45	242.28
	-Income Tax Provisions (Incl. current tax)	160.63	172.66	8.21	531.01	215.34
	-Deferred Tax Asset/(Liability)	(11.99)	32.99	(1.58)	56.44	26.94
13	Net Profit (+)/Loss (-) from ordinary activities after tax (11-12)	476.73	312.04	113.08	1198.59	504.44
14	Extraordinary Items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
15	Net Profit (+)/Loss (-) for the period (13-14)	476.73	312.04	113.08	1198.59	504.44
16	Share of Profit(+)/Loss(-) From Associate Concerns	(4.11)	(4.88)	5.75	(18.07)	(9.58)
17	Share of Minority	0.00	0.00	0.00	0.00	0.00
16	Net Profit (+)/Loss (-) after Share in Associates(15+16)	472.62	307.16	118.83	1180.52	494.85
18	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	103.16	96.16	93.30	103.16	93.30
19	Reserves excluding revaluation reserves				8511.90	6940.47
20	Revaluation Reserves				1281.26	949.85
21	Analytical Ratios					
	(i) Percentage of Shares held by Govt. of J&K	63.41%	68.03%	70.12%	63.41%	70.12%
	(ii) Capital Adequacy Ratio % (BASEL III)	15.41%	13.86%	13.22%	15.41%	13.22%
	(iii) CET1 Ratio	11.06%	9.48%	10.33%	11.06%	10.33%
	(iv) TIER1 Ratio	12.36%	10.80%	11.71%	12.36%	11.71%
	(iii) Earning per Share (EPS) (Rs.)					
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the date and for the previous year (* not annualized)	4.87*	3.19*	1.27*	12.25	5.96
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized)	4.87*	3.19*	1.27*	12.25	5.96

FOR & ON BEHALF OF THE BOARD

Baldev Prakash
 Managing Director & CEO
 DIN: 09421701

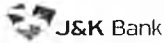
Place: Srinagar
 Date: 04/05/2023

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For O. Aggarwal & Co.
 Chartered Accountants
 FRN: 005755N
 JAMMU
 CA. Om Prakash Aggarwal
 Partner
 M.No. 083862

For Arora Yohra & Co
 Chartered Accountants
 FRN: 009487N
 JAMMU
 CA. Asthwan Aggarwal
 Partner
 M.No. 013833

For Dharam Raj & Co.
 Chartered Accountants
 FRN: 014461N
 JAMMU
 CA. Dharam Raj
 Partner
 M.No. 091108



THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L65110JK1938SGC000048

₹ In Crores)

CONSOLIDATED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2023	QUARTER ENDED			YEAR ENDED	YEAR ENDED
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
PARTICULARS	(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
1) SEGMENT REVENUE (INCOME)					
i) Treasury Operations	650.98	581.86	528.14	2406.11	2109.53
ii) Corporate/Wholesale Banking	541.27	475.70	388.25	1847.41	1661.31
iii) Retail Banking *	1775.40	1911.83	1466.05	7024.92	5726.12
iv) Other Banking Business	21.88	18.56	20.89	73.93	62.59
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total	2989.53	2987.95	2403.33	11352.37	9559.55
Less: Inter Segment Revenue	308.85	303.23	191.79	1231.90	793.09
Net Income from Operations	2680.68	2684.72	2211.54	10120.47	8766.46
2) Segment Results					
i) Treasury Operations	14.01	15.75	20.59	102.59	149.30
ii) Corporate/Wholesale Banking	400.94	185.15	274.97	748.18	663.51
iii) Retail Banking *	602.26	714.76	359.93	2344.41	1365.92
iv) Other Banking Business	21.52	18.22	20.43	72.51	60.91
v) Un-Allocated Business	(413.36)	(416.20)	(556.21)	(1481.65)	(1492.92)
Profit/(Loss) from Ordinary Activities (Before Tax)	625.37	517.68	119.71	1786.04	746.72
Less: Tax Expenses/(credit)	148.64	205.64	6.63	87.45	242.28
Less: Extraordinary Profit/(Loss)	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss) before share in profit/(loss) of Associates	476.73	312.04	113.08	1198.59	504.44
Add/(Less): Share in Profit/(Loss) of Associates	(4.11)	(4.88)	5.76	(18.07)	(9.59)
Net Profit/(Loss) After Tax	472.62	307.16	118.83	1180.52	494.85
3) Segment Assets					
i) Treasury Operations	43428.66	41053.78	41097.67	43428.66	41097.67
ii) Corporate/Wholesale Banking	26204.19	22964.98	20527.83	26204.19	20527.83
iii) Retail Banking *	76276.64	69882.64	68950.43	76276.64	68950.43
iv) Other Banking Business	3.10	2.63	0.10	3.10	0.10
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total:-	145912.59	133904.03	130576.03	145912.59	130576.03
4) Segment Liabilities					
i) Treasury Operations	145.18	844.66	13.15	145.18	13.15
ii) Corporate/Wholesale Banking	35470.86	32274.68	30415.37	35470.86	30415.37
iii) Retail Banking *	100397.78	91996.94	92153.09	100397.78	92153.09
iv) Other Banking Business	2.45	2.73	10.81	2.45	10.81
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total:-	136016.27	125119.01	122592.42	136016.27	122592.42
5) Capital Employed (Segment assets-Segment Liabilities)					
i) Treasury Operations	43283.48	40209.12	41084.52	43283.48	41084.52
ii) Corporate/Wholesale Banking	(9266.67)	(9309.70)	(9887.54)	(9266.67)	(9887.54)
iii) Retail Banking	(24121.14)	(22114.30)	(23202.66)	(24121.14)	(23202.66)
iv) Other Banking Business	0.65	(0.10)	(10.71)	0.65	(10.71)
v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00
Total :-	9896.32	8785.02	7983.61	9896.32	7983.61

Note: (*) RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated 7th April, 2022) and (b) Other Retail Banking segment. During the year ended March 31, 2023, the Bank has commenced operations at two DBU's. Accordingly, the segmental results for retail banking segment for FY2023 is sub-divided as below.

(₹ In Crores)

Particulars	Segment Revenue	Segment Results	Segment Assets	Segment Liability
	for year ended	for year ended	as at	as at
	31.03.2023	31.03.2023	31.03.2023	31.03.2023
Retail Banking	7024.92	2344.41	76276.64	100397.78
(i) Digital Banking	0.02	(0.38)	0.60	0.22
(ii) Other Retail Banking	7024.90	2344.79	76276.04	100397.56

FOR & ON BEHALF OF THE BOARD

(Signature)

Managing Director & CEO
DIN: 09421701

Place: Srinagar
Date: 04/05/2023

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For CA. Aggarwal & Co.
Chartered Accountants ERN:
005755N

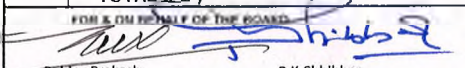
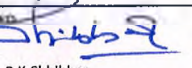

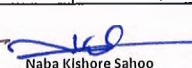
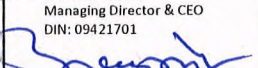
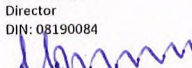
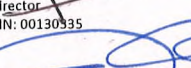
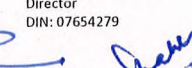

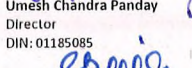
CA. Anand Kumar Aggarwal
Partner
M.No. 021102

For Arora Vohra & Co.
Chartered Accountants
ERN: 009783N
CA. Ashish Aggarwal
Partner
M.No. 011833

For Bharati Raj & Co.
Chartered Accountants
ERN: 014421N
CA. Bharati Raj
Partner
M.No. 094108




		YEAR ENDED	YEAR ENDED
		31.03.2023	31.03.2022
		(Audited)	(Audited)
		₹ In Crores	
A	CASH FLOW FROM OPERATING ACTIVITIES	(407.13)	(1,568.05)
B	CASH FLOW FROM INVESTING ACTIVITIES	(123.51)	(85.18)
C	CASH FLOW FROM FINANCING ACTIVITIES	637.59	941.43
	NET CHANGE IN CASH AND CASH EQUIVALENTS	106.95	(711.80)
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,791.91	9,503.70
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,898.86	8,791.91
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	1,180.52	494.85
	Add : Provision for Taxes	587.45	242.28
	Net profit before taxes (i)	1,767.97	737.13
	Adjustment for :		
	Depreciation charges	157.66	144.09
	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	198.56
	Total Adjustment (ii)	440.99	626.99
	Operating profit before change in Operating assets & liabilities (i) + (ii)	2,208.96	1,364.12
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	7,324.41	6,655.47
	Increase / (Decrease) in Borrowings	0.49	(4.38)
	Increase / (Decrease) in Other liabilities & provisions	5,588.45	1,908.36
	(Increase) / Decrease in investments	(1,066.08)	(2,955.08)
	(Increase) / Decrease in Advances	(11,843.78)	(3,782.90)
	(Increase) / Decrease in Other Assets	(2,164.46)	(4,510.11)
	Net Cash flow from Operating activities (iii)	(2,160.97)	(2,688.64)
	Cash generated from operation (i + ii + iii)	47.99	(1,324.52)
	Less : Tax paid	455.09	243.53
	TOTAL : (A)	(407.10)	(1,568.05)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(123.51)	(85.18)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(123.51)	(85.18)
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 Subordinate Debt	(221.72)	(198.56)
	TOTAL : (C)	637.59	941.43
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	1,041.70	5,818.37
	TOTAL : (D)	8,791.90	9,503.70
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	1,104.80	1,041.70
	TOTAL : (E)	8,898.86	8,791.91

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: 00130935	 Naba Kishore Sahoo Director DIN: 07654279
 Anil Kumar Goel Director DIN: 00672755	 Umesh Chandra Panday Director DIN: 01185085	 Sudhir Gupta Director DIN: 09614492	 Shahla Ayoub Director DIN: 09834993
 Pratik D Punjabi General Manager/CFO	 Mohammad Shafi Mir Company Secretary		

Place: Srinagar
Date: 04/05/2023

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

 For Dinkar Prakash Aggarwal & Co. Chartered Accountants FNN: 00575551 CA. Dinkar Prakash Aggarwal Partner M.No. 003632 Place: Srinagar Date: 04/05/2023	 For Arora Vohra & Co. Chartered Accountants FNN: 009487N CA. Ashwani Aggarwal Partner M.No. 013833	 For Dharam Raj & Co. Chartered Accountants FNN: 014461N CA. Dharam Raj Partner M.No. 094108
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"NOTES TO THE STANDALONE & CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2023"

1. The above audited standalone and consolidated financial results for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee of the Board in their meeting held on May 04, 2023 and approved by the Board of Directors on May 04, 2023.
2. The above standalone and consolidated financial results have been audited by the joint central statutory auditors viz. Dharam Raj & Co, Chartered Accountants, Arora Vohra & Co, Chartered Accountants and O Aggarwal & Co, Chartered Accountants.
3. The figures for the quarter ended March 31, 2023 and the corresponding previous quarter (i.e. quarter ended March 31, 2022) are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to December 31, 2022 and the published year to date figures up to December 31, 2021 respectively.
4. The above financial results for the quarter and year ended March 31, 2023 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Restructured Assets and Provision for Non Performing Investments. Provisions for Contingencies, Employee Benefits and Direct Taxes (after adjustment of Deferred Tax) are made on estimated/actuarial basis.
5. The consolidated financial statements of the 'Group' comprise the financial statements of:

S No	Name of Company	Relation
1.	Jammu and Kashmir Bank Limited	Parent
2.	JKB Financial Services Limited	Subsidiary
3.	J&K Grameen Bank	Associate

6. Other income of the Bank includes fee income, commission, earnings from foreign exchange, profit or loss on sale of Fixed Assets, profit or loss on sale/revaluation of Investments, recovery from accounts previously written off, dividend earned, bank charges, etc.
7. There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2023 as compared to those followed in the previous financial year ended March 31, 2022.
8. The above consolidated financial statements have been prepared in accordance with Accounting Standard 21 on "Accounting for Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for Investment in Associates", issued by Institute of Chartered Accountants of India (ICAI) and notified under the Companies (Accounting Standard) Rules, 2006 as amended.
9. 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.
10. During the year ended March 31, 2023, Bank has infused additional capital in the following entities:
 - i) ₹ 20 crore in JKB Financial Services Limited, a wholly owned subsidiary.

- ii) ₹ 100.73 crore in J&K Grameen Bank (RRB), an associate. However, the shares have not yet been allotted and the same has been shown as 'Other Assets' in the Standalone Balance Sheet.
11. During the year ended March 31, 2023, the Bank has raised Basel III Compliant Tier II Bonds amounting to ₹ 1021 crore.
12. The J&K Government 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.
13. RBI Circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on 'Basel III Capital Regulations' read together with RBI Circular No.DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments' requires the Bank to make applicable Pillar 3 Disclosures including Leverage Ratio and Liquidity Coverage Ratio under the Basel III framework. These disclosures as of March 31, 2023 are placed on the Bank's website <https://www.jkbank.com>.
14. On 1st April, 2022, the bank has allotted 2,85,93,267 (Two Crores Eighty Five Lacs Ninety Three Thousand Two Hundred and Sixty Seven) equity shares at a price of ₹ 32.70 (Rupees Thirty Two and Seventy Paise Only) which was at a discount of 4.97% (i.e. ₹ 1.71 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹ 93,49,99,830.90 (Rupees Ninety Three Crores Forty Nine Lacs Ninety Nine Thousand Eight Hundred Thirty and Ninety Paise Only). The issue opened on March 28, 2022 and closed on March 31, 2022. As on 31st March, 2022 the said amount was received in share application money account (Escrow Account) and was pending appropriation subject to allotment of equity shares to the subscribers.
15. 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.

16. The Bank has estimated the liability for Unhedged Foreign Currency Exposures in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of ₹ 3.76 crore as on March 31, 2023.
17. 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})
18. Provision Coverage Ratio (PCR) as at March 31, 2023 is 86.20% without taking into account the floating provision of ₹ 124.48 crore held by the Bank as on March 31, 2023 which is part of Tier II Capital.
19. 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."
20. 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 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 and accordingly charged an amount of ₹ 3.625 crores and ₹ 14.50 Crores to the Profit & Loss account for the quarter and year 31st March 2023 respectively. The balance unamortized expense of ₹ 43.50 crore has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit for the year ended March 31, 2023 would have been ₹1153.88 crore.
21. 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.

22. Pursuant to the revised "Accounting Standard 10 – Property, Plant & Equipment", depreciation of ₹ 20.54 crores (Previous year - ₹22.77 crores) on the revalued portion of fixed assets (Premises & Land) has been transferred from the Revaluation Reserve to General Reserve.

23. During the year ended March 31, 2023, the Bank has identified 20 fraud cases amounting to ₹ 380.04 crore. An amount of ₹ 4.72 crore has been recovered during the same period against these fraud accounts. The Bank has provided 100% provisioning of ₹ 375.32 crores against the remaining fraud amount.

24. 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.

25. 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

26. In terms of RBI Circular DOR.No.BP.BC/21.04.048/2020-21 dated August 06, 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2023 is:

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	75.61	1.43	0.00	2.21	71.97
Corporate persons*	721.38	72.28	0.00	230.37	418.73

Of which MSMEs	105.64	17.74	0.00	3.78	84.12
Others	229.00	11.69	0.00	16.16	201.16
Total	1025.99	85.40	0.00	248.74	691.85
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

27. Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

i. **NPA Accounts transferred during the year:**

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

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

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.

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

(₹ In Crores)

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

29. **Other Liabilities and provisions/ Other Assets:**

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

(₹ In Crores)


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

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

(₹ In Crores)

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

30. Previous period/year figures have been regrouped/reclassified, wherever necessary, to conform to current period classifications.


For and on behalf of Board of Directors

Baldev Prakash

Managing Director & CEO

DIN: 09421701

Place: Srinagar

Date: May 04, 2023

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



CA Om Prakash Aggarwal
Partner

M No: 083862

UDIN: 23083862B6V2AV7380

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N



CA Ashwani Aggarwal
Partner

M No: 013833

UDIN: 23013833B9X1BK8417

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



CA Dharam Raj
Partner

M No: 094108

UDIN: 23094108B6SNTR4855

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023
[Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**



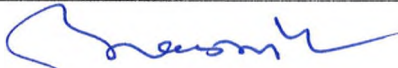
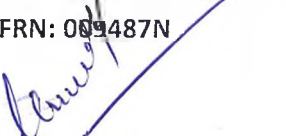
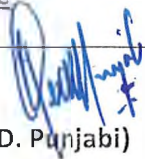
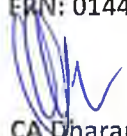
STAND ALONE

i.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (Rs. Crore)	10111.92	10111.92
	2	Total Expenditure (Rs. Crore)	8253.43	8253.43
	3	Net Profit/(Loss) (Rs. Crore)	1197.38	1197.38
	4	Earnings Per Share (Rupees)	12.43	12.43
	5	Total Assets (Rs. Crore)	145962.26	145962.26
	6	Total Liabilities (Rs. Crore)	145962.26	145962.26
	7	Net Worth (Rs. Crore)	8323.67	8323.67
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

CONSOLIDATED

2.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (Rs. Crore)	10120.47	10120.47
	2	Total Expenditure (Rs. Crore)	8260.30	8260.30
	3	Net Profit/(Loss) (Rs. Crore)	1198.59	1198.59
	4	Earnings Per Share (Rupees)	12.25	12.25
	5	Total Assets (Rs. Crore)	145912.59	145912.59
	6	Total Liabilities (Rs. Crore)	145912.59	145912.59
	7	Net Worth (Rs. Crore)	8276.82	8276.82
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

<p>II.</p>	<p>Audit Qualification (applicable to both – Standalone & Consolidated):</p> <p>a. Details of Audit Qualification: <u>As per annexure 'A' below</u></p> <p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <u>As per Annexure-B</u></p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: NA</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p> <p>(iii) Auditors' Comments on (i) or (ii) above: <u>As per Audit Report</u></p>		
<p>III.</p>	<p> (Baldev Prakash) Managing Director/ CEO</p> <p>For O Aggarwal & Co Chartered Accountants FRN: 005755N</p> <p> CA Om Prakash Aggarwal Partner M. No. 083862</p> <p>Place: Srinagar Date: 05.05.2023</p>	<p> (Anil Kumar Goel) Chairman Audit Committee</p> <p>For Arora Vohra & Co Chartered Accountants FRN: 009487N</p> <p> CA Ashwani Aggarwal Partner M. No 013833</p>	<p> (Pratik D. Punjabi) CFO</p> <p>For Dharam Raj & Co Chartered Accountants FRN: 014461N</p> <p> CA Dharam Raj Partner M. No. 094108</p>

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Annexure-A

Audit Qualification

1. 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.1.4 of Schedule 18 of the financial statements regarding the allotment of 7 Crore Equity Shares aggregating Rs. 274.75 Crore for Rs. 39.25 per share (at a face value of Rs. 1) to 9834 employees by the Bank on 21st March 2023 under the J&K Bank Employee Stock Purchase Scheme, 2023 (JKBESPS 2023).

The Compensation Committee of the Board approved the ESPS issue open date as 15th March 2023 and the issue close date as 21st March 2023. During the process of issue of certificate for listing purpose, we came across from the sample data of employees (who have applied for issue) that the employees availed their existing/ freshly enhanced facilities of general-purpose cash credit limit and personal loan accounts and transferred amounts from such loan accounts to their saving bank accounts from where the amount for share issue was debited/ (money was given). These transfers from credit facility to saving bank account were made during the period of opening of ESPS or just before that to allotment of shares under ESPS. This use of credit facility is not in line with RBI Directions. It has also been noticed that Allotment was made on 21.03.2023 and payment was realized on 22.03.2023 and 23.03.2023. Further to substantiate the facts, we requested the management to provide us the information regarding the number of shares allotted to employees where amount was transferred from general purpose Cash Credit Limits and Personal Loan Accounts of the employees to saving bank accounts during the period of opening to allotment of ESPS but management vide its letters dated 25.04.2023 & 02.05.2023 submitted that "The funds have been purely debited from the saving accounts of the respective employees under their mandate". We also escalated the issue to Audit Committee Board on 17.04.2023 vide our detailed queries along with supporting documents but a reply from ACB is still awaited.

Based on the documents & information provided to us by the management, it seems that there is violation of:

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

b) Refer to Note no. 4.4 of Schedule 18 of the previous year's financial statement i.e. of the FY 2021-22, the Bank has allotted 5,17,62,954 equity shares aggregating for Rs 28.97 per share (at a face value of Rs. 1), aggregating Rs. 149,95,72,777.38. We have not issued any certificate for the purpose of listing during the financial year 2021-22 so if any similar set of transactions were occurred, we can not comment on those transactions.

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

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

(1) Refer to Schedule No.1 of the financial statement, the Paid-up Share capital of the Bank is Rs. 103,14,79,861/- which includes Share Capital of Rs. 12,17,62,954/- raised through the ESPS Scheme at a face value of 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 Schedule No.2 of the financial statement, the Share premium balance under the head 'Reserve & Surplus' in the Balance Sheet is Rs. 2263.53 Crore which includes Share Premium on the said allotted ESPS shares of Rs. 412,53,09,823/- (i.e. Rs. 144,78,09,823 of FY 2021-22 & Rs. 267,75,00,000/- of FY 2022-23). the Share Premium is overstated by Rs. 412,53,09,823/- i.e. 18.22% of the total share premium/securities premium of the bank.

(3) Refer to Note No. 1 of Schedule 18 of the financial statement regarding the composition of Regulatory Capital, the Capital Adequacy ratio (Common Equity Tier I & Capital conservation buffer), the financial ratios/prudent limits concerning net worth/capital funds have been adjusted due to observations made above at 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.

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Annexure-B

Management Response

In response to above issue, it is to mention here that, upon conjoint reading of Section 67 of Companies Act, 2013, Para No. 2.3.1.7 of RBI Master Circular- Loans and Advances - Statutory and Other Restrictions dated 01.07.2015 and Clause 21 of JKBESPS, 2023, it is clear that the restrictions are imposed upon Bank for providing any specific financial assistance directly or indirectly to any person including its employees for the purchase of its own shares. The Circulars no's 690 and 807 dated 20.01.2023 and 14.03.2023 issued by the Bank respectively are part of general practice adopted by various Financial Institutions including the Bank to provide several benefits to its employees in one form or the other and can in no way be stated to be related to the Scheme floated by the Bank for its employees. This is corroborated by the fact that the Bank has issued circulars of same nature at different times with necessary amendments/revised terms for the benefit of its employees. Furthermore, the employees of the Bank are at discretion to avail the enhanced limit as per their requirement and to use the same in any manner.

It is pertinent to mention here that besides other loan facilities provided to the employees for specific purposes [example Housing loan, education loan, vehicle loan], J&K Bank provides personal Consumption loan and general purpose Cash Credit Facility (Salary Overdraft) for meeting any legal purpose without prescribing any end-use restrictions. There are a good number of employees that were having available credit limits in their pre-existing consumption / Cash credit facilities and have not utilized the enhanced credit loan facility.

Many employees are having deposits with bank which connotes that surplus funds were already available to them which they could utilize for subscription to JKBESPS, 2023. Mere transfer of funds from general purpose cash credit facility to the personal savings bank account does not endorse that Loan facility was provided to employees specifically for JKBESPS, 2023.

From the above stated facts, statutory and regulatory provisions it is clear that the Bank in the process of issuance of shares under JKBESPS, 2023 has nowhere violated any Section/Rule/Clause/RBI Circular as mentioned aforesaid as the Bank through the said circular dated 20.01.2023 has nowhere provided any credit facility to any of its employees for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares.

We further add that the Bank has advanced loans to its employees in the ordinary course of business and thus reference to Section 67(2) of the Companies Act, 2013 is misconceived. The Bank has lent money as a Banking Company in its ordinary course of business to its employees and the said right has been recognised under Section 67(3) of the Companies Act, 2013. For the removal of

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

doubts, it is hereby clarified that accepting, for the purpose of lending or investment, of deposits of money is the ordinary course of business for a Banking Company.

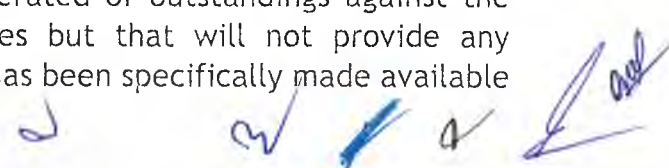
Further, there is a general practice with most employees of the Bank to park their salaries in the Cash Credit facility account to lessen their interest burden and utilise the credit facility available as per their requirements as it is a general purpose loan facility to be used at the discretion of employees. In this regard, the Bank also sought independent legal opinion from a reputed law firm which clearly validates the Management's stance / position on the matter. The legal opinion was duly shared by the Management with the SCAs.

The Bank received the subscription to the ESPS-2023 in a manner similar to the ASBA facility wherein a lien is marked on the amount of subscription and the account holder is not in a position to withdraw the amount under lien. The ASBA mechanism provides for retrieval of the amount before or after the allotment from the blocked account to the extent of allotment subscription money. So effectively the amount remains within the issuer's right till the lien is effective. The allotment of shares was done by the Compensation Committee on 21st March in the late evening and, the blocked amounts were transferred to the Escrow account on 22nd & 23rd March'2023 - the transaction could not be completed on 22 Mar'2023 because of a technical glitch.

The contention of the SCAs regarding the ESPS-2021 issue that they had not issued the Certificate for listing of shares doesn't seem valid because as SCAs they did audit the books of the Bank for FY 2021-22 and the ESPS-2021 was a material transaction which they could not have ignored. Pertinent to mention that ESPS 2021 was exactly similar to ESPS-2023 and validation of the earlier scheme by the SCAs without raising any observations was enough for the Bank Management to deduce that the implementation of ESPS-2021 was not in violation of any rule or statute and this applies mutatis-mutandis to ESPS-2023. The SCAs, in the process, have put a question mark on their own audit of the Bank conducted during FY 2021-22.

Regarding the impact of the two transactions, the Management has made it abundantly clear that after taking due cognizance of the SCAs observations & non-acceptance of Management arguments by the SCAs, the Bank has not reckoned the amount mobilized under ESPS-23 for computation of any analytical ratio involving Net-worth or Capital. The Management as a matter of prudence and ethical Corporate Governance has declared this in the Notes to Accounts as well. The shares allotted to the employees under ESPS-2021 might already have changed hands and currently their ownership may be with some third persons and as such reckoning these for impact on Paid-up Capital or Reserves (Share Premium) is over stretched.

The Bank has MIS wherein reports can be generated of outstandings against the employees under different schemes / facilities but that will not provide any guidance as to the SCAs claims that any money has been specifically made available



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

to the employees for subscribing to the ESPS issue. The employees make frequent transactions in their general purpose salary overdraft account for multiple purposes and every inflow / outflow in these accounts cannot be matched or linked to any specific sale / purchase.

With regard to the reported communication addressed to the ACB Chairman by the SCAs, the first thing that is to be noted is that the communication was a personal one addressed to the Chairman and not to the Committee. However, the Chairman ACB had directed the Bank Management to look into the issue and respond to the observations made. These directions were passed on by the ACB Chairman to the Bank Management in presence of the SCAs. The Bank duly responded to the observations of the SCAs vide mail dated May 02, 2023 addressed to all the SCAs endorsing a copy of the response to the ACB Chairman. Thus the SCAs averment of not having been provided the response of the ACB is nothing beyond an unsubstantiated allegation.

In the wake of our above submissions all the observations of the SCAs made in the subject communication are just based on assumptions without any valid justification wherein they have not taken cognizance of the facts like the facilities being in existence and available to the employees for over two decades, no facility having been granted for the specific purpose of subscribing to the ESPS, ignoring all the MIS / information / clarifications provided by the management.

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