

**Jammu and Kashmir Bank Limited**

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

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## **Board Secretariat**

Ref:-JKB/BS/F3652/2024/127  
Date: 23<sup>rd</sup> July, 2024

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

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

**Sub: - Annual Report 2023 - 24**

Dear Sirs,

In continuation to our letter no. JKB/BS/F3652/2024/126 dated 23<sup>rd</sup> July, 2024 and pursuant to Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Annual Report 2023-24 for the 86<sup>th</sup> Annual General Meeting of the Bank.

This is for your information and appropriate dissemination.

Thanking you

**Yours faithfully**  
**For Jammu and Kashmir Bank Ltd.**

**(Mohammad Shafi Mir)**  
**Company Secretary**

# Goals Met Promises Kept



## ANNUAL REPORT 2023-24



**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**

**JAMMU AND KASHMIR BANK LIMITED**

Registered office : Corporate Headquarters, M.A.Road, Srinagar 190001, Kashmir, India  
CIN: L65110JK1938SGC000048 ; T : +91 (0)194 2481 930-35 ; F : +91 (0)194 248 1928;  
E : board.sectt@jkbmail.com; W : www.jkbank.com

## QUICK INFORMATION

S.No	Particulars	Details
1.	Day, Date and Time of AGM	Thursday, August 17, 2024 at 11:00 A.M. (IST)
2.	Venue	Jammu and Kashmir Bank Limited, Corporate Headquarters, M.A. Road, Srinagar, Jammu and Kashmir - 190001
3.	Cut-Off Date for E-voting	Saturday, August 10, 2024
4.	Remote E-voting Start Date and Time	Wednesday, August 14, 2024 at 09:00 A.M (IST)
5.	Remote E-voting End Date and Time	Friday, August 16, 2024 at 05:00 P.M (IST)
6.	Remote E-voting Website	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>
7.	Name of E-voting Service Provider	M/s Kfin Technologies Limited
8.	Name of Registrar and Share Transfer Agent	M/s Kfin Technologies Limited
9.	Name of Scrutinizer	CS DSM Ram
10.	Dividend	215%, i.e Rs. 2.15 per Equity Share of Face Value Re. 1/- (Subject to the approval of Shareholders)
11.	Record Date for Dividend Payment	Saturday, August 10, 2024



# Goals Met Promises Kept

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86<sup>TH</sup>  
ANNUAL  
GENERAL  
MEETING  
(AGM)  
OF THE  
SHAREHOLDERS



**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**



## Message from MD & CEO



### Dear Shareholders,

I am privileged to present the 86<sup>th</sup> Annual Report of our Bank for FY 2023-24 - a year that marks a historic chapter in our rich legacy. This report provides comprehensive details of the Bank's initiatives and achievements during this period. It has been more than two years since I assumed the responsibility of Managing Director and CEO of this esteemed institution, and it is with great pride that I share our progress and success. First and foremost, I extend my heartfelt gratitude to our shareholders for their unwavering support and trust. Your confidence in our vision and strategy has been instrumental in our journey towards excellence. We remain committed to delivering value and sustainable returns on your investments.

### Economy Overview

The lingering war between Russia and Ukraine and the ongoing conflict in the Middle East have exacerbated the geopolitical tensions inducing unprecedented levels of uncertainty in the global economy. According to the World Economic Report, this conflict could lead to higher food prices and potentially cause millions

of people to go hungry. Despite these challenges, the Indian economy has remained comparatively stable, especially the banking sector. The Reserve Bank of India (RBI) has affirmed that India's banking sector is sufficiently capitalized and well regulated. Innovative reforms such as digital payments, neo-banking, and fintech have significantly enhanced financial inclusion and fuelled credit growth in the country.

During FY 2023-24, India's GDP grew at a rate of 8.2%, backed by buoyant domestic demand and strong investment activity. Looking ahead, the RBI projects real GDP growth for India in FY 2024-25 at 7.2%. The prospects of fixed investment remain bright with business optimism, healthy corporate and bank balance sheets, robust government capital expenditure and signs of an upturn in the private capex cycle. Equity markets are rallying while sovereign bond yields and the US dollar exhibit bidirectional movements.

### Bank's Performance

Over the past year, our Bank has successfully navigated a rapidly evolving financial landscape. Despite uncertainties and disruptions, we have achieved significant growth by adopting various initiatives and keeping pace with industry standards clubbed with investments improving steadily which would economise Cost / Income ratio and shall further improve health of our balance sheet. Our deposits grew by 10.44% to ₹1.35 lakh crore with a CASA ratio of 50.51% while Gross Advances increased by 12.57% to ₹0.97 Lakh Crore during past financial year. As a result of tremendous efforts put in by our Bank and improved operational efficiency, the Bank delivered an unprecedented profit of ₹1767.27 crore for FY 2023-24, the highest in the history of our Bank.

Our asset quality has improved significantly during FY 2023-24 registering its best asset quality figures with Gross Non-Performing Assets (GNPA) has improved significantly from 6.04% in FY 2022-23 to 4.08% in last financial year while Net NPA witnessed a sharp decline to 0.79%. Net Interest Income (NII) grew by 10% to ₹5203.69 crore. The Operating profit stood at ₹2276.88 crore, registering a growth of 23% over the previous year. The Cost-to-Income ratio has been brought down by 398 bps to 62.24%. Return on Asset (RoA) and Return on Equity (RoE) also improved significantly, standing at 1.22% and 18.01%, respectively.

In light of this remarkable performance, the Board has recommended a dividend of ₹2.15 per equity share for the financial year ended March 31, 2024. This decision reflects our commitment to delivering sustainable growth reciprocating share holder confidence and maximizing shareholder value. We believe that our sustained efforts and strategic initiatives have contributed to achievement of business milestones. Besides, our focus on risk management and compliance has ensured that we maintain a robust framework to safeguard our stakeholders' interests. Our Bank has consistently adhered to stringent regulatory standards, establishing itself as a trusted and responsible financial institution.

### Strategic Initiatives

Digital & IT landscape is the new battlefield in banking industry for driving sales through online as well as offline modes. During FY 2023-24, we undertook various initiatives to keep pace with industry advancements and deliver superior services to our customers to meet emerging changes in the economic, political and regulatory environment. Some of the major key initiatives of previous financial year included:

- Launch of QIP, raising CET1 capital of Rs 750 crore which positioned us strongly to fund our ambitious growth plans.
- Online account opening platform for instant customer onboarding and delightful experience.
- Upgraded our mobile and e-banking platforms with enhanced and industry best features.
- Automation of charges for various services to prevent revenue leakage.
- Introduction of Virtual ATM Facility for card-less cash withdrawals.
- New Bancassurance partner to enhance insurance solutions.
- Launch of premium debit cards with enhanced limits and offers.
- Online customer grievance resolution mechanism.
- Adoption of new technology platform for Kiosk Banking, to augment FI initiatives through BCs.

### Transforming Technology

On the technology front, we are committed to provide efficient, secure, and convenient banking services to our valued customers. During the year, our core IT infrastructure has been strengthened with high availability, capacity additions, automation processes, hybrid cloud architecture and enhanced security features for leveraging digital adoption to

enhance customer experience. Bank is full committed to achieve excellence in operational efficiency through digital and IT interventions, business process reengineering and process automation, etc. Under 5 Year Business Plan milestones for all major business indicators viz- GNPA, NIM, CD ratio, Business per employee, PCR, Cost to income, Non-interest income, Capital adequacy (CRAR), Return on assets, etc. have also been set for vigorous monitoring. The upgraded platform of "J&K Bank mPay Delight+" offers a unique "Bank in the Pocket" experience. Our online account opening platform provides ease of service for prospective customers 24x7 at their convenience and comfort.

### Customer Delight

With a dedicated workforce of 12,415 employees and a branch network of 1,004 branches along with 1,569 ATMs/CRMs across the country as of March 2024, we are committed to provide the best and most convenient services to our customers. And to take care of any grievances or concerns on service front, our Customer Service Request Tracking System (CSRTS) ensures secure and centralized platform for handling complaints, facilitating easy search and retrieval of data.

### Way Forward

As we celebrate the historical results of FY 2023-24, let us join hands and hearts to reinforce the culture of trust, empathy, and mutual care within our family. We are committed to achieve our strategic objectives that includes expanding our market presence, enhancing our digital capabilities and deepening customer relationships. Besides, we will continue to invest in our employees, empowering them with necessary tools and knowledge.

### Dear Shareholders,

I would like to take this opportunity to express my appreciation for the hard work, dedication, and unwavering commitment of our employees, which has been instrumental in reaching this milestone in our journey of transformation. With focused perseverance in business growth and governance, we are well poised to achieve even greater success in the coming years. Lastly, I reiterate my gratitude to our shareholders and customers, whose trust and support have been the main contributors to our success.

Thank you.

**Baldev Prakash**

(Managing Director & CEO)



## Board of Directors



**Mr. Baldev Prakash**  
Managing Director & CEO



**Dr. Pawan Kotwal (IAS)**  
Non-Executive Non-Independent  
Director



**Mr. Santosh D. Vaidya (IAS)**  
Non-Executive Nominee  
Director



**Dr. Mandeep K Bhandari, (IAS)**  
Non-Executive Non-Independent Director



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



**Dr. Rajeev Lochan Bishnoi**  
Non-Executive Independent  
Director



**Mr. Naba Kishore Sahoo**  
Non-Executive Independent  
Director



**Mr. Umesh Chandra Pandey**  
Non-Executive Independent  
Director



**Mr. Anil Kumar Goel**  
Non-Executive Independent  
Director



**Mr. Anand Kumar**  
Non-Executive Independent  
Director



**Mr. Sudhir Gupta**  
Executive Non-Independent  
Director



**Ms. Shahla Ayoub**  
Non-Executive Independent  
Director





## Notice

NOTICE is hereby given that the 86<sup>th</sup> Annual General Meeting (AGM) of the Shareholders of the Jammu and Kashmir Bank Limited (the "Bank") will be held on Saturday, August 17, 2024 at 11:00 A.M at Jammu and Kashmir Bank Limited, Corporate Headquarters, M.A. Road, Srinagar, J&K - 190001, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (standalone and consolidated) of the Bank for the Financial Year ended 31<sup>st</sup> March, 2024 including Balance Sheet as at 31<sup>st</sup> March, 2024 and the Profit & Loss Account for the Financial Year ended on that date, together with the Reports of the Board of Directors and Auditors and comments of the Comptroller and Auditor General of India thereon.
2. To declare dividend on Equity Shares of the Bank.
3. To appoint a Director in place of Mr. Rajesh Kumar Chhibber (DIN: 08190084), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. Sudhir Gupta (DIN: 09614492), who retires by rotation and being eligible, has offered himself for re-appointment.
5. To authorise the Board of Directors of the Bank to fix the remuneration of Auditors appointed by the

### Jammu and Kashmir Bank Limited

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

Comptroller & Auditor General of India, in terms of provisions of Section 142 of the Companies Act, 2013, for the Financial Year 2024-25.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the Reserve Bank of India circular No.DoR.HGG.GOV.REC.75/29.67.001/2023-24 dated February 9, 2024 and subject to such approvals, consents, clarifications, permissions and sanctions, as may be required from the appropriate authorities for the purpose, approval of the Shareholders of the Bank be and is hereby, accorded to the payment of fixed remuneration to the Non-Executive Directors of the Bank (except Chairperson of the Board and Directors who are in the full employment of Government or the Reserve Bank of India) an amount as may be deemed fit by the Board from time to time, subject to a maximum of ₹10.00 lacs per annum per director w.e.f. April 2023.

By order of the Board of Directors

Mohammad Shafi Mir  
Company Secretary

Place: Srinagar  
Dated: July 19, 2024



## NOTES

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

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

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

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

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

- b) As per Sections 124 and 125 of the Companies Act, 2013, the amount of unpaid or unclaimed dividend lying in unpaid dividend account for a period of seven (7) years from the date of its transfer to the unpaid dividend account and the underlying Equity Shares of such unpaid or unclaimed dividend, are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of financial years 2014-15 and 2015- 2016 has already been transferred to the IEPF. The Bank had not declared Dividend for Financial Year 2016-2017.
- c) As per Rule 5 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Bank on its website at the link <https://www.jkbank.com/investor/stockExchangeIntimation/shareholderInformation.php>. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Bank's Registrar & Share Transfer agent, before the unclaimed dividends are transferred to the IEPF.
- d) As per the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as

amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed: Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

- e) As per the requirement of Rule 6 of the IEPF Rules, the Bank had sent individual intimation to all the shareholders and also published notice in the leading newspapers in English and regional language having wide circulation for the information to shareholders regarding transfer of shares to IEPF. The shares in respect of the shareholders whose dividend has not been claimed for seven (7) consecutive years, upto financial year 2015-16, have been transferred to the designated Dematerialized Account of the IEPF authority.
- f) Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 in original, signed ISR Forms in original alongwith self-attested copy of PAN card and address proof, duly filled in, to the Registrar & Share Transfer Agent at the address mentioned at point no. (h) in the Notes. The prescribed forms in this regard are attached and form part of Corporate Governance Report. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination
- g) Members holding shares in dematerialized form are requested to intimate any change in their address or bank account details (including 9 digit MICR no., 11 digit IFSC and core banking account no.) to their respective Depository Participants with whom they are maintaining demat accounts.
- h) Members holding shares in physical form are requested to send the complete ISR Forms in original, duly signed by all the holder(s), intimating the change in address immediately to the Registrar & Share Transfer Agent/Bank along with the self-attested copy of their PAN Card(s), unsigned copy of Cheque leaf of an active bank account and the copy of the supporting documents evidencing change in address. Communication details of Registrar & Share Transfer Agent are as under:

M/s KFin Technologies Limited  
Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032,  
Telangana - India.  
Toll Free Number: 1-800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

- i) Important communication to Members  
As per the provisions of Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been registered/made available to the Bank/Depository Participants for this purpose unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form and other documents annexed to the Notice, will be sent to them in the permitted mode.
- The Bank hereby requests Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or Registrar & Share Transfer Agent of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants/Registrar & Share Transfer Agent of the Bank. Members holding shares in physical mode are also requested to update their email addresses by sending the requisite ISR documentation to the Registrar & Share Transfer Agent of the Bank quoting their folio number(s).
- j) Members desirous of getting any information about the accounts and operations of the Bank are requested to write their queries to the Bank at least ten days before the AGM to enable the Bank to gather information.
- k) Only Registered Members/Beneficial Owners carrying their attendance slips and holders of valid proxy forms registered with the Bank will be permitted to attend the meeting. Also Members/Proxy holders are requested to:
- l)
- i. Please carry photo ID card for identification/ verification purposes.
  - ii. Note that briefcases, mobile phones, bags, helmets, eatables and other belongings will not be allowed to be taken inside the venue of the meeting for security reasons and members/proxy holders will be required to take care of their belongings.
  - iii. Note that no gifts will be distributed at the AGM.
  - iv. Note that members present in person or through registered proxy shall only be entertained.
  - v. Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Registrar & Share Transfer Agent/Depository Participant.
- vi. Quote their Folio/DP & Client Id No. in all correspondences with the Registrar & Share Transfer Agent/Bank.
- vii. Avoid being accompanied by non-members and/or children.
- m) A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant items of business of this Notice is annexed herewith and the same should be taken as part of this Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the directors proposed to be appointed /re-appointed is set out in the Explanatory Statement to this Notice.
- n) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote during the AGM, provided the votes are not already cast by remote e-voting by the first holder.
- o) The route map for the AGM venue is provided at the backend cover page of the annual report.
- p) E-Voting:  
The Bank is pleased to provide E-voting facility through M/s Kfin Technologies Limited, in compliance with Section 108 of the Companies Act, 2013 read with rules framed thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for all shareholders of the Bank to enable them to cast their votes electronically on the items mentioned in this notice of the 86<sup>th</sup> AGM of the Bank. Based on the consent received from Mr. DSM Ram, Practising Company Secretary, the Board of Directors of the Bank has appointed him as the Scrutinizer for conducting the voting process in a fair and transparent manner. E-voting is optional and Members can opt for only one mode for voting i.e. either by remote e-voting or vote at the AGM. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Bank as on the record date i.e. Saturday, August 10, 2024.

**The instructions for E-Voting are as under:**

- i. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.



- ii. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participant(s) to access e-voting facility.
- iii. The remote e-voting period commences on Wednesday, August 14, 2024 from 0900 Hours to Friday, August 16, 2024 upto 1700 Hours. During the remote e-voting period, Members of the Bank, holding shares either in physical form or in dematerialised form, may cast their votes electronically. The remote e-voting module shall be disabled by M/s Kfin Technologies Limited for voting thereafter and thus, remote e-voting shall not be allowed beyond Friday, August 16, 2024 (1700 hours). Once the vote on all the resolutions are cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Bank as on the Cut-off Date i.e. Saturday, August 10, 2024 ("Cut-off Date").
- v. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of AGM Notice and holding shares as on the Cut-off Date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he/she is already registered with Kfin Technologies Limited for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vi. The details of the process and manner for remote e-voting, voting during the AGM and attending the AGM are explained herein below:

- Step 1: Access to Depositories e-voting system in case of individual Shareholders holding shares in demat mode.
- Step 2: Access to KFinTech e-voting system in case of Shareholders holding shares in physical and non-individual Shareholders holding shares in demat mode
- Step 3: Access to vote during the AGM.

**Details on Step 1 are mentioned below:**

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

Type of Shareholders	Login Method
Individual Shareholders holding shares in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility:               <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting"</li> <li>IV. Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</li> </ol> </li> <li>2. User not registered for IDeAS e-Services               <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in point 1</li> </ol> </li> <li>3. Alternatively by directly accessing the e-Voting website of NSDL               <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFinTech.</li> <li>V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period</li> </ol> </li> </ol>





<p>Individual Shareholders holding shares in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing user who have opted for Easi / Easiest             <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasinew/home/login/">https://web.cdslindia.com/myeasinew/home/login/</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered User ID and Password.</li> </ol> <p>The user will see the e-voting Menu. Click on e-voting link available against the name of the Company and you will be re-directed to e-voting page of KFintech for casting the vote during the remote e-voting period.</p> </li> <li>2. User not registered for Easi / Easiest             <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1</li> </ol> </li> <li>3. Alternatively, by directly accessing the e-Voting website of CDSL             <ol style="list-style-type: none"> <li>i. Visit URL: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></li> <li>ii. Provide your demat Account Number and PAN No.</li> <li>iii. System will authenticate user by sending OTP on registered Mobile &amp; e-mail as recorded in the demat Account.</li> <li>iv. After successful authentication, user will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.</li> </ol> </li> </ol>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account websites of Depository Participants registered with NSDL/CDSL for e-voting facility.</li> <li>II. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>III. Click on options available against Company name or e-voting service provider - KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.</li> </ol>

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

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

**Details on Step 2 are mentioned below:**

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

- i. Launch internet browser by typing the URL: [https:// evoting.kfintech.com.](https://evoting.kfintech.com)
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with M/s Kfin Technologies Limited for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".

- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Jammu and Kashmir Bank Limited'.
- vii. On the voting page, enter the number of shares (which represents the number

- of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the e-voting period, Members can login any number of times till they have voted on the Resolution(s) set forth in this Notice.
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s) pursuant to Section 113 of the Companies Act, 2013 at ram.devata@gmail.com with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Bank at [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com).

**Details on Step 3 are mentioned below:  
Instructions for all the Shareholders for voting during the AGM.**

- i. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID". However, Members who have voted through remote e-voting shall be eligible to attend the AGM.
- ii. The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM through Ballot Paper.

**OTHER INSTRUCTIONS:**

- a. Members holding shares as on the Cut-off Date shall be entitled to vote through remote e-voting or vote at the meeting.
- b. User ID and password for e-voting is being sent on the registered email of shareholders. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by

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

- c. Members holding shares as on the Cut-off Date shall be entitled to vote through remote e-voting or voting during the AGM. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/ List of Beneficial Owner of the Company will be entitled to vote during the AGM.
  - d. The facility for remote e-voting shall remain available from Wednesday, August 14, 2024 from 0900 Hours to Friday, August 16, 2024 upto 1700 Hours. During this period shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, August 10, 2024 may cast their vote electronically. The e-voting module shall be disabled by Registrar and Share Transfer Agent for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically through remote e-voting may participate in the AGM but shall not be allowed to vote at the AGM.
  - e. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.kfintech.com> or contact M/s Kfin Technologies Limited at Tel No. 1800-309-4001 (toll free).
  - f. Any person, who acquires shares of the Bank and become Member of the Bank after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-Voting.
- II. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and make not later than two working days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Managing Director and CEO of the Bank who shall countersign the same.
  - III. The Managing Director and CEO or a person authorised by him in writing shall declare the result of voting forthwith.
  - IV. The voting results declared along with the Scrutinizer's Report will be placed on the Bank's website [www.jkbank.com](http://www.jkbank.com) and on the website of M/s KFin Technologies Limited, <https://evoting.kfintech.com>, immediately after the declaration of the result by the Managing Director and CEO or a person authorized by the Managing Director and CEO. The results will also be immediately intimated to The BSE Limited and National Stock Exchange of India Limited.
  - V. Poll will also be conducted at the AGM and any



Shareholder who has not cast vote through remote e-voting facility, may attend the AGM and cast the vote.

**Dividend Related Information:**

1. The Record Date for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM, is Saturday, August 10, 2024.
2. Dividend as recommended by the Board of Directors, if approved at the AGM, will be paid by or before Sunday, September 15, 2024, by way of electronic mode or through physical dividend warrants, to those Members whose names appear on the Register of Members/statements of beneficial position received from NSDL and/or CDSL at the close of business hours on Saturday, August 10, 2024.
3. Members holding shares in physical form are requested to send the completed ISR Forms in original, duly signed by all the holder(s), intimating the change in address immediately to the Registrar & Share Transfer Agent/Bank along with the self-attested copy of their PAN Card(s), unsigned copy of Cheque leaf of an active Bank account and the copy of the supporting documents evidencing change in address. Communication details of Registrar & Share Transfer Agent are as under:

**M/s KFin Technologies Limited**

Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032,  
Telangana - India.  
Toll Free Number: 1-800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

4. In case, the Bank is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of the details of the bank account, the Bank shall dispatch the dividend warrant to such shareholder by post.
5. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank after April 1, 2020, shall be taxable in the hands of the shareholders and the Bank shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in the AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

a) For Resident Shareholders

Tax will be deducted at source ("TDS") under Section 194 of the IT Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the IT Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed/paid

to them by the company during a financial year does not exceed ₹5,000.

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

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

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

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

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

Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the IT Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide the following:

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

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

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

#### **Section 206AB of the Act**

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

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

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

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

- I. Nil for resident shareholders receiving dividend upto ₹5,000/- or in case Form 15G/Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- II. 10% for other resident shareholders in case copy of PAN card is provided/available.
- III. 20% for resident shareholders if copy of PAN card is not provided/not available/not linked with Aadhaar Number.
- IV. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- V. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- VI. Lower/Nil TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the IT Act.

Aforesaid rates will be subject to applicability of Section 206AB of the IT Act. In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Bank in the manner prescribed by the said rules.

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

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

# ANNEXURE TO NOTICE

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

### ITEM NO. 05

Though not strictly necessary, Explanatory Statement is being given for Item No. 05 of the Notice, with the view to set-out material facts concerning such business. Pursuant to the provisions of Section 142 of the Companies Act, 2013, the remuneration of Auditors, appointed by C&AG under Section 139(5) of the Companies Act, 2013, has to be fixed by the Bank in General Meeting or in such manner as the Bank in the General Meeting may determine.

Historically, the Shareholders of the Bank at Annual General Meetings have been empowering the Board of Directors of the Bank to pay remuneration to Statutory Auditors for the yearly audit and quarterly review of financial results for the relevant financial year.

Members may accordingly authorize the Board of Directors to fix the remuneration of Auditors as per the best industry practices among the peer banks for the financial year 2024-25 including remuneration for the Limited Review of Quarterly Financial Results for the period ending 30<sup>th</sup> June, 2024, 30<sup>th</sup> September, 2024 and 31<sup>st</sup> December, 2024.

The Board of Directors recommends the passing of the proposed Resolution at Item No.05 as an ordinary resolution.

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

### ITEM NO. 06

In line with the RBI circular No. DBR. No. BC: 97/29.67.001/2014-15 dated June 1, 2015 and pursuant to the approval of shareholders in the Annual General Meeting held on 20<sup>th</sup> July, 2016, the Bank, in addition to sitting fee and reimbursement of expenses, used to pay compensation to the Non-Executive Directors in the form of profit related commission, not exceeding ₹10.00 lacs per annum for each Director, subject to the Bank making profits.

The RBI on April 26, 2021 issued revised compensation guidelines vide circular No.DOR.GOV.REC.0/29.67.001/2021-22 by raising the ceiling for payment of fixed remuneration to Non-Executive Directors to ₹20.00 lacs per director per annum. Accordingly, the Bank through postal ballot dated 17<sup>th</sup> February, 2022 proposed to the shareholders of the Bank to pay fixed remuneration to the Non-Executive Directors (except Part Time Chairperson of the Board and those

Directors who are in the full employment of the Government or Reserve Bank of India) an amount as may be deemed fit by the Board from time to time, subject to a maximum of ₹15.00 lacs per annum per Director with effect from April, 2022. The resolution was however defeated by the shareholders.

In view of the resolution being rejected by the shareholders, Bank continued to pay compensation to the Non-Executive Directors as per previous RBI circular No. DBR. No. BC: 97/29.67.001/2014-15 dated June 1, 2015 for the F.Y 2022-23, with a cap of ₹10 lacs per director.

The RBI vide its circular No.DoR.HGG.GOV.REC.75/29.67.001/2023-24 dated February 9, 2024 has again reviewed the fixed remuneration paid to the NEDs by enhancing the ceiling from ₹20.00 lakhs to ₹30.00 lakhs. However, while doing so, the RBI repealed its earlier Circular dated June 1, 2015. Consequently, the Bank cannot pay the profit related compensation to NEDs any further till the payment of fixed remuneration as per the latest RBI circular dated February 9, 2024 is approved by the Shareholders of the Bank.

RBI's move to increase the remuneration cap from ₹20.00 lacs to ₹30.00 lacs for Non-Executive Directors is aimed at enabling the banks to attract and retain qualified and competent individuals on their boards. This shall ensure that the banks are governed by competent individuals who are sufficiently rewarded for their contributions in the context of increasingly complex and challenging environment in which banks operate. However, keeping in view the size of our Bank, the Board recommends paying of ₹10.00 lacs as fixed remuneration per Non-Executive Director per annum.

In terms of regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall recommend all fees or compensation, if any, paid to non-executive Directors, including Independent Directors and shall require approval of shareholders in general meeting.

The Board of Directors recommends the passing of the proposed Ordinary Resolution at Item No.06.

The Non-Executive Directors of the Bank entitled for the remuneration may be deemed concerned or interested in the Resolution as it is intended for their benefit. Other Directors and Key Managerial Persons (KMPs) and their relatives are not concerned or interested in the Resolution.



**Details of Directors seeking appointment/re-appointment at the 86<sup>th</sup> Annual General Meeting as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	Details of Directors seeking appointment/reappointment at the 86 <sup>th</sup> Annual General Meeting	
Name	Rajesh Kumar Chhibber	Sudhir Gupta
Category	Non-Executive Non-Independent Director	Executive Director
DIN	08190084	09614492
Date of Birth	09-10-1959	04-11-1967
Qualification	BSc, CAIIB Part I	BSc, LLB, CAIIB
Nature of Expertise / Experience	Banking, Finance, Accountancy, Treasury & Investment Management, Agriculture & Rural Economy	Banking, Finance, Law, Human Resource, Agriculture & Rural Economy and Business Management
Terms and conditions of appointment	Re-appointment as Directors liable to retire by rotation.	
Details of Remuneration paid and last drawn remuneration (including sitting fees) during Financial Year 2023-2024	During FY 2023-24, sitting Fee of ₹21,60,000/- was paid. In addition, an amount ₹10,00,000/- as Commission pertaining to financial year 2022-23 was also paid.	Salary of ₹40,21,929/-
Remuneration proposed to be paid	Non-Executive Directors (excluding Government Nominee Directors in active service; RBI Nominated Directors in active service; Directors in Active Service of Government) are entitled to the sitting fee of ₹70,000/- for attending each meeting of the Board and ₹40,000/- for a Committee thereof. However, as on date, the Board of Directors has mutually decided to keep the sitting fee for attending a meeting of the Board/Committees of Board as ₹40,000/-.	As an Executive Director, Mr. Sudhir Gupta will be entitled to fixed pay of ₹45.05 Lacs (per annum) and performance based variable pay of ₹45.05 Lacs (Per annum) which stands approved by Reserve Bank of India vide its letter no Dor.GOV55830/08.39.001/2022-23 dated 13.12.2022.
Date of First Appointment on the Board	10 <sup>th</sup> June, 2019	14 <sup>th</sup> December, 2022
Shareholding in the Bank	500 Shares	9747 Shares
Relationship with other Directors, Key Managerial Personnel	Nil	Nil
No. of Board Meetings attended during the financial year 2023-2024	Attended 15 out of 16 Board meetings held during the Financial Year 2023-2024	Attended 16 out of 16 Board meetings held during the Financial Year 2023-2024
No. of Committee Meetings attended during the financial year 2023-2024	Attended 39 out of 39 Committee meetings held during the Financial Year 2023-2024	Attended 30 out of 30 Committee meetings held during the Financial Year 2023-2024
Directorships, Membership / Chairmanship of Committees of other Boards	Nil	Nil

# Director's Report

## To the Members,

Your Board of Directors has pleasure in presenting the 86<sup>th</sup> Annual Report of your Bank, together with the audited Balance Sheet, Profit and Loss Account and the report on business and operations for the year ended 31<sup>st</sup> March, 2024.

### Performance at a Glance

- The aggregate business of the Bank stood at ₹228537.40 Crore at the end of the financial year 2023-24.
- The total deposits of the Bank grew by ₹12737.15 Crore from ₹122037.74 Crore as on 31<sup>st</sup> March, 2023 to ₹134774.89 Crore as on 31<sup>st</sup> March, 2024, a growth of 10.44 percent.
- CASA deposits of the Bank at ₹68072.61 Crore constituted 50.51 percent of total deposits of the Bank.
- Cost of deposits for the FY stood at 4.57 percent.
- The net advances of the Bank stood at ₹93762.51 Crore as on 31<sup>st</sup> March, 2024.
- Yield on advances for the FY stood at 9.54 percent.
- Average Priority Sector Advances stood at ₹43,010.17 Crore as on 31<sup>st</sup> March, 2024.
- The Bank effected cumulative cash recovery, upgradation of NPAs and recovery in technical write-off of ₹2026.75 Crore during FY 2023-24.
- Investment portfolio of the Bank stood at ₹34986.71 Crore as on 31<sup>st</sup> March, 2024.

### Insurance Business

The Bank earned a commission income of ₹105.77 Crore from Insurance Business by mobilizing a business of ₹680.50 Crore in life insurance (including fresh retail life business of ₹208.92 Crore, Credit life business of ₹98.33 Crore and renewal business of ₹373.25 Crore) and ₹252.23 Crore in non-life insurance during financial year 2023-24

### Income Analysis

- The Interest income of the Bank stood at ₹11212.37 Crore in the year 2023-24. Interest expenses stood at ₹6008.68 Crore for FY 2023-24. The Net Interest Income stood at ₹5203.69 Crore for FY 2023-24.
- The Net Income from operations [Interest Spread plus Non-interest Income] stood at ₹6029.17 Crore in the FY 2023-24.
- The Operating Expenses registered an increase of ₹108.69 Crore during the financial year 2023-24 and stood at ₹3752.29 Crore as compared to ₹3643.60 Crore in 2022-23.
- The Cost to Income ratio (Operating Expenses to Net Operating Income) stood at 62.24 percent in the financial year 2023-24.

### Gross Profit

The Gross Profit for the financial year 2023-24 stood at ₹2276.88 Crore.

### Provisions

The Provision for Loan Losses, Standard Assets, Taxation and others aggregated to ₹509.61 Crore in the financial year 2023-24.

### Net Profit/Loss

The Bank registered a Net Profit of ₹1767.27 Crore for the financial year 2023-24.

### Dividend

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 4<sup>th</sup> May, 2024, recommended dividend of 215 per cent for the financial year 2023-24 for approval of the shareholders at the 86<sup>th</sup> Annual General Meeting. If approved, the total outflow on account of dividend for the financial year 2023-24 will be ₹236.75 Crores. The record date for payment of dividend is mentioned in the notice of the ensuing 86<sup>th</sup> AGM of the Bank. In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of the Members.

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

### Branch/ATM Network

During the financial year 2023-24, 15 new branches were established, thereby taking the number of branches to 1004 (including IARBs) as on 31.03.2024, spread over 18 states and 4 union territories. The area-wise breakup of the branch network (excluding extension counters/ mobile branches and service branches) on the basis of census 2011 as at the end of FY 2023-24 is as under:

Area	Branches (including IARBs)
Metro	183
Urban	111
Semi-Urban	163
Rural	547
Total	1004

During the financial year 2023-24, 13 EBU/USBs were established taking the total number of EBU/USBs to 94 and 31 ATMs were opened in FY23-24 taking the ATM network of the Bank to 1417 as on 31.03.2024. Besides 45 CRMs (Cash Recycler Machines) were opened in FY23-24 taking the total number of CRMs to 152 as on 31.03.2024.

### Capital

The capital management framework of the Bank includes a comprehensive internal capital adequacy assessment process

conducted periodically, which determines the adequate level of capitalization needed to meet the regulatory norms and current and future business needs.

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

As at March 31, 2024, the Subscribed and Paid-up Capital of the Bank stood at ₹110,11,82,463.00 comprising of 110,11,82,463 equity shares, which is 6,97,02,602 equity shares more than as at March 31, 2023. The said capital was raised by way of allotment of 6,97,02,602 equity shares at a price of ₹107.60 which was at a discount of 4.49% (i.e. ₹5.06 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total amount of ₹749,99,99,975.20. The issue opened on December 11, 2023 and closed on December 14, 2023. The allotment was made on December 15, 2023.

#### Net Worth and Capital Adequacy Ratio (CRAR)

- The Net Worth of the Bank stood at ₹10966.77 Crores on 31<sup>st</sup> March 2024.
- Capital Adequacy Ratio under Basel III stood at 15.33 percent as on March 31, 2024. The CET 1 component of CRAR is 12.02 percent and TIER 1 component of CRAR is 13.09 percent as on 31<sup>st</sup> March 2024.
- Adjusted Book Value per Share for the financial year 2023-24 stood at ₹92.90.

#### Board of Directors

Your Bank has Twelve (12) Directors consisting of Managing Director & Chief Executive Officer, Executive Director and 10 Non-Executive Directors as on 31<sup>st</sup> March, 2024.

#### Independent and Non-Independent

##### Non-Independent Executive Directors

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

##### Non-Independent Non-Executive Directors

Dr. Pawan Kotwal, IAS (DIN: 02455728), Mr. Santosh Dattatraya Vaidya, IAS (DIN: 05340193), Dr. Mandeep K Bhandari, IAS (DIN: 07310347) and Mr. Rajesh Kumar Chhibber (DIN: 08190084) are the Non-Independent Non-Executive Directors of the Bank.

##### Independent Non-Executive Directors

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

1. Dr. Rajeev Lochan Bishnoi (DIN:00130335)
2. Mr. Naba Kishore Sahoo (DIN: 07654279)
3. Mr. Umesh Chandra Pandey (DIN: 01185085)
4. Mr. Anil Kumar Goel (DIN: 00672755)
5. Mr. Anand Kumar (DIN: 03041018)
6. Ms. Shahla Ayoub (DIN: 09834993)

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

#### Appointments/Resignations from the Board of Directors

During the FY 2023-24, there were following changes in the composition of the Board:

- Dr. Pawan Kotwal, IAS (DIN: 02455728) was appointed as a Rotational Director on the Board of the Bank w.e.f. July 24, 2023.
- Mr. Santosh Dattatraya Vaidya, IAS (DIN: 05340193) was appointed as Govt. Nominee Director w.e.f. August 22, 2023.
- Dr. Mandeep K Bhandari, IAS (DIN: 07310347) was appointed as a Rotational Director on the Board of the Bank w.e.f. October 20, 2023.

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

There were no changes in the Board of Directors after the closure of Financial Year.

#### Directors seeking appointment/re-appointment at AGM

Mr. Rajesh Kumar Chhibber (DIN: 08190084) and Mr. Sudhir Gupta (DIN: 09614492), who are retiring by rotation, have offered themselves for re-appointment. The profile and necessary details of the above mentioned Directors have been included in the Notice of AGM and Corporate Governance Report.

#### Appointments/Resignations of the Key Managerial Personnel

During the financial year 2023-24, Mr. Baldev Prakash, Managing Director & Chief Executive Officer, Mr. Sudhir Gupta, Executive Director, Mr. Pratik D Punjabi, Chief Financial Officer and Mr. Mohammad Shafi Mir, Company Secretary were the Key Managerial Personnel of the Bank.

None of the Key Managerial Personnel has resigned during the financial year.

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

Mr. Fayaz Ahmad Ganai was appointed as Chief Financial Officer of the Bank on April 16, 2024 in place of Mr. Pratik D Punjabi, who resigned from the services of the Bank w.e.f. April 05, 2024 in order to explore professional opportunities outside the Bank.

#### Number of Meetings of the Board

During the year under review, Sixteen (16) Board Meetings were held in due compliance with statutory provisions, on the following dates:

27.04.2023, 04 & 05.05.2023, 30.05.2023, 20.06.2023, 15.07.2023, 24.07.2023, 16.08.2023, 25.08.2023,



26.09.2023, 20.10.2023, 20.11.2023, 15.12.2023, 20.01.2024, 08.02.2024, 09.03.2024, 23.03.2024.

**Committees of the Board**

The Bank has following Committees of the Board:

- 1) Management Committee
- 2) Audit Committee
- 3) Special Committee of Board on Frauds
- 4) Stakeholders Relationship Committee
- 5) Information Technology Strategy Committee
- 6) Corporate Social Responsibility & Environmental, Social and Governance Committee
- 7) Integrated Risk Management Committee
- 8) Customer Service Committee
- 9) Nomination and Remuneration Committee
- 10) Legal and Impaired Assets Resolution Committee

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

**Performance Evaluation of the Board**

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

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

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

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

The responses received to the questionnaires on evaluation of the Board, its Committees, individual Directors including

Chairperson are consolidated and discussed by the Board.

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

**Fiscal Year**

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

**Lead Bank Responsibility:**

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

The Annual Credit Plan 2023-24 for UT of J&K, which was launched on 1st April, 2023, envisaged a total credit target of ₹51,708.81 Crore for 16,51,877 beneficiaries. During FY 2023-24 banks operating in UT of J&K have disbursed total credit of ₹66,052.25 Crore in favour of 18,15,203 beneficiaries, registering an achievement of 128% in financial terms and 110% in physical terms. This includes disbursement of ₹33,750.16 Crore in favour of 10,41,478 beneficiaries against the annual target of ₹41,261.10 Crore for 13,38,894 beneficiaries under Priority Sector and ₹32,302.09 Crore in favour of 7,73,725 beneficiaries against the annual target of ₹10,447.71 Crore for 3,12,983 beneficiaries under Non-Priority Sector thereby registering achievement of 82% and 309% in financial terms respectively.

J&K Bank was assigned annual target of ₹25,789.45 Crore for 8,26,635 beneficiaries under Priority and Non-Priority Sectors of economy during FY 2023-24 against which ₹41,452.93 Crore were disbursed in favour of 12,94,848 beneficiaries registering an achievement of 161% in financial terms and 157% in physical terms.

**Convening of meetings of J&K UTLBC and Sub-Committees of J&K UTLBC during FY 2023-24:**

Three meetings of J&K UTLBC including one special meeting chaired by Secretary DFS, MoF, GoI and eight meetings of various Sub-Committees of J&K UTLBC were held during the financial year 2023-24 with special focus on implementation of following schemes/ programmes:

- ❖ Prime Ministers Vishwakarma Scheme for socio-economic development and betterment of artisans and craftsmen.
- ❖ SWAMITVA scheme to provide an integrated property validation solution for rural India.
- ❖ Pledge financing for agriculture commodities through electronic negotiable warehouse receipt (e-NWR) to help farmers to seek loans from banks

- against their NWR.
- ❖ Financing of Farmers Producer Organizations (FPO) by banks.
- ❖ Expanding and deepening of digital payment ecosystem for 100% digital on-boarding of saving bank and business accounts

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

Lead Bank ensured that District-level and block level meetings, such as DCC/ DLRC/ BLBC, and other related meetings under Lead Bank Scheme are held as per the schedule in all the 20 districts of UT of J&K during the FY 2023-24.

The Fora discussed and reviewed wide range of banking sector issues in blocks and districts including preparation of Annual District Credit Plans using bottom up approach and review progress thereof on regular intervals.

#### Implementation of Financial Inclusion Plans (FIPs):

All the phases of Financial Inclusion Plan of GoI/ RBI have been successfully accomplished in Union Territory of J&K. The identified unbanked centers stand covered by providing banking service outlets in the form of Bank Branches/ Banking Correspondents or other modes of coverage except for village Poshiana, District Poonch allocated to one of the Public Sector Banks, which is yet to be covered.

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

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

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

In terms of RBI guidelines for setting up of Financial Literacy Centres (FLCs) in all the districts of UT of Jammu and Kashmir, J&K Bank has made 12 FLCs operational in its 12 allocated lead districts viz. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri and SBI having made 8 FLCs operational in its 8 allocated lead districts of UT of J&K, viz. Jammu, Samba, Kathua, Udhampur, Reasi, Doda, Ramban, Kishtwar. In addition, PNB, JKGB, EDB and J&K State Cooperative Bank have also established 6, 2, 2 & 1 FLCs respectively, in various districts of UT of J&K, which as on 31.03.2024 takes the total number of FLCs in UT of J&K to 31. The performance of FLCs in conducting the Financial Literacy Camps as per the guidelines from RBI is being reviewed at various forums including quarterly UTLBC meetings.

#### 100% Saturation Drive for KCC Crop

With the launch of Viksit Bharat Sanklap Yatra (VBSY) and Ghar Ghar KCC Abhiyan by Government of India

and special focus of Government of Jammu & Kashmir on KCC saturation, the Banks/ FIs in J&K have issued 2,19,893 fresh KCCs during FY 2023-24 involving an amount of ₹998.92 Crore. This includes ₹525.20 Crore disbursed in favour of 1,70,407 beneficiaries under KCC Crop and ₹473.72 Crore to 49,486 beneficiaries under KCC-AH&F.

With the above achievement during FY 2023-24, the total number of active KCCs in J&K has reached to 10,83,775 as on March 31, 2024 with sanctioned credit limit of ₹9,245.93 Crore.

#### Performance of Associate /Subsidiary Companies Subsidiary:

As on March 31, 2024, the Bank has one unlisted wholly owned subsidiary namely, JKB Financial Services Limited (JKBFSL) which was incorporated on August 27, 2008. JKB Financial Services Limited was floated with the objective of primarily meeting the para-banking requirements of J&K Bank customers in particular and other customers of the twin UTs of J&K and Ladakh in general. JKBFSL is a member of the National Stock Exchange of India Limited (NSE) & The BSE Limited (BSE). As a leading broking entity in the Union Territories of J&K and Ladakh, JKBFSL provides a wide range of financial services to its clients which include:

**Equity Broking Services:** JKBFSL provides broking services in equity (cash/delivery, intra-day, futures and option). It plans to include BSE FO (Sensex and Bankex contracts) Commodity Trading and Pro Trading along with debt products to its kitty going forward. As a part of broking services offered by the company, JKBFSL also facilitates opening of DEMAT accounts for its clients.

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

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

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

**Third Party Product Distribution:** JKBFSL undertakes distribution of third party products like mutual funds and

ETFs according to its client's requirements. The company provides such distribution through online channels as well as through the BSE Star Mutual Fund platform. JKBFSL has recently launched a mobile app called JKB mGrow, which offers better user interface and user experience to customers. The company is concurrently working on integrating the JKB mGrow with the JKB Mpay Delight+ platform, which will make the mutual fund investments more accessible to customers. Through this integration, J&K Bank customers will be able to access the mutual fund distribution services provided by JKBFSL through a single sign-on, all under one roof. The Company is also planning to introduce NSE platform for investing in Mutual Funds.

### Performance highlights of the JKBFSL during the financial year 2023-24:

#### Income:

- The total income of the Company surpassed ₹1500 lakhs mark during the financial year 2023-24 & grew by 45% from ₹1046.40 Lakhs to ₹1514.56 Lakhs.
- Income from MTF (Margin Trade Funding) is ₹285.24 Lakh for the financial year 2023-24 as compared to ₹255.81 Lakh in FY 2022-23 thereby registering a YoY growth of 12%.
- Revenue from 3<sup>rd</sup> party products has been marked as a growth area for the company. The company has recorded AUM growth of around 137% on YoY basis and accordingly the mutual fund commission grew from ₹54.00 Lakhs in 2022-23 to ₹97.72 Lakhs in 2023-24 thereby recorded a YOY growth of 81%.
- The income from Equity broking for the financial year 2023-24 is ₹770.37 Lakhs & recorded a growth of 51%. The overall trading volumes of the company has increased by 52% YOY basis.
- The depository income during the financial year 2023-24 recorded growth of 42% and reached to ₹172.88 Lakhs.
- The PAT of the company during the financial year 2023-24 stood at ₹264.01 Lakhs and thereby recorded a growth of 118% YoY.

#### Associate:

#### Regional Rural Bank (Sponsored by J&K Bank): J&K Grameen Bank:

The J&K Grameen Bank has come into existence on 30<sup>th</sup> June 2009 with the issuance of statutory notification by Department of Financial Services, Ministry of Finance, Government of India with its Head Office at Jammu and has commenced its business with effect from 01.07.2009.

#### Capital Structure:

In terms of RRBs Act 1976, the authorised capital of Regional Rural Banks was fixed at ₹5.00 Crore (which stands amended to ₹2000 Crore in terms of the Regional Rural banks (Amendment) Act, 2015 notified in the Gazette of India on 12-05-2015).

The issued and paid up capital of the J&K Grameen Bank as on 31<sup>st</sup> March 2024 is ₹589.44 Crores being fully subscribed by the Central Government, State/ UT Government and Sponsor Bank in the ratio of 50:15:35 respectively and is tabulated below:

Authorised Capital ₹ 2,000 Crores			
Particulars	Subscribed and Paid up Share Capital up to FY 2022-23	Share Capital ** paid during FY 2023-24	Issued, Subscribed and Paid up Share Capital as on 31.03.2024
Share of Government of India	192.48	102.24	294.72
Share of Government of U.T of J&K	57.75	30.67	88.42
Share of J&K Bank (Sponsor Bank)	134.73	71.57	206.30

\*\* During FY 2023-24, Bank has received an additional capital support of ₹204.48 Crores from its promoters till March 31, 2024, thereby augmenting the CRAR to 11.21%.

#### Tier II Perpetual Bonds:

Out of total cost outlay of ₹23.34 Crores for implementation of 100% CBS by JKGB, 50% i.e. ₹11.67 crore has been shared by J&K Bank (Sponsor Bank).  
Date of issue: 04-12-2014

#### Area of Operation:

The area of operation of the J&K Grameen Bank comprises of 13 districts of the UT of J&K and UT of Ladakh viz. Baramulla, Bandipora, Kupwara, Ganderbal, Srinagar Jammu, Kathua, Rajouri, Poonch, Samba, Kishtwar, Leh and Kargil.

No. of Branches

(as on 31<sup>st</sup> March, 2024): 216

No. of Employees

(as on 31<sup>st</sup> March, 2024): 1226 (includes 9 officials on deputation from J&K Bank - Sponsor Bank).

### Business Performance of the J&K Grameen Bank as on 31.03.2024

#### Total Business:

The total business of the bank as on 31<sup>st</sup> March 2024 stood at ₹9364.33 Crores against ₹8513.30 Crores as on 31<sup>st</sup> March 2023, thereby registering a growth of 9.99% during the financial year 2023-24.

#### Deposits:

The deposits of the bank have increased from ₹ 5268.76 Crores to ₹5710.15 Crores during the financial year 2023-24, thereby registering a growth rate of 8.38%.

#### Advances:

The gross advances of the bank as on 31<sup>st</sup> March 2024 stood at ₹3654.18 Crores as against ₹ 3244.54 Crores as on the corresponding date of the previous year recording a growth of 12.63%.

#### CD Ratio:

The C.D. Ratio of the bank has increased from 61.58% as on 31<sup>st</sup> March 2023 to 63.99% as on 31<sup>st</sup> March, 2024.

- Priority Sector Advances:**  
 The Priority Sector Advances outstanding as on 31<sup>st</sup> March 2024 stood at ₹2845.64 Crores against ₹2595.45 Crores outstanding as on 31<sup>st</sup> March 2023, registering a growth of 9.64% on YoY basis. JKGB has priority sector advances to total advances outstanding percentage at 77.87% as on 31<sup>st</sup> March, 2024 which is well above the prescribed target of 75% to RRBs.
- NPA Management:**  
 Gross NPAs of the bank as on 31<sup>st</sup> March, 2024 stood at ₹148.70 Crores (4.07%) against ₹147.51 Crores (4.55%) as on 31<sup>st</sup> March, 2023. Accordingly Net NPAs as on 31<sup>st</sup> March, 2024 stood at ₹45.45 Crores (1.28%) against ₹55.89 Crores (1.77%) as on 31<sup>st</sup> March, 2023.
- Business per Employee:**  
 The business per employee as on 31<sup>st</sup> March 2024 stood at ₹7.64 Crores against ₹7.33 Crores as on corresponding date of the previous year.
- Business per Branch:**  
 The business per branch as on 31<sup>st</sup> March 2024 stood as ₹43.35 Crores against ₹39.60 Crores as on corresponding date of the previous year.
- Profitability:**  
 The Bank has earned a net profit of ₹3.76 Crores as on 31<sup>st</sup> March, 2024 as against a net loss of ₹51.63 Crores as on 31<sup>st</sup> March, 2023.

### Advertising & Publicity

During the FY 2023-24, we have been successful in strengthening the bond of trust with all our stakeholders by leveraging all the means and channels available for uninterrupted communication throughout the financial year. The Bank's products, services and facilities were successfully advertised and publicized through a series of mass-media campaigns across the operational geographies of the Bank. Also, the advertising campaigns initiated by the Bank to increase its overall business, while meeting the set targets, were duly publicized with proper follow-up communications. Also, the functioning and accomplishments of the Bank were effectively communicated to relevant target audiences including major stake-holders, customers, shareowners, other stakeholders and general public through customized and efficiently packaged messages/hand-outs using mass media within J&K and Ladakh, besides rest of the country to earn high credibility and enhance our brand image.

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

### Brand Building

Brand perception forms the fulcrum of any communication plan, which is devised to complement the Bank's business strategy. Therefore, in line with the Bank's vision to scale up its business and expand presence in rest of the country while deepening its foot-prints in Jammu & Kashmir and Ladakh (JKL), we aligned the Brand Building campaigns

accordingly to better leverage Bank's success in financial and institutional terms. With an established identity and image in the JKL market, our focus remained to enhance Bank's position and boost its brand appeal in aesthetically vibrant terms to complement its financial standing. While as in rest of the country, we successfully increased our brand exposure activities during the FY 2023-24 both on and off-line thereby enhancing Bank's brand awareness, deepening its brand perception and increasing its brand value.

During the FY 2023-24, the Bank undertook various promotional activities to position its brand further favorably among the people, complementing ever-strengthening significance of our institution on financial landscape of JKL and beyond. While Brand J&K Bank continues to hold the sway among the people, Bank has ensured to put an effective and efficient communication strategy in place to reinforce the brand recall.

During the FY, the Bank successfully ran a 360 degree brand-deepening campaign - 'Meri Kahani Meri Zubani' - wherein customer testimonials from J&K and Ladakh highlighting the inclusive and effective financial role that the Bank continues to play across the socio-economic landscape of its core geography to empower individuals and groups thereby providing a solid base to the economy that is at the cusp of a great transformation.

Also, after a slump of three years, tourism has witnessed record high numbers in calendar year 2023 with a huge rush of tourists visiting J&K and Ladakh by road as well as air route. Therefore, we have also increased our brand presence at all three airports in UT's of J&K and Ladakh besides placing our advertisements prominently across J&K on customised road barricades at Srinagar and Jammu cities, tourist places, pilgrim destinations like Katra and few places enroute Shri Amarnath Ji Shrine.

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

Moreover, people-centric and environment-friendly initiatives commenced under CSR during FY2023-24 were properly highlighted to earn public goodwill, strengthen the trust and bond between Bank and its stakeholders, and create a continuity in the positive perception about the Bank.

While doing all this, the key components of brand identity like logo, its colours, font, and other aspects were properly utilized and placed to deepen the brand perception and loyalty among the stakeholders.

### Major Awards and Recognitions Received During FY 2023-24

J&K Bank's illustrious history of more than eight decades is decorated with awards and accolades. Over the years, the Bank has collected numerous honours in various categories. During the FY 2023-24, the Bank outshone its competitors to grab the headlines in following categories.

- Honoured with Best MSME Bank Award along with Second Best Award for Promoting Government Schemes at MSME Banking Excellence Awards (2023).
- Awarded with Development Leadership Award 2023 at 14<sup>th</sup> Agriculture Leadership Conclave 2023.
- Prestigious 'Times Now India's Impactful CEO - 2023' Award bestowed upon MD & CEO Baldev Prakash.
- First Scheduled Commercial Bank (SCB) in the country to have been awarded Payment Card Industry Data Security Standard (PCIDSS) Version 4 Certification for both Issuance and Acquiring Business.
- Best Performance Award in CASA - India (1<sup>st</sup> Runner up in Small Bank Category) at ICC Emerging Asia Banking Conclave & Awards 2022
- Gold Award at Infosys Finacle Innovation Awards - 2023 under the category of Process innovation.

### Corporate Social Responsibility (CSR)

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

The Bank, guided by the founding principles of its CSR policy, takes and encourages initiatives aimed at improving the lives and living conditions of the vulnerable sections of the society besides lending support to the society's endeavours aimed at making the world a better place to live in.

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

During the financial year FY2023-24, the Bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. While CSR initiatives undertaken during FY2023-24 have, directly or indirectly, benefitted hundreds of thousands of people across UTs of J&K and Ladakh, some eco-centric activities have contributed towards reducing carbon footprint and encouraging green energy solutions. The statutory disclosures with respect to the CSRESG Committee of the Board, including a report on the CSR, forms part of this report at [Annexure 1](#). The key areas of intervention and the activities undertaken under CSR by the Bank during the FY2023-24 are detailed in **Corporate Functions Report**.

### Corporate Governance

The Bank has established a tradition of exemplary practices in corporate governance. It encompasses not only regulatory and legal requirements, but also several voluntary practices, aimed at high level business ethics, effective supervision and

enhancement of stakeholder volume. Several matters have been voluntarily included in the statement on corporate governance annexed to this report, besides certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated by the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

### Management Discussion and Analysis

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

### Whistle Blower Policy & Vigil Mechanism

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

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

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

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

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

It is hereby affirmed that the Bank has not denied any of its personnel access to the Chairman of the Audit Committee of the Board and that the policy contains adequate provisions for protecting whistle blowers from unfair termination and other unfair prejudicial employment practices.

In the FY 2023-24, six (06) complaints received under Whistle Blower Mechanism were placed before the Audit Committee of Board.

### Protected Disclosure Scheme:

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

The complaint under the scheme should be sent in a closed/ secured envelope addressed to The Chief General Manager, Reserve Bank of India, Department of Banking Supervision,



Fraud Monitoring Cell, Third Floor, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400005. The envelope should be superscripted "Complaint under Protected Disclosures Scheme for Banks". Complaints can also be made to RBI through e-mail: [dbspd@rbi.org.in](mailto:dbspd@rbi.org.in) by giving full details as specified above.

The policy document is available on the intranet page of the Bank as well as on the Bank's official website under link: [https://www.jkbank.com/pdfs/policy/latest/Policy\\_protected.pdf](https://www.jkbank.com/pdfs/policy/latest/Policy_protected.pdf)

It is hereby affirmed that no unfair treatment will be meted out to a Complainant by virtue of his/her having reported a Disclosure under this Policy. The Bank, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Complainant(s). Complete protection will, therefore, be given to Complainant(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, including any direct or indirect use of authority to obstruct the Complainant's right to continue to perform his/ her duties/functions including making further Disclosure under the policy. In FY 2023-24, the Bank has not received any complaint under the "Protected Disclosure Scheme".

### **Risk Management**

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

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

### **Business Responsibility and Sustainability Report (BRSR)**

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

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

The Bank does not engage in any form of child labour / forced labour / involuntary labour and does not adopt any discriminatory employment practices. The Bank has a Policy against sexual harassment and a Committee "Internal Complaints Committee for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace" has been constituted for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the Parliament in 2013. The Bank, through the policy ensures that all such complaints are resolved within defined timelines. During the year, two complaints were lodged before the Internal Complaints Committee duly constituted under the Sexual Harassment of Women at Work Place (Prevention and Redressal) Act, 2013 and the rules made thereunder. Accordingly, due inquiry proceedings were conducted in the cases, as stipulated in the Act and adequate opportunity was provided to both complainants and respondents to present/ defend their case. Both the complaints were disposed of within the requisite time frame of 90 days.

### Employee accidental deaths

During the year 2024, there were no occurrences of employee accidental death at the workplace.

### Loans, Guarantees & Investment in Securities

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

### Contracts or Arrangements with Related Parties

Considering the nature of the Industry in which the Bank operates, transactions with related parties of the Bank are in the ordinary course of business and are also at arm's length basis. There was no materially significant related party transaction entered by the Bank with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Bank. The policy on Related Party Transactions and dealing with related parties as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and the link for the same is below:

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

Statement of related party transactions under sub section (1) of Section 188 of the Companies Act, 2013 is attached herewith as Annexure 5.

### Information under Insolvency and Bankruptcy Code, 2016

The Bank as on 31<sup>st</sup> March, 2024 has cases under the IBC resolution, the details whereof along with existing status is tabulated as under:

(Amt. in Crs)

S. No.	No. of Accounts	Stage of Process	NPA / NPI Outstanding	Recoveries during the year, if any
1	26	Resolution Process (Pending with NCLT)	1710.93	4.57
2	23	Liquidation Process	1867.10	25.97
3	4	Resolution approved/ implemented during the year.	142.18	93.94

### Frauds reported by the Bank

The Bank during the financial year 2023-24 has detected/ reported 35 cases of frauds to the Reserve Bank of India involving an amount of ₹241.35 Crores.

Out of the above 35 frauds, 03 frauds (involving three accounts) which were declared as fraud in FY 2019-20 & FY 2020-21 involving an amount of ₹19598.00 lacs were de-activated in FY 2023-24 after directions from Reserve Bank of India which were in accordance to the Hon'ble Supreme

judgment dated March 27, 2023, in Civil Appeal No. 7300 of 2022 (State Bank of India & Ors. vs. Rajesh Agarwal & Ors.) & other connected matters along with judgement of Delhi High Court dated May 12, 2023. Pursuant to the communication of RBI, the Bank following principles of natural justice, particularly the rule of audi alteram partem, issued Show-Cause notices to the borrowers' and after re-examining their replies in light of the already conducted internal investigation and Forensic Audit Reports the accounts were re-classified as fraud in FY 2023-24.

Also in FY 2023-24 fraud amount was revised in two fraud cases pertaining to FY 2016-17 & FY 2020-21 by an amount of ₹22.40 Lacs and ₹19.14 Lacs. The fraud amount in these cases was thus respectively revised to ₹60.04 lacs and ₹64.79 after fresh claims were received and settled by the Bank.

### Frauds reported by Auditors

During the year under review, one fraud was reported by the statutory auditors under Section 143 (12) of the Companies Act, 2013 to the Ministry of Corporate Affairs, Govt. of India.

### Consolidated Financial Statements

Pursuant to Section 129 of the Companies Act, 2013, the Bank has prepared Consolidated Financial Statements of the Bank, its Subsidiary (JKB Financial Services Ltd.) and also its Associate (J&K Grameen Bank) which shall be laid before shareholders at the 86<sup>th</sup> Annual General Meeting of the Bank along with Bank's Financial Statements under sub-section (2) of Section 129 i.e. Standalone Financial Statements of the Bank. Further, pursuant to the provisions of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its Subsidiary/ Associate for the year ended March 31, 2023 form part of this Annual Report. The statement in form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules 2014 is annexed as Annexure-4.

### Statutory Auditors

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

1. M/s Gupta Gupta & Associates LLP, Chartered Accountants
2. M/s JCR & Co LLP, Chartered Accountants
3. M/s Lunawat & Co, Chartered Accountants

### Statutory Central Auditor's Report

For the FY 2023-24, there are no qualifications, reservation or adverse remarks made by the Statutory Central Auditors in the audit report.

### Fees paid to Statutory Auditors

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

(Amount in ₹)

S. No	Particular	M/s Gupta Gupta & Associates LLP	M/s JCR & Co LLP	M/s Lunawat & Co	Total
1	Fee payment by Bank to Central Statutory Auditors	66,44,520	66,39,020	67,82,020	2,00,65,560
2	Certification /Other fee	16,76,000	15,00,000	15,00,000	46,76,000

### Comments of C & AG

As on date of this report, the Bank has not received the comments under Section 143 (6) of the Companies Act, 2013 from the Comptroller and Auditor General of India on the accounts of the Bank for the year ended 31<sup>st</sup> March 2024 and the same alongwith Banks reply to the comments shall be read out at the 86<sup>th</sup> Annual General Meeting.

### Secretarial Auditors & Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, your Bank has appointed CS Ghulam Jeelani Reshi, Proprietor of M/s Reshi & Associates, Company Secretaries as its Secretarial Auditor to conduct the Secretarial Audit of the Bank for the FY2023-24. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting the audit. The report of Secretarial Auditor for the FY 2023-24 is annexed to this report as Annexure 3.

### Compliance with Secretarial Standards

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

### Change in the nature of business

During the year under review, there has been no change in the nature of business of the Bank.

### Material changes and commitment affecting financial position of the Bank

There are no material changes and commitments, affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e. March 31, 2024 and the date of the Directors' Report i.e. July 19, 2024.

### Ratings of various debt instruments

The Credit Rating and change/revision in the Credit Ratings for various debt instruments issued by the Bank from time to time are provided in the Corporate Governance Report forming part of the Annual Report.

### Employee Remuneration

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

### Statutory Disclosures

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

#### A. Conservation of energy

- The steps taken or impact on conservation of energy.

The Bank is committed to achieving a low carbon footprint through various energy conservation initiatives. These include:

**Data Center Optimization:** The Bank's Data Center is located in a highly energy-efficient facility in Noida. This facility adheres to ITIL-based service delivery frameworks and meets internationally recognized standards like ISO 9001 and ISO 20000, ensuring efficient and secure operations while contributing to energy conservation.

**Award Winning Disaster Recovery Center:** The Bank's Disaster Recovery Center is housed in Asia's largest rated 4 Hyper-scale Datacenter. This facility, aligned with TIA-942 standards, is USGBC LEED Platinum Certified and has won the Golden Peacock Eco-Innovation Award, emphasizing its strong focus on environmental sustainability.

**e-Office & Online Account Opening & Loan Journeys:** Our Bank's "Online Account & Loan Journeys" initiative, along with the e-Office solution, exemplifies our commitment to environmental sustainability by reducing paper consumption, minimizing printer use, and conserving energy. These digital transitions enhance operational efficiency and significantly lower our carbon footprint, aligning with our broader ESG goals and contributing to a sustainable future.

**Digital Signage Screens:** The Bank has increased the use of Digital Signage Screens as an energy-efficient alternative to traditional paper notices. These screens use low-power LED displays, reducing the energy consumption associated with printing and distributing paper notices.

**Energy-Efficient Hardware:** The Bank uses Energy Star compliant computing and communication hardware across all offices and banking outlets, significantly reducing power consumption.

- Steps Taken to Utilize Alternate Sources of Energy

Though the Bank operates in a non-energy-intensive environment, it prioritizes the procurement and use of energy-efficient hardware and equipment. Additionally, CFL



lamps are being replaced with LED lamps/ fixtures to further reduce energy consumption.

(iii) **Capital Investment in Energy Conservation Equipment**

The Bank is dedicated to implementing energy conservation measures, investing in cloud computing, compute on demand, energy-efficient equipment such as virtual servers, thin clients, multi-purpose printers, kiosks, and scanners. These technologies help minimize energy consumption and promote sustainability across the Bank's operations.

**B. Technology Absorption**

At J&K Bank, our unwavering commitment to enhancing and simplifying the banking experience for our customers is at the forefront of our strategic initiatives. We are embracing innovative technologies to ensure our services are on par with the best in the industry. Our Bank leverages advanced technological solutions to offer unparalleled value to our customers, whether through seamless digital banking platforms or robust mobile banking application. Throughout the year, the Bank has implemented number of initiatives leveraging the power of technology to enhance the overall banking experience for its customers.

The Bank has successfully upgraded its Mobile Banking Application and rolled out its flagship upgrade as "mPay Delight+". This upgrade has introduced concept of "Bank-in-a-Pocket" experience by making banking facilities available on the fingertips of our customers. The new application has undergone complete redesigning of UI/UX and introduced all new features like UPI-Scan & Pay, Online Deposit Accounts, Full Fledged Debit Card & Credit Card Management, Scheduled Transactions, Instant Loans, real-time email Update, Full Statement Delivery over email, Bill Payments, mPay Lite and much more. The upgrade has been built on top of a resilient architecture which ensures that the application is able to handle ever-growing transaction volume. The application is available over Playstore & AppStore and has registered over a 1.5 Million installations and has already recorded a One Thousand crore daily transaction amount mark. The application features are being incrementally added through version upgrades and many more exciting features like Launch of Corporate Mobile Banking have been planned for rollout in coming quarters. The Bank has transitioned its UPI & IMPS platform from an on-premises setup to a cloud-hosted model. This move ensures auto scalability to handle unpredictable transaction volumes, essential for the growing UPI ecosystem.

To move closer to door step banking, an all-new state of art solution for Financial Inclusion was launched, designed to support transactional growth for the next five years. This platform extends beyond regulatory compliance, aiding in

business mobilization, asset quality management, and customer relationship management through Business Correspondents (BC). It also includes a mobile applications for Business Correspondents (BCs) to facilitate doorstep banking.

To boost digital payments, the Bank also introduced its flagship product for UPI QR-SoundBox. This portable speaker, equipped with a 4G SIM slot for connectivity, provides audio alerts for every payment, allowing merchants to manage transactions without checking SMS notifications. Additionally, as part of our digital transformation, the Bank now offers an online account opening facility with Video KYC. This service, initially available for General and Student Saving Accounts, allows customers to open accounts anytime, enhancing convenience and accessibility. The facility is gradually being released for other business account variants shortly.

Further to support the goals for conservation of energy and introduce operational efficiency, a modernized e-Office application suite has been implemented Bank-wide, automating file and correspondence management from creation to archival. A complementary mobile app for authorizers and approvers facilitates decision-making on the go, providing a user-friendly interface to manage and approve documents efficiently.

**C. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow:

During the Year ended 31.03.2024, the Bank earned ₹473.09 lakhs and spent ₹163.86 lakhs in foreign currency. This does not include foreign currency cash flow in derivatives and foreign currency exchange transactions.

2. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Bank's operations in future.
3. No Stock options were issued to the Directors of your Bank

**Annual Return**

In accordance with the provisions of Companies Act, 2013, the Annual Return of the Bank for the financial year 2023-24 in the prescribed Form MGT-7 will be available on the website of the Bank at: <https://www.jkbank.com/investor/financials/annualReturns.php>.

**Directors Responsibility Statement**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed

along with proper explanation relating to material departures;

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

#### **Adequacy of Internal Financial Controls related to Financial Statements**

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

#### **Requirement for maintenance of Cost Records**

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

#### **CEO & CFO Certification**

Certificate issued by Managing Director & CEO and Chief financial officer of the Bank, for the financial year under review, was placed before the Board of Directors in their meeting held on May 04, 2024 in terms of the Regulation 17(8) of the Listing Regulations.

#### **Divergence in asset classification and provisioning for NPAs**

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2023.

#### **Acknowledgements**

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

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

For and on behalf of the Board of Directors

**Naba Kishore Sahoo**  
Independent Director

**Baldev Prakash**  
MD & CEO

Place: Srinagar (J&K)  
Date: July 19, 2024



# Annexure 1

## Annual Report on CSR activities for the financial year ended 31<sup>st</sup> March, 2024

### 1. Brief outline on CSR Policy of the Company:

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

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

During the Financial Year (FY) 2023-24, the Bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'.

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSRESG Committee held during the year	Number of meetings of CSRESG Committee attended during the year
1	Ms. Shahla Ayoub	Chairperson	05	05
2	Mr. Baldev Prakash	Member	05	05
3	Mr. Umesh Chandra Pandey	Member	05	05
4	Mr. Anil Kumar Goel	Member	05	05

5	Mr. Anand Kumar	Member	05	05
6	Mr. Sudhir Gupta	Member	05	05

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

<https://www.jkbank.com/csr/index.html>

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

Nil/Not Applicable

5.

- Average net profit of the company as per sub-section (5) of section 135 = ₹945.43 Cr.
- Two percent of average net profit of the company as per sub-section (5) of section 135 = ₹18.91 Cr.
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years = NIL.
- Amount required to be set-off for the financial year, if any = NIL
- Total CSR obligation for the financial year [(b)+(c)-(d)] = ₹18.91 Cr.

6.

- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) = ₹18.91 Cr.
- Amount spent in Administrative Overheads. = NIL
- Amount spent on Impact Assessment, if applicable = NIL/Not Applicable
- Total amount spent for the Financial Year [(a)+(b)+(c)] = ₹18.91 Cr.
- CSR amount spent or unspent for the Financial Year:

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

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

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
	Two percent of average net profit of the company as per sub-section (5) of section 135	18.91 Cr.
	Total amount spent for the Financial Year	18.91 Cr.
	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

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

1	2	3	4	5	6	7	8	9
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY20-21	NIL	NIL	NIL	NIL	Not Applicable	NIL	NIL
2	FY21-22	NIL	NIL	63,00,000.00	NIL	Not Applicable	NIL	NIL
3	FY22-23	NIL	NIL	1,18,00,000.00	NIL	Not Applicable	NIL	NIL

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year** = No  
If Yes, enter the number of Capital assets created/ acquired = NIL

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

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

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section-5 of section 135 of the Companies Act, 2013. - **(Not Applicable)**

Sd/-  
Baldev Prakash  
(MD & CEO)

Sd/-  
Shahla Ayoub  
(Chairperson CSRESG Committee)

## Annexure 2

A. PARTICULARS OF EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024, ARE AS UNDER:

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

B. List of top ten employees (other than MD & CEO and ED) in terms of remuneration drawn during the FY 2023-24 with following fields:

S. No.	Name	Designation (as on 31 <sup>st</sup> March, 2024)	Remuneration drawn	Nature of employment (whether contractual or otherwise)	Qualification/ Experience	Date of Joining	Age	Last employment held before joining the Bank	% of equity shares	Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager
1	PEER MASOOD AHMAD	General Manager	4253483	Regular Employee	BSC (Medical)/DIP. TREASURY INVST; RISK MGT /CAIIB	18/10/1989	56	---	0.0014	---
2	SUSHIL KUMAR GUPTA	General Manager	4139142	Regular Employee	BSC (Non-Medical)/CAIIB	18/04/1988	58	---	0.0022	---
3	SYED SHAFAT HUSSAIN	General Manager	3979432	Regular Employee	BSC (Medical)/ Master of Arts (English)/JAIIB	17/10/1989	60	---	0.0028	---
4	IMTIYAZ AHMAD BHAT	General Manager	3907771	Regular Employee	Bachelor of Arts (ENGLISH LITERATURE)/ PG Dip in Comp Applications / Master of Business Admin (Banking; Finance)/BSC (Medical)/CAIIB	20/10/1989	56	---	0.0014	---
5	TABASSUM NAZIR	General Manager	3890119	Regular Employee	BA(LLB) (Law)/ BSC (Medical)/ JAIIB	17/10/1989	59	---	0.0032	---
6	SYED SHUJAAT HUSSAIN ANDRABI	General Manager	3879181	Regular Employee	BSC (Non-Medical)	17/10/1989	59	---	0.0027	---
7	NARJAY GUPTA	General Manager	3867512	Regular Employee	BSC (Non-Medical)/LLB (Law)/CAIIB	25/10/1989	57	---	0.0024	---
8	SUNIT KUMAR	General Manager	3832089	Regular Employee	Pg. Dip. Comp.Sc; Applications (Computer Science)/ BSC (Non-Medical)/ JAIIB	27/10/1989	57	---	0.0025	---
9	RAKESH KOUL	General Manager	3830710	Regular Employee	BSC (Non-Medical)/JAIIB	25/10/1989	57	---	0.0018	---
10	SYED RAIS MAQBOOL	General Manager	3814618	Regular Employee	BSC (Medical)/ JAIIB/CAIIB	18/10/1989	57	---	0.0030	---

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



S I . No	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD & CEO	7.77
		Executive Director	3.36
		Mr. R K Chhibber	2.52
		Dr. Rajeev Lochan Bishnoi	2.52
		Mr. Naba Kishore Sahoo	2.61
		Dr. Mohmad Ishaq Wani	0.32
		Mr. Umesh Chandra Pandey	2.49
		Mr. Anil Kumar Goel	2.45
		Mrs. Sushmita Chadha	0.39
		Mr. Anand Kumar	2.71
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	MD & CEO	-5.14
		Executive Director	238.68**
		CFO	-4.05
		CS	9.62
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 9.44%.	
IV	The number of permanent employees on the rolls of the Bank	There were 12,415 permanent employees as on March 31, 2024.	
V	Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of the employees other than the Managerial personnel is 9.80%. There is no exceptional increase in the salary of employees or management.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed	

\*The approved remuneration package for MD&CEO is above the threshold limit. However, actual remuneration paid during the financial year 2023-24 was below the threshold.

\*\* The position of Executive Director was vacant till 14.12.2022.



## Annexure 3

**FORM NO MR 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

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

Based on my verification of the Bank's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
Not applicable to the Bank during the audit period.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

During the FY, the Bank issued and allotted 6,97,02,602 equity shares at a price of ₹107.60 which was at a discount of 4.49% (i.e. ₹5.06 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹749,99,99,975.20. The Issue opened on December 11, 2023 and closed on December 14, 2023. The allotment was made on December 15, 2023.

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

- (d) Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (Erst-while Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014);
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Erst-while Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008);

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

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

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

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

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

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

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

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

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

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

- As required under the RBI circular No.DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks, the Bank did not have a part-time Non-Executive Chairman. However, the meetings of the Board were chaired by Non-Executive Independent Director in compliance to the Circular.
- During the Financial year 2023-24, penalty of ₹2,14,150.00 (out of which ₹50,000.00 was later waived-off and reversed by RBI) was imposed by the Reserve Bank of India on Currency Chests, ₹1,00,000.00 (out of which ₹50,000.00 was later waived-off and reversed by RBI) was imposed by the Reserve Bank of India on ATM Cash Outs and ₹20,000.00 was imposed by RBI on branch Prithviraj Road for not having all coin denominations.
- Further, penalty of ₹2.50 crores was imposed by RBI for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks', read with 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting', 'Loans and Advances - Statutory and other Restrictions' and 'Time-bound implementation and strengthening of SWIFT-related operational controls'.

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

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

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

- (j) The Bank has complied with all the provisions of the listing agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. However, during the year, a fine of ₹20,000/- plus applicable GST was levied by The BSE Limited for the delayed submission of disclosure under Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended May, 2021 and December, 2021. The Bank contested the levying of fine and represented for waiver. The BSE limited vide its mail dated 16.05.2024 has waived off penalty pertaining to May-2021, while as request for waiver of penalty pertaining to Dec-2021 is under consideration with the Exchange.

I further report that:

- a) The Board of Directors of the Bank is duly constituted with proper balance of Executive, Non-Executive and Independent Directors.
- b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- c) Adequate notice was given to all directors atleast seven days in advance to the scheduled Board/Committee Meetings except in those cases where the meetings were conducted at shorter notice. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.



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

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

For Reshi & Associates  
Company Secretaries

Ghulam Jeelani Reshi  
(Proprietor)  
FCS No -8720; C P No: 10020  
Firm Registration No: S2011JK536600  
UDIN: F008720F000646291

Place: Srinagar  
Date: 01/07/2024

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

**Annexure A**

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

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

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

For Reshi & Associates  
Company Secretaries

Ghulam Jeelani Reshi  
(Proprietor)  
FCS No -8720; C P No: 10020  
FRN: S2011JK536600  
UDIN: F008720F000646291

Place: Srinagar  
Date: 01/07/2024



## Annexure 4

### Form AOC-I

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

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

(Amounts in ₹ in Lakhs)

S. No	Particulars	Remarks
1.	Name of the subsidiary	JKB Financial Services Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital	₹ 4000.00
5.	Reserves & surplus	₹ 353.03
6.	Total assets	₹ 8205.19
7.	Total Liabilities	₹ 8205.19
8.	Investments	NIL
9.	Turnover	₹ 1514.57
10.	Profit before taxation	₹ 351.03
11.	Tax Expenses	₹ (87.02)
12.	Profit after taxation	₹ 264.01
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

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

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

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates		The J&K Grameen Bank (Associate)	Jammu & Kashmir Asset Reconstruction Ltd.
1.	Latest audited Balance Sheet Date	31.03.2024	NA
2.	Shares of Associate/Joint Ventures held by the Bank on the year end : Number Amount Extend of Holding %	2063 Lakhs ₹20631 Lakhs 35 %	O. O. O.
3.	Description of how there is significant influence	The J&K Bank is the sponsor Bank of the J&K Grameen Bank, holding 35 % of its Share Capital	As per note below*
4.	Reason why the associate is not consolidated	NA	
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	13065.71 Lakhs i.e. 35% of Total Net Worth of ₹37330.62 Lakhs	As per note below*
6.	Profit / Loss for the year	₹376.06Lakhs	
7.	Considered in Consolidation	Yes	No
8.	Not Considered in Consolidation	No	Yes

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

In terms of our report of even date annexed

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

## Annexure 5

### Form AOC-II

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

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

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

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

**TABLE "A"**

(₹ In Crores)

Items/Related Party		J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1731.94	11.66	* As per note below
	Maximum Balance during the year	1731.94	23.91	
Advances	Balance as on date	11.67*	5.91	
	Maximum Balance during the year	48.67	14.33	
Investments	Balance as on date	206.31	40.00	
	Maximum Balance during the year	206.31	40.00	
Interest Paid		99.22	0.75	
Interest/Commission Received		0.21	0.47	
Sale of Fixed Assets		NIL	NIL	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.41	
Deputation Staff Salary		NIL	0.48	
IT Support Services		1.03	0.00	
Outstanding with Associate/Subsidiary		NIL	0.12	

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

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

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



3. **Salary to Key Managerial Person (KMP)**

(Amt in Lakhs)

	Mr. Baldev Prakash (MD & CEO)	Ms. Sudhir Gupta (Executive Director)	Mr. Pratik D Punjabi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2023-24	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024
Salary	97.52	40.21	31.05	28.25

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

In terms of our report of even date annexed

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



## Annexure 6

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

#### I. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	:	L65110JK1938SGC000048
Name of the Listed Entity	:	Jammu and Kashmir Bank Limited
Year of incorporation	:	1938
Registered office address	:	Corporate Headquarters, M. A. Road, Srinagar, Kashmir -190001
Corporate address	:	Corporate Headquarters, M. A. Road, Srinagar, Kashmir -190001
E-mail	:	board.sectt@jkbmail.com
Telephone	:	0194-248-1930-35
Website	:	<a href="http://www.jkbank.com">www.jkbank.com</a>
Financial year for which reporting is being done	:	2023-24
Name of the Stock Exchange(s) where shares are listed	:	National Stock Exchange of India Limited & The BSE Limited.
Paid-up Capital	:	₹11011.82 lakhs
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Mohammad Shafi Mir Company Secretary & Compliance Officer 0194-2481928 <a href="mailto:board.sectt@jkbmail.com">board.sectt@jkbmail.com</a>
Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	The disclosures made in this report are on a standalone basis.
Name of assurance provider	:	Not Applicable
Type of assurance obtained	:	Not Applicable

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

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

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

S. No.	Product/Service	NIC Code	% of total contributed Turnover
01	<p>J&amp;K Bank operates in three major segments:</p> <ol style="list-style-type: none"> <li>1. Retail</li> <li>2. Corporate</li> <li>3. Treasury</li> </ol> <p>All products and services are offered under these segments. Some flagship products are:-</p> <ol style="list-style-type: none"> <li>1. Saving Bank Deposits</li> <li>2. Current Deposits</li> <li>3. Term Deposits</li> <li>4. Housing Loans</li> <li>5. Working Capital</li> <li>6. Overdraft A/Cs</li> <li>7. Car Loans</li> <li>8. Agriculture Loans</li> <li>9. Kissan Credit Card etc.</li> </ol>	64191	100

### III. Operations

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

Location	Number of plants	Number of offices	Total
National	NA	1173*	1173
International	NA	--	--

\*Includes Extension counters, Easy Banking Units (USBs) and Large Credit Units (LCUs).

19. Markets served by the entity:

a. Number of locations

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

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

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

c. A brief on types of customers

The Bank caters to a diverse range of customers including individuals, state/UT and central governments, PSUs, Educational Institutions, Corporations, employees (govt. as well as private), businessmen, students, MSMEs, corporates, artisans, farmers, start-ups etc.

### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female		
			No. (B)	% (B / A)	No. (C)	% (C / A)	
<b>EMPLOYEES</b>							
1.	Permanent (D)	12415	9260	74.59	3155	25.41	
2.	Other than Permanent (E)	434	368	84.79	66	15.21	
3.	Total employees (D + E)	12849	9628	NA	3221	NA	
<b>WORKERS</b>							
4.	Permanent (F)	Not Applicable					
5.	Other than Permanent (G)						
6.	Total workers (F + G)						

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	119	106	89.08	13	10.92
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil

3.	Total differently abled employees (D + E)	119	106	89.08	13	10.92
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel	4	0	0.00%

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

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.07	1.14	1.09	0.92	0.86	0.90	0.82	0.80	0.81
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

## V. Holding, subsidiary and associate companies (including joint ventures)

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

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

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

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes  
(ii) Turnover (in ₹) 12037.84 Crores  
(iii) Net worth (in ₹) 10966.77 Crores

## VII. Transparency and disclosures compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	--	--	--		--	--	
Investors (other than shareholders)	--	Nil	Nil		Nil	Nil	
Shareholders	Yes	304	00	<a href="https://www.jkbank.com/others/common/grievance.php">https://www.jkbank.com/others/common/grievance.php</a>	107	0	
Employees and workers	Yes	Nil	Nil	<a href="https://reports.jkbank.com/jkbcms/login">https://reports.jkbank.com/jkbcms/login</a>	Nil	Nil	
Customers	Yes	3497	388	<a href="https://www.jkbank.com/others/common/grievance.php">https://www.jkbank.com/others/common/grievance.php</a>	1662	33	
Value Chain Partners	--	--	--	--	--	--	
Other (please specify)	--	--	--	--	--	--	

26. Overview of the entity's material responsible business conduct issues

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

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
01	Sound Asset Quality	O	A healthy asset quality shall enhance the Bank's financial performance by improving profitability, minimizing credit losses, and ensuring a robust capital base	N/A	Positive
02	Satisfied Customer	O	A satisfied customer base, increases customer loyalty, which satisfies customers' financial goals resulting in increased business / profitability.	N/A	Positive
03	Systematic Risk Management	R	Increases vulnerability to economic downturns or market crashes, may lead to increased regulatory scrutiny, reputational damage, and a loss of investor confidence	<ul style="list-style-type: none"> <li>Multi-layered risk, management strategy</li> <li>Stress testing policy and System in place</li> <li>Independent risk management function</li> </ul>	Positive



S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
04	Enhanced Transparency and disclosures	O	Builds investor confidence, ensures compliance with regulatory obligations, and strengthens market positioning and relationship with stakeholders.	N/A	Positive
05	Robust Economic Performance	O	A strong economic performance provides a basis for maintaining stability and generating positive momentum and long-term value for our stakeholders.	N/A	Positive
06	Privacy and Data Security	O	Having a robust information security structure (Software, expert manpower and operational practices) helps to reduce cyber threats and ensure privacy, data security for all our stakeholder's privileged information thereby enhancing customer confidence which fetches more business opportunities.	Bank has put in place effective Information Security, Data Privacy and Security Governance Framework and Controls to ensure Confidentiality, Integrity and Availability of Information Assets.	Positive
07	Privacy and Data Security	R	Privacy and Data Security Is becoming a major risk due to increasing digitization as post pandemic the number of digital users has grown many folds.	Bank has framed policies with respect to information technology / cyber security risk which set forth limits, mitigation strategies and internal controls. Information Security Management Policy and Cyber Security Policy are in place for protecting the bank's cyberspace against Cyber - attacks, threats and vulnerabilities.	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9																												
Policy and management processes																																					
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes																												
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes																												
c. Web Link of the Policies, if available	The policies are available on the Banks website <a href="http://www.jkbank.com">www.jkbank.com</a> .																																				
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes																												
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, however in cases where the policies have been incorporated specifically in the Memorandum of Understanding executed between Bank and value chain partners same extend to them.																																				
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No specific National or International codes, certifications, labels, standards are applicable for the policies framed, nonetheless same comply with the applicable statutory & regulatory guidelines.																																				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is engaged in the banking business. It is not in the business of manufacturing or activities related to manufacturing/ factories. Nonetheless Bank is committed for enhancing the business and other core activities with least bearings to environment and society. The Bank has employed digitization of its activities with a view to reduce the dependence on natural resources and lessening the carbon emissions.																																				
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Bank provides a widespread banking services/products to satisfaction of its customers through comprehensive infrastructure consisting of branches, ATMs, CDMs and through digital channels like Mobile Banking, WhatsApp Banking, Internet Banking, Point of sale services and UPI. Use of digital channels facilitates the customers to do banking activities, without being physically present at Bank's branch/office, thereby contributing towards reducing the carbon footprints, unnecessary travel, wastage of time and energy. The Bank has also recently adopted Document Management System and e-office as part of Go Green Initiative. All such initiatives are being taken to achieve minimal usage of material resources which affects the environment and society as a whole.																																				
Governance, leadership and oversight																																					
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)																																					
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of the Bank through respective Committees.																																				
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes, the Bank has Corporate Social Responsibility &amp; Environmental Social and Governance Committee of the Bank which is responsible for decision making on the sustainability related issues. The members of the Committee are as under:</p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Name</th> <th>DIN</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>Ms. Shahla Ayoub</td> <td>09834993</td> <td>Chairperson</td> </tr> <tr> <td>02</td> <td>Mr. Baldev Prakash</td> <td>09421701</td> <td>Member</td> </tr> <tr> <td>03</td> <td>Mr. Umesh Chandra Pandey</td> <td>01185085</td> <td>Member</td> </tr> <tr> <td>04</td> <td>Mr. Anil Kumar Goel</td> <td>00672755</td> <td>Member</td> </tr> <tr> <td>05</td> <td>Mr. Anand Kumar</td> <td>03041018</td> <td>Member</td> </tr> <tr> <td>06</td> <td>Mr. Sudhir Gupta</td> <td>09614492</td> <td>Member</td> </tr> </tbody> </table>									S.No	Name	DIN	Designation	01	Ms. Shahla Ayoub	09834993	Chairperson	02	Mr. Baldev Prakash	09421701	Member	03	Mr. Umesh Chandra Pandey	01185085	Member	04	Mr. Anil Kumar Goel	00672755	Member	05	Mr. Anand Kumar	03041018	Member	06	Mr. Sudhir Gupta	09614492	Member
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10. Details of Review of NGRBCs by the Company:																			
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	The Bank complies with all the policies. The Board of the Bank and its Committees meet periodically inter-alia for evaluating the performance of the Bank and to review the policies and per the timelines stipulated in the policies.																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.																	No		

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

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



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

#### Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	05	IT & Cyber Security, Governance	67%
Key Managerial Personnel	02	IT & Cyber Security, advanced programme on strategic leadership	75%
Employees other than BoD and KMPs	250	Capacity building & skill Upgradation	50%
Workers	Not Applicable		

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	--	Reserve Bank of India	2,14,150.00	Deficiencies observed during inspection.	Yes
	--	Reserve Bank of India	1,00,000.00	Penalty imposed on ATM cash outs.	Yes
	--	Reserve Bank of India	2,50,00,000.00	Penalty imposed for non-compliance with certain directions issued by the RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks'.	No
	--	Reserve Bank of India	20,000.00	Deficiencies observed during inspection.	No
	--	CBEC	2,290.00	Delayed reporting in GST.	No
	--	BSE Limited	23,600.00	Non-compliance of regulation 60(2) of SEBI LODR Regulations, 2015 in respect of coupon payments for Bonds.	Yes
Settlement	--	--	--	--	--
Compounding fee	--	--	--	--	--
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	--	--	--	--	--
Punishment	--	--	--	--	--



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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Infirmities observed in the functioning of Currency Chests during RBI inspection. The Bank has represented to the Reserve Bank of India for waiver of penalty. The RBI has granted a waiver of ₹50,000.	Reserve Bank of India
Penalty imposed on ATM cash outs. The Bank has represented to the Reserve Bank of India for waiver of penalty. The RBI has granted a waiver of ₹50,000.	Reserve Bank of India
Non-compliance of regulation 60(2) of SEBI LODR Regulations, 2015 in respect of coupon payments for Bonds. The Bank has contested the levying of fine and has represented for waiver. The BSE limited vide its mail dated 16.05.2024 has waived off penalty pertaining to May-2021, while as request for waiver of penalty pertaining to Dec-2021 is under consideration with the exchange.	BSE Limited

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

There is no policy for anti-corruption or anti-bribery policy in our Bank, however rules regarding prohibition of corruption/ bribery find a place in the Bank's Officers Service Manual (OSM-2022) under the title 'Conduct Rules'. The OSM is available on the Bank's Intranet for information of employees. Further the Bank has put in place the following measures to check corruption or bribery:

The Bank has a functional Vigilance Vertical which is headed by Independent Chief Vigilance Officer (CVO). CVO reports to MD & CEO of the Bank. The CVO looks into vigilance activities of the Bank, identifies corruption prone areas within the Bank and collects information about corruption or malpractices within the Bank by way of surprise visits and offsite surveillance done through Vigilance officers posted at 03 Divisions of the Bank.

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

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

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Not Applicable	

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

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days accounts payables	--	--

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as% of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b. Sales (Sales to related parties / Total Sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.006%	0.010%
	d. Investments( Investments in related parties/Total Investments made)	0.72%	0.24%

**Leadership Indicators**

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

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

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

Yes, the Bank has in place a process to monitor / manage conflict of interests involving members of the Board. As part of the process, the Bank obtains declaration on an annual basis from the Board of Directors. Besides the Bank has formulated and adopted working Code of Conduct for Board of Directors & Senior Management of the Bank. The Code interalia prescribes the circumstances which may likely lead to conflict of interest.



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

**Essential Indicators**

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

	Current Year Financial	Previous Year Financial	Details of improvements in environmental and social impacts
R&D	Not Applicable		
Capex	Not Applicable		

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

**Leadership Indicators**

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

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

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

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not Applicable, the Bank has deployed proper digital solutions and adopted paperless solutions wherever possible.		

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable. However, wastes generated out of routine operations are disposed through Local Municipal bodies. Battery Waste, E-waste is returned to the supplier under buy back scheme. No hazardous waste generation due to the nature of activity.					
E-waste						
Hazardous waste						
Other waste						

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

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

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

**Essential Indicators**

1. a. Details of measures for the well-being of employees:											
Category		% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	9260	*	-	9260**	100	NA	NA	9260	100	Nil	Nil
Female	3155	*	-	3155**	100	3155	100	NA	NA	Nil	Nil
Total	12415	-	-	12415	100	3155	100	9260	100	Nil	Nil
Other than Permanent employees											
Male	368	Nil	Nil	368**	100	Nil	Nil	Nil	Nil	Nil	Nil
Female	66	Nil	Nil	66**	100	Nil	Nil	Nil	Nil	Nil	Nil
Total	434	Nil	Nil	434	100	Nil	Nil	Nil	Nil	Nil	Nil
*Active employees are covered under Medical Reimbursement Scheme of the Bank in line with IBA norms. ** Active employees are covered under Group Accidental Insurance Cover (in case of accidental death).											
b. Details of measures for the well-being of workers: Not Applicable											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.54%	0.59%

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

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	35.6	NA	Y	37	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others - please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

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

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



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.  
Equal opportunity Policy as per the Rights of Persons with Disabilities Act, 2016 is not in place. However, the Bank ensures that employees with disabilities are provided equal opportunity within the organization.

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

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

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

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

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers In respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	12415	12167	98.00	12786	12526	97.97
- Male	9260	9050	97.73	9561	9337	97.66
- Female	3155	3117	98.80	3225	3189	98.88
Total Permanent Workers	Not Applicable					
- Male	Not Applicable					
- Female	Not Applicable					

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill up-gradation		Total (D)	On Health and safety measures		On Skill up-gradation	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Male	9260	0	0	4557	49	9561	0	0	2941	31
Female	3155	0	0	1665	53	3225	0	0	1093	34
Total	12415	0	0	10348		12786	0	0	4034	
Workers										
Male	Not Applicable									
Female	Not Applicable									
Total	Not Applicable									

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No.(B)	%(B/A)	Total (C)	No.(D)	%(D/C)
Employees						
Male	9260	9260	100	9561	9561	100
Female	3155	3155	100	3225	3225	100
Total	12415			12786	12786	
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? Yes

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

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

The Bank takes into consideration the standard work-related hazards associated with electrical/fire and other related incidents. The Bank has put in place an effective security measures to deter miscreants and protect employees/workplaces. Some of the risk mitigation measures in place include-

- Physical security for access control measures at Branches/offices.
- CCTV monitoring
- Adequate lighting arrangements
- Fire-fighting arrangements

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)  
Not Applicable

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

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

Safety Incident/Number	Category*	FY 2023-24 Current Financial Year	FY2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable

\*including in the contract workforce

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

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

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



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

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA		Nil	NA	
Health & Safety	Nil	NA		Nil	NA	

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.  
Not Applicable

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

**Essential Indicators**

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

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



Communities & Civil Society/ NGOs	No	Email, Newspaper, Advertisements, publications, website and social media,	Ongoing	Support CSR projects, Financial inclusion and other relevant matters affecting the public at large.
Suppliers	No	Website, advertisements, email, letters	Ongoing	Vendor assessment and review, service and business related issues.

#### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.  
Engaging with stakeholders is a primary focus for the Bank in terms of communicating its performance and strategy. One key stakeholder that the Bank actively engages with is its customers. The Bank utilizes various channels such as its mobile banking platform, website, and regular interactions through branches and bank executives to establish effective communication with customers. The objective is to keep customers informed about the Bank's key deliverables and performance. The interactions with customers are recorded by the Customer Care Division and presented to the Customer Service Committee, which is an identified committee of the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

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

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

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

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

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

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

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

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



**PRINCIPLE 5 Businesses should respect and promote human rights  
Essential Indicators**

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	%(B/A)	Total (C)	No. of employees / workers covered (D)	%(D / C)
<b>Employees</b>						
Permanent	12415	1862	15	12786	1023	8
Other than permanent	--	--	--	--	--	--
<b>Total Employees</b>	<b>12415</b>	<b>1862</b>	<b>15</b>	<b>12786</b>	<b>1023</b>	<b>8</b>
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent						
<b>Total Workers</b>						

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

Category	Total (A)	FY 2023-24 Current Financial Year				FY 2022-23 Previous Financial Year				
		Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B / A)	No. (C)	%(C / A)		No. (E)	%(E / D)	No. (F)	%(F/D)
<b>Employees</b>										
Permanent	12415	--	--	12415	100	12786	--	--	12786	100
Male	9260	--	--	9260	100	9561	--	--	9561	100
Female	3155	--	--	3155	100	3225	--	--	3225	100
Other than Permanent	434	--	--	434	100	437	--	--	--	100
Male	368	--	--	368	100	370	--	--	--	100
Female	66	--	--	66	100	67	--	--	--	100
<b>Workers</b>										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages

a. Median Remuneration/ Wages:

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

b. Gross wages paid to females as % of total wages paid by the entity in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	23.09	22.50

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resources who is responsible for the human resources function and the Industrial Relations Officer (IRO) oversee and address any issue arising from any human rights impact or issues caused or contributed to by the business.

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

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

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

	FY2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	--	1	0	--
Discrimination at workplace	0	0	--	0	0	--
Child Labour	0	0	--	0	0	--
Forced Labour/ Involuntary Labour	0	0	--	0	0	--
Wages	0	0	--	0	0	--
Other human rights related issues	0	0	--	0	0	--

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	02	01
Complaints on POSH as a % of female employees / workers	0.06	0.03
Complaints on POSH upheld	00	00

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

Cases related to prevention of sexual harassment at work place are treated with utmost sensitivity and confidentially in line with the guidelines of the Sexual Harassment of Women at Work Place (prevention, prohibition and redressal) Act 2013. Further, the Bank provides protection against discrimination to employees who makes disclosure or raises a concern under the whistle blower policy.

The Company strictly prohibits any attempt of retaliation by anyone against any employee who raises a concern. Human rights requirements form a part of the Bank's business agreements and contracts as and where relevant.



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

10. Assessments for the year:

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

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.  
Not Applicable

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	--	--
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	0.0052x10 <sup>14</sup> joules	0.0052x10 <sup>14</sup> joules
Total energy consumed from renewable sources (A+B+C)	0.0052x10 <sup>14</sup> joules	0.0052x10 <sup>14</sup> joules
From non-renewable sources		
Total electricity consumption (D)	0.7969x10 <sup>14</sup> joules	1.0046x10 <sup>14</sup> joules
Total fuel consumption (E)	0.5433x10 <sup>14</sup> joules	0.3387x10 <sup>14</sup> joules
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)	1.3402x10 <sup>14</sup> joules	1.3433x10 <sup>14</sup> joules
Total energy consumed (A+B+C+D+E+F)	1.3454x10 <sup>14</sup> joules	1.3485x10 <sup>14</sup> joules
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	1121 joules	1333 joules
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output		
Energy intensity (optional) - the relevant metric may be selected by the entity		

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) - the relevant metric may be selected by the entity		

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

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)		
Water discharge by destination and level of treatment (in kilolitres)				
(i) To Surface water	Not Applicable			
- No treatment				
- With treatment - please specify level of treatment				
(ii) To Groundwater				
- No treatment				
- With treatment - please specify level of treatment				
(iii) To Seawater				
- No treatment				
- With treatment - please specify level of treatment				
(iv) Sent to third-parties				
- No treatment				
- With treatment - please specify level of treatment				
(v) Others				
- No treatment				
- With treatment - please specify level of treatment				
Total water discharged (in kilolitres)				

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



5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. No
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx		Not Applicable (Being a banking company, the activities/ operations carried out does not lead to emission of effluent gases)	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

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

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable (Being a banking company, the activities/ operations carried out does not lead to emission of effluent gases)	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			

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

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details. N.A

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Not Applicable	
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G +H)		
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re-used		
(iii) Other recovery operations		
Total		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

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

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. Not Applicable
11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

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



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

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

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

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

### Leadership Indicators

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment - please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

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





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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	Not Applicable
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity			

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not Applicable

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
The Bank is committed to ensuring that it is able to operate on an ongoing basis and will always endeavor to continue business on behalf of customers with minimal interruption to services in the event of business disruption and ensure continual improvement by adopting best practices/ changes in Bank's BCMS framework.  
For a robust BCMS (Business Continuity Management System) and to enhance resilience to disruptions, protect key assets, maintain customer service and preserve reputation and competitive advantage, Bank has aligned its BCP with ISO 22301 Standards.

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

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





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

**Essential Indicators**

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

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

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**Leadership Indicators**

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

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

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.  
No such project undertaken.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:  
No such project undertaken.
3. Describe the mechanisms to receive and redress grievances of the community.

For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website.

Customers are provided the facility of registering their service request through mPay and eBanking channels for hassle free escalation of grievances & Service Requests. The customers receive acknowledgement of their complaint/Service Request instantly with unique ID for future reference and tracking.

The customer complaints/Service Requests are processed and disposed-off through the Grievance Portal within defined TAT and response/ reply is sent to the complainant/ customer through Portal/ Email/SMS. Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds.

The customer complaints which are partially or wholly rejected by the Bank are auto-escalated to Bank's Internal Ombudsman for opinion before conveying final decision to the customer.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:  
Not Applicable

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	35.60%	34.57%
Semi-urban	16.08%	15.88%
Urban	26.92%	27.84%
Metropolitan	21.40%	21.71%

(Note: excluding provisioning cost on account of superannuation benefits and wage revision)

#### Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):  
Not Applicable
- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
01	J&K	Kupwara	2745300
02	J&K	Baramulla	245300

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
  - From which marginalized /vulnerable groups do you procure? N.A
  - What percentage of total procurement (by value) does it constitute? N.A

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

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

Name of the authority	Brief of the Case	Corrective action taken
Not Applicable		

- Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from the CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Contribution towards Upgrading facilities of Sainik Bhawan Jammu & Srinagar for the welfare of war veterans and dependents of Army/Navy/Air force Martyrs	346000 (beneficiaries include ex-servicemen and their dependents)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
2	Providing equipment to Life Help Centre for Child Care - a school for specially abled children	35	100%
3	Project on Menstrual Hygiene - Campaign for preventive healthcare measures for Women.	50000	80% (as the majority of the awareness camps were conducted in govt. schools located in rural areas wherein majority of the students enrolled are usually from economically/weaker and under-privileged sections of the society)



S. No	CSR Project	No. of persons benefited from the CSR Projects	% of beneficiaries from vulnerable and marginalised groups
4	Contribution towards establishment of Shina Cultural Centre at Dawar Gurez by Indian Army	Over 30000 Annually (Average number of tourists visiting Gurez per year)	Not quantifiable
5	Contribution towards upgrading Infrastructure of Rural Self-Employment Training Institutes (RSETIs) run by J&K Bank	Over 5000 annually (minimum number of trainees in the RSETIs per year)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
6	Financial Literacy Campaign	5000000	Not quantifiable
7	Contribution towards establishment of library at Zanaskar.	Over 3000 annually (number of children in the age group of 11 to 25)	95% (as over 95% of Ladakh UT's population is categorized as ST)
8	Entrepreneurship Development Project in collaboration with SIDBI - Focussed on Homestay training programme	150 (number of trainees from rural off-beat tourist destinations trained during the programme)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
9	Entrepreneurship Development Programme in collaboration with NIESBUD, Ministry of Skill Development, GOI	300 (trainees from J&K UT)	30% (though the trainings were imparted to unemployed youth, an estimated 30% of the trainee group belonged to poor economic background)
10	Nasha Mukta Campaign aimed at achieving drug and tobacco free society	128112	100%
11	Providing One Critical Care Ambulance to SKIMS, Srinagar and Two Ambulances to GMC Jammu	Over 10000 annually (vis-à-vis the number of patients who need ambulance services)	90% (govt.-run hospitals are mostly frequented by Economically weaker sections and people belonging to other marginalized and vulnerable sections of society)
12	Providing medical equipment to SKIMS, Srinagar and GMC Jammu	Over 10000 annually	90%- (govt.-run hospitals are mostly frequented by Economically weaker sections and people belonging to other marginalized and vulnerable sections of society)
13	Providing E-Vehicles to Central University Jammu, BGSBU Rajouri, University of Jammu and NIT Srinagar	Over 13000 annually (being number of students enrolled in these institutes)	50% (being the percentage of specially-abled students and students from other marginalized/vulnerable sections of the society)
14	Entrepreneurship Development Programme in collaboration with NIESBUD, Ministry of Skill Development, GOI	150 (number of trainees trained in the programme in Ladakh UT)	95% (as over 95% of Ladakh UT's population is categorized as ST)
15	Hearing aids and speech therapy Program to provide hearing assessment, speech therapy and hearing aids to poor and needy	2500	100% (project was focused on people from poor economic background)
16	Contribution to JKBRSETI Society for Construction of RSETI Buildings	5000 + (Minimum budding entrepreneurs receiving training from RSETIs per year)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
17	Contribution towards establishing smart classes in University of Kashmir.	5000 + (As the facility will remotely connect students from affiliated colleges, multiplier effect is expected to take number of beneficiaries even more)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)

S. No	CSR Project	No. of persons benefitted from the CSR Projects	% of beneficiaries from vulnerable and marginalised groups
18	Contribution towards augmentation of infra at special schools, orphanages & old age homes run by Dept. of Social Welfare J&K	500	100%
19	Contribution towards establishing Libraries at 10 locations in Kashmir	1000 (Conservative number of 100 people to visit each library regularly)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
20	Contribution towards Establishing Smart classrooms and computer lab at SMVD Gurukul and SMVD College of Nursing	Over 300 (Based on student strength of the two educational centers)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
21	Funding Agriculture Production Department's "Kisan Sathi Chatbot" (an AI enabled virtual assistant for farmers) for one year	1000 (project in its infancy, future number of beneficiaries expected to be in tens of thousands)	Not Quantifiable
22	Contribution towards construction of Girls Hostel by Sewa Bharti at Gandoh Bhalessa, Doda	60 (being the total intake capacity of the hostel)	100%
23	Contribution towards construction of mechanized Sewage Treatment Plant (STP) at District Hospital Bandipora	Not quantifiable (Project to have larger impact on the ecological balance of the highly eco-sensitive geography of the district given the project site's proximity to famed Wullar Lake)	Not quantifiable
24	Contribution towards development of Modern Bus Stops/ Passenger Shed for Srinagar & Jammu Smart City Electric Bus Projects	2000000 (Population of Srinagar and Jammu cities and some percentage of rural population that is connected to the larger E-bus project)	Not quantifiable (Environment related CSR activities serve the larger purpose of environmental sustainability by reducing carbon footprint and decreasing pollution levels).
25	Providing Patient Transport Trolleys and Wheelchairs to the Govt./ Semi Govt. Hospitals of J&K and Ladakh	Over 150000 (calculated as per one beneficiary of the item per day)	90%- (govt.-run hospitals are mostly frequented by Economically weaker sections and people belonging to other marginalized and vulnerable sections of society)
26	Providing ambulance to health centre of SKUAST-K	Over 15000 (students, staff and the people from University's immediate catchment area)	Not quantifiable
27	Funding livelihood generation project through walnut plantation in Kishtawar	100 (number of beneficiaries of the project)	80% (majority of the beneficiaries belonged to the remote rural & marginalized community of kishtawar)
28	Providing dustbins to DC office srinagar	Not quantifiable (Eco-friendly orientation of the project)	Not quantifiable



S. No	CSR Project	No. of persons benefitted from the CSR Projects	% of beneficiaries from vulnerable and marginalised groups
29	Providing Medical Equipment to Maha Bodhi Karuna Charitable Hospital	500 (1% of the hospital's average footfall of over 50000)	95% (as over 95% of the Ladakh UT's population is categorized as ST)
30	contribution towards sports academies (football academies of Bank)	40 (Number of trainees in the academies every year)	Not quantifiable
31	Contribution towards Aspirational District Kupwara for construction of Fish Sale Outlet	Not quantifiable (Community development oriented project that will primarily contribute to growth and development of regional sub-economy)	Not quantifiable
32	Contribution towards Humanity Welfare Organization for purchase of One School bus for specially-abled students	75 (being 50% of the number of special children enrolled in the school)	100%
33	Contribution to Swami Vivekananda Medical Mission Hospital for medical equipment	740 (being 1% of the hospital's average annual footfall)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
34	Contribution to Army Goodwill School Harka Bahadur for one School Bus	100 (being 20% of the students currently enrolled in the school. Bus to make multiple rounds to ferry the students)	95% (as over 95% of the Ladakh UT's population is categorized as ST)
35	Contribution to Mool Sustainability for community development program of ST Village	1083 (being the number of people who benefitted from the project)	100%
36	Support to District Court Jammu for construction of Ladies Washroom	Not quantifiable	Not quantifiable
37	Providing seating benches to various institutions	Not quantifiable	Not quantifiable
38	Establishing smart classes in Sainik School Nagrota	500 (being the number of students currently enrolled in the school)	50% (conservative estimates based on the data available with regard to vulnerable sections of the society in J&K)
39	Contribution towards construction of pre-fab patient/attendant sheds at District Hospital Kargil	Over 10000 (average of 32 people each day as the sheds have the capacity of accommodating 32 people)	95%- (govt.-run hospitals are mostly frequented by Economically weaker sections and people belonging to other marginalized and vulnerable sections of society)
40	Contribution towards providing one animal ambulance to Narsingh Gao Seva Samiti, Kathua	Not quantifiable	Not quantifiable

S. No	CSR Project	No. of persons benefitted from the CSR Projects	% of beneficiaries from vulnerable and marginalised groups
41	Contribution towards providing one school bus and four smart classes to Chinar Kashmir's hostel for orphan and destitute children	48 (being the number of children currently in the hostel)	100%

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

**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website.

Customers are provided the facility of registering their service request through mPay and eBanking channels for hassle free escalation of grievances & Service Requests. The customers receive acknowledgement of their complaint/Service Request instantly with unique ID for future reference and tracking.

The customer complaints/Service Requests are processed and disposed-off through the Grievance Portal within defined TAT and response/ reply is sent to the complainant/ customer through Portal/ Email/SMS. Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds.

The customer complaints which are partially or wholly rejected by the Bank are auto-escalated to Bank's Internal Ombudsman for opinion before conveying final decision to the customer.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	47	1		14	0	
Advertising	0	0		0	0	
Cyber Security	22	2		3	0	
Delivery of essential services	388	7		93	0	
Restrictive Trade Practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	3040	388		1552	33	

- Details of instances of product recalls on account of safety issues:  
Not Applicable
- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.  
The Bank has a Cyber Security policy which is for internal use and consumption. The Data Privacy related controls are mentioned in the product related policies available on the website of the Bank like Internet Banking policy, Mobile banking policy, etc.



6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. Nil
7. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact. Nil
  - b. Percentage of data breaches involving personally identifiable information of customers. Nil
  - c. Impact if any of the data breaches. Nil

#### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information about our products is available on our website [www.jkbank.com](http://www.jkbank.com) or a customer can access product and service information through whatsapp banking / chatbot.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. Besides Information about our various products and services, advisories are prominently displayed on Bank's social media handles viz. Facebook, X formerly Twitter, Instagram, YouTube, LinkedIn, and a series about Cyber Jagrukta Abhiyan is published in Print Media & Social Media Handles on 1<sup>st</sup> Wednesday of every month.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. The Bank has a Business Continuity Plan measures in place in case of any eventuality and the same is properly communicated to our customers through social media, print media and other relevant channels. For instance, in case of system updations, proper SMS is sent to customers on their registered numbers regarding downtime of these systems which are usually carried out off-business hours. Further in case of relocation of a branch or office premise, suitable communication in advance is sent to all customers about the change.

During pandemic also, communications were sent on regular intervals to customers to use bank's digital banking services. Awareness across the enterprise about COVID-19 precautions were also disseminated in multilingual format on Bank's website for customers and our employees.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.  
No

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) No



## Management Discussion and Analysis

### GLOBAL ECONOMIC OUTLOOK:

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments, including greater-than-expected government spending and household consumption and a supply-side expansion amid, notably, an unanticipated boost to labour force participation.

As per IMF report on Global Economic Outlook, global growth for 2024 and 2025 will hold steady around 3.2 percent with global headline inflation expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now at 3.1 percent, is at its lowest in decades

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. In China, without a comprehensive response to the troubled property sector, growth could falter, hurting trading partners. Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labour force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity.

As the global economy approaches a soft landing, the near-term priority for central banks is to ensure that inflation touches down smoothly, by neither easing policies prematurely nor delaying too long and causing target undershoots. At the same time, as central banks take a less restrictive stance, a renewed focus on implementing medium-term fiscal consolidation to rebuild room for budgetary maneuver and priority investments, and to ensure debt sustainability, is in order. Intensifying supply-enhancing reforms would facilitate inflation and debt reduction, allow economies to increase growth toward the higher prepandemic era average, and accelerate convergence toward higher

income levels. Multilateral cooperation is needed to limit the costs and risks of geoeconomic fragmentation and climate change, speed the transition to green energy, and facilitate debt restructuring.

### Domestic Economic Outlook:

While the global economy is going through extreme headwinds, exposing tremendous volatility in demand; economic slowdown; disruption in the supply chain; sharp rise in energy and other commodity prices; rising inflation, and interest rate hikes. In such an environment, the Indian economy remains relatively better placed than other emerging markets and global economies but is not entirely insulated from the impact of the global crisis. As per the data released by National Statistical Office (NSO) of Ministry of Statistics and Programme Implementation (MOSPI), India's GDP growth during FY2023-24 is estimated at 8.2% surpassing all projections. This reaffirms India's position as the fastest-growing major economy globally. The Indian economy and the domestic financial system remain resilient, supported by strong macroeconomic fundamentals, healthy balance sheets of financial institutions, moderating inflation, improving external sector position and continuing fiscal consolidation. The last decade witnessed a steady growth in the Indian economy, attributed to increased public sector investment, a robust financial sector, and strong non-food credit expansion. The domestic economy is experiencing strong momentum. The credit dispensation by Indian Banks is expected to witness double digit growth during FY25 as forecasted by Rating agency ICRA & S&P Global.

The Reserve Bank of India, in its June Monetary Policy Committee (MPC) meeting has projected the real GDP growth for 2024-25 at 7.2 per cent. IMF in its World Economic Outlook update has increased India's growth forecast for the fiscal year 2024-25 by 20 basis points (bps) to 7 per cent, attributed to improved private consumption, particularly in rural areas. Both World Bank & the United Nations have projected Indian economy to grow at 6.6 per cent in FY2024-25. Moody's in its Global Macroeconomic Outlook for 2024 has said that the Indian economy is likely to remain the fastest growing among G-20 economies on account of its robust economic performance in 2023 and diminishing global economic challenge. By all estimates, India's growth is expected to remain strong, supported by macroeconomic and financial stability.

The U.N. World Economic Situation and Prospects (WESP) 2024 report has said that consumer price inflation in India is projected to decelerate from 5.6% in 2023 to 4.5% in 2024, staying within the central bank's two to six per cent medium-term target range. However as per Deloitte's Indian Economic Outlook report 2024, consumer spending in India has been low after the pandemic, and the rebound has been inconsistent as well. One of the biggest reasons has been the prolonged impact of the pandemic across consumer segments, exacerbated by subsequent global uncertainties. According to a survey by the Reserve Bank of India, consumer



confidence has barely reached pre-pandemic levels, and the improvement over the past few months has been gradual, despite a strong pickup in economic activity.

The growth prospects of the Indian economy in 2024-25 look bright. In India, labour market indicators have also improved amid robust growth and higher labour force participation. India's government remains committed to gradually reduce the fiscal deficit, while seeking to increase capital investment. Manufacturing is expected to maintain its momentum on the back of sustained profitability. Services activity is likely to grow above the pre-pandemic trend. Private consumption should gain steam with further pick-up in rural activity and steady urban demand. A rise in discretionary spending expected by urban households, as per the Reserve Bank's consumer survey, and improving income levels augur well for the strengthening of private consumption. The prospects of fixed investment remain bright with business optimism, healthy corporate and bank balance sheets, robust government capital expenditure and signs of upturn in the private capex cycle.

### J&K Economy

Jammu & Kashmir has always been projected as an economy with immense potential across various sectors. It's economy is primarily services-based and agriculture-oriented. Various efforts in the last few years to tap the economic potential are proving a shot in the arm of economic development of the region. At current prices, the GSDP of J&K has been estimated at Rs. 2.31 trillion (US\$ 27.95 billion) in 2023-24. The UT's GSDP increased at a CAGR of 8.84% between 2018-19 and 2023-24. The GSDP of UT is expected to double by the year 2027-28 with special emphasis on Agriculture, Horticulture, Tourism, Industries and Service Sector

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

Overall, agriculture & horticulture in the primary sector, manufacturing & construction in the secondary sector and public administration in the tertiary sector are the largest contributors towards the Gross State Domestic Product (GSDP).

Jammu and Kashmir's economy is predominantly dependent on agriculture and allied activities. Horticulture plays a vital role in the economic development of the J&K. This sector is one of the major source of income in the UTs economy. The region of Kashmir is known for its horticulture industry. Horticultural produce from J&K includes apples, apricots,

cherries, pears, plums, almonds and walnuts.

Remarkably, the tourism sector has also been playing a significant role in the region's economy as it makes an enormous contribution to the region's local economies through job creation and sustainable development. It is the largest service industry in the UT and is significantly contributing to the GSDP. It earns foreign exchange, provides widespread employment, and yields tax revenue. The government's ambitious vision of positioning Kashmir as a global tourism hotspot gained significant traction in 2023, with the valley playing host to prestigious international events, including the G20 Tourism Working Group meeting and the Miss Universe press conference. More recently, an inaugural Formula-4 (F4) car racing event took place in Srinagar. Here it is worth mentioning that pilgrimage tourism provides an extra boost to the region's economy.

Meanwhile some of the major initiatives taken by the Government to give boost to the economy of Jammu & Kashmir are as under;

- Jammu and Kashmir has achieved 100% saturation in schemes like Saubhagya, Ujjwala, Ujala, Old Age/Widow and Disability Pension Scheme, SC/ST/Minority, Pre-Matric and Post-Matric Scholarship Schemes, Poshan Tracker, Poshan Vatikas, Prime Minister's Matru Vandana Yojana, Kisan Credit Card Scheme, Swachh Bharat Mission, Drinking Water, Play field & Youth Clubs, PM Kisan Samman Nidhi, Soil Health Card and Public Distribution System. Besides, under JJM, 99.94% population has been provided with piped water and 57.84% individual households have tap connections. Under LPG-DBT (PAHAL) 31.77 lakh beneficiaries have been covered. Milk production has reached highest ever 2594 Thousand Metric Tons.
- Road infrastructure by way of construction of mega highways and tunnel projects is in progress. A number of highway projects are presently under execution which upon completion are expected to bring much respite for the people of Jammu & Kashmir.
- The work on 6.5 Km Z-Morh Tunnel on Srinagar-Sonamarg Road is going on at the brisk pace and will be completed during the current financial year at a cost of Rs. 2,378 crore, which will provide an opportunity for tourists to visit the beautiful place of Sonamarg in winter as well.
- The construction of 135 Km stretch of six-lane Delhi-Amritsar Katra Expressway falling in Jammu & Kashmir has commenced. This will reduce the travel time to Shri Mata Vaishno Devi Shrine to 6 hours only.
- Kashmir is likely to be connected to rest of the country through rail network by July 2024.
- The Jammu and Kashmir Holistic Agriculture Development Plan rolled out. Under this plan, 29 projects have been approved with an outlay of Rs 5,012 crore over a period of next five years. This will transform the agriculture economy of Jammu and Kashmir putting it on a new trajectory of growth, doubling the output of sectors, boosting exports and making the sectors sustainable and commercially

viable. It will herald a new phase of farming prosperity and rural livelihood security in Jammu and Kashmir and create additional job opportunities to 2,87,910 people in agriculture and allied sectors. 18,861 new business enterprises will be created over the period of next five years.

- Under this Holistic Agriculture Development Plan; 67,000 Metric Ton Controlled Atmosphere (CA) storage space will be created with full value chain and aggregation network. Honey production will be tripled and Cocoon production will be increased from 700 Metric Ton to 1,350 Metric Ton over the period of next five years.
- As a "Tourism Mission" initiative 75 new destination, 75 Sufi/religious sites, 75 new cultural/heritage sites and 75 new tracks are being developed and opened up so that the economic gain of tourism industry trickle down to far off and hitherto unexplored areas. The promotion of Film Tourism will be an important component of the "Tourism Mission" during current as well as upcoming years.

### Banking Sector Outlook:

In 2023, the Indian banking sector underwent a remarkable transformation, marking a pivotal moment in its trajectory. The year saw a resurgence characterised by declining bad loans, improved profitability, and bolstered capital positions, setting a robust foundation for future growth. The sector faces a landscape filled with opportunities and challenges that will shape its course in the coming months.

The performance of the banking sector in 2023 was nothing short of remarkable. Profits soared to new highs. India's banking sector reached a historic milestone with a net profit surpassing ₹3 lakh crore in FY24. The combined profit of listed public and private sector banks surged by 39%, totaling ₹3.1 lakh crore compared to ₹2.2 lakh crore in FY23. As per RBIs Financial Stability Report published in June 2024, the asset quality of SCBs improved during 2023-24 with overall gross non-performing assets (NPA) ratio declining to a 12 year low of 2.8 per cent at end-March 2024. This significant improvement underscored the sectors focused efforts in risk management and debt recovery. Sustained credit growth, increased digital adoption, and supportive government policies were instrumental in revitalising the sector, fortifying its resilience.

During the current FY, the sector cautiously anticipates a favourable outlook. Stable interest rates, a robust GDP, and declining inflation could positively influence lending and deposit activities. The emphasis on technology and infrastructure investments creates avenues for growth. The sector's resilient foundation—strengthened asset quality, robust capitalization, and sustained profitability—positions it favourably to navigate uncertainties. With a keen focus on innovation, adaptive strategies, and prudent risk management, the Indian banking sector strives for a future characterised by sustained progress and resilience.

Going forward rising interest rates and intensified competition from agile FinTech entities necessitates adaptability and innovation. Additionally, the increased reliance on technology exposes banks to heightened cybersecurity threats, urging

stringent security measures.

### Banking Sector in J&K:

Role of banks operating in J&K and Ladakh assumes extra significance as they play a crucial role to bail out the region from economic backwardness and bring in prosperity in all sectors of economy. The institutional structure of banking in J&K consists of several institutions, namely, commercial banks, regional rural banks and cooperative banks. Banks are meeting the financial requirements particularly of the unorganized sector and the self-employed in the micro and small business sectors. To meet the objective of financial inclusion, banks are deepening and broadening their network apart from diversifying domain of their activities and jurisdiction. There has been notable improvement in the banking services with the increase in the bank branches over the years in J&K. The region has developed a robust banking network with 2158 branches as at the end of March 31, 2024, spread across its nook and corner. The banking sector consists of 37 banks, which includes 12 public sector banks, 11 private sector banks, 10 Cooperative banks, two regional rural banks, one State Financial Corporation and India Posts Payment bank.

The Annual Credit Plan 2023-24 for UT of J&K, which was launched on 1<sup>st</sup> April, 2023, envisaged a total credit target of ₹51,708.81 Crore for 16,51,877 beneficiaries. During FY 2023-24 banks operating in UT of J&K have disbursed total credit of ₹66,052.25 Crore in favour of 18,15,203 beneficiaries, registering an achievement of 128% in financial terms and 110% in physical terms. This includes disbursement of ₹33,750.16 Crore in favour of 10,41,478 beneficiaries against the annual target of ₹41,261.10 Crore for 13,38,894 beneficiaries under Priority Sector and ₹32,302.09 Crore in favour of 7,73,725 beneficiaries against the annual target of ₹10,447.71 Crore for 3,12,983 beneficiaries under Non-Priority Sector thereby registering achievement of 82% and 309% in financial terms respectively.

A glimpse of the aggregate analysis of the advances and deposits position of the banks as on March 31, 2024 reflects some interesting behavioural aspects. All banks together have granted loans to the tune of ₹1,13,729.84 crore, to various sectors of economy with a deposit base of ₹1,81,240.34 crore at the end of March 2024. The credit - deposit (CD) ratio stands at 62.75%.

### J&K Bank -Business Strategy

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

### Business Process Reengineering initiatives (BPR):

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

#### **Focus on retail lending as well as corporate lending**

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

#### **Focus on digital channels**

Banking industry is fast transforming from a system driven by conservative delivery channels to a system hugely supplemented by IT enabled alternate delivery channels. The digital vision of the Bank is to provide the facility of seamless digital payments to all its customers in a convenient, easy, affordable, quick & secure manner. The Bank offers various products and services through multiple digital channels to cater to the diverse preferences and needs of its customers. These channels include: Debit Card, Credit Card, Internet Banking, Mobile Banking, UPI, Phone Banking, Online Account Opening, Chatbot, social media, DBUs, and third party partnerships. The Bank has collaborated with various FinTech companies through partnerships or formal agreements for various facilities on its Credit Cards, POS services, FASTag, BBPS services, Loyalty Management, Direct Debit arrangements etc.

#### **Risk Management**

Bank has comprehensive risk management framework which is based on continuous risk assessment, measurement and monitoring of various risks. The key components of the Bank's risk management architecture rely on the risk governance structure, comprehensive processes and internal control mechanism based on approved policies and guidelines.

#### **Liability Mobilization:**

Bank shall identify different segments of Customers and provide them the facilities as per their requirement by introduction of new products & updation of existing products so as to synergize them with the Current market trends and demands. Technology shall be leveraged for launching of specific deposit products wherein online account opening, etc. shall be enabled to target customers preferring digital onboarding. Besides Corporate Salary Package launched by the Bank for employees of the corporates shall be aggressively promoted & renowned private firms/educational institutions will be pursued for onboarding under the Corporate Salary Package.

#### **Liquidity Risk:**

Bank maintains a robust liquidity risk management framework to withstand liquidity shocks and meet obligations in a timely manner. Bank closely monitors its cash inflows and cash outflows, to predict liquidity needs accurately. The bank has a well-defined Contingency Funding Plan (CFP) which ensures a bank has adequate sources of liquidity in place to fund normal operations under various contingent liquidity event scenarios. Bank carefully manages and matches the maturities of their assets and liabilities to avoid sudden imbalances in cash flows. This helps mitigate liquidity risk by ensuring that funds are available when needed to meet obligations.

#### **Business Contingency Plan (BCP):**

To enhance resilience to disruptions, protect key assets, maintain customer service and preserve reputation and competitive advantage, Bank has aligned its BCP with ISO 22301 standards. As per the requirements of the ISO 22301, bank has put in place BCP policy, Business Continuity plan and Business Continuity Management System Scope Document to mitigate the negative effects of disruptions which can impact the Banks normal functioning, strategic plans, reputation, market position operations, liquidity, credit quality and ability to remain in compliance with applicable laws and regulations.

#### **Cyber Security:**

In today's digital age, the banking industry faces unprecedented cybersecurity challenges. The Bank is committed in ensuring the safety and security of customers' financial assets, maintaining the integrity of our banking systems, and upholding our reputation by developing a dynamic framework to address the cyber security challenges arising out of technological developments in cyber space (such as cloud computing, mobile computing, encrypted services, social media etc.). Bank shall create necessary systems, processes, structures, policies and mechanisms to coordinate and integrate with the various security advisory Centre's, banking peers for timely information sharing on situational scenarios of existing and potential cyber security threats. This shall help in taking proactive, preventive and protective actions by Bank. Besides Bank shall organize awareness programs on cyber security & run security literacy awareness campaign through electronic media to help customers to be aware of challenges of cyber security.

#### **Succession Planning:**

The Bank recognizes the importance of the process to Succession Planning to ensure continuity in the smooth functioning of the organization. The Bank has put in place a policy on Succession Planning for the Board as well as the Senior Management. The policy formalizes a long term and Short term succession plan for a prudent transition process, capable of finding and preparing successors. The Succession planning process involves the identification of Competency requirements of critical roles and leadership positions, assessment of potential candidates and development of required competency through planned development and learning initiatives.

#### **Customer Centricity:**

The Bank observes customer centricity through service excellence, integrity and transparency, and a comprehensive range of innovative products and services responsive to customer needs to ensure customer satisfaction for retaining existing customers and attracting new customers. For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website, mPay and eBanking channels where the customer complaints/Service Requests are processed and disposed-off within defined TAT and response/ reply is sent to the complainant/ customer through Portal/ Email/SMS. Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds. The Bank also conducts Customer Advisory Forum (CAF) meetings at all Branches at monthly intervals.

These meetings help us obtain first hand feedback about our products and services and in turn facilitate necessary changes/ improvements as per customer expectations.

#### **Economizing Service delivery:**

It has been the endeavour of Bank to leverage technology for providing convenient digital services to our customers. Adoption of latest banking technologies not only facilitates better customer experience & ensures customer relationship management but also plays an important role in reduction in cost of operations. Bank has introduced End to End Automation of Phone-Pe Loan to MOU Employees without any manual intervention through Straight through Processing (STP) platform. Bank recently upgraded its mobile banking application 'J&K Bank mPay Delight Plus' which enables customers to view their account, scan QR, transfer funds, open fixed/recurring deposit accounts, apply for loans, pay utility bills, manage credit cards etc. The Bank also undertook deployment of UPI QR Code in mission mode, leading to good presence of our UPI QR Code at merchant locations, particularly in J&K and Ladakh. Besides Bank is expected to widen the ambit of centralization & automation of loan processing by including Housing Loan, SME, Agri, Corporate Loans and Forex & Trade Finance to reduce TaT, increase employee productivity and enrich customer experience. Online Account Opening Facility of the Bank along with Video KYC enables the prospective customers to open a Bank Account 24x7 at their convenience and comfort without any geographical barriers within country and without the need for visiting a Bank Branch.

#### **New Products & Services on the anvil:**

Review of existing asset/liability products & introduction of fresh products is an ongoing process. This activity is being undertaken by the bank in line with business objectives with due consideration to competitive landscape, micro and macro-economic factors, target customers, socio-economic obligation and likewise. It remains an endeavour on the part of the bank to come up with competitive and customer friendly offerings so as to evade competition and make available innovative product offerings to our customers. Bank's Product Development and Approval Policy provides for involvement of multiple functionaries in the product development and approval process, so that the best new offering can be created with due consideration to regulatory and legal aspects, competitive factors, customer demographics, geographical factors etc. Technology shall be leveraged for launching of some deposit products wherein online account opening, etc. shall be enabled to target customers preferring digital onboarding.

#### **Governance Initiatives**

Various governance initiatives undertaken taken by the Bank during financial year 2023-2024 include the following:

- Result oriented Performance evaluation of the Directors of the Bank by the Board and committees of the Board.
- Conduct of customised training / capacity building programmes for the Directors of the Bank in the reputed institutes of learning with a view to enrich the members of the Board.
- Strengthening of Board Independence and Board Diversity.

- Increased effective and meaningful stakeholder arrangement.
- Formulation and review of various policies aimed at reaffirming and re-aligning of Corporate Governance structure of the Bank.

#### **ESG initiatives:**

Environment, Social & Governance (ESG) has become an area of heightened focus and has changed bank's outlook towards its business as it aims to align its ESG approach with its strategic goals. Bank has adopted "Environment, Social and Governance (ESG) Policy", which seeks to adopt sustainable business practices that ensure accomplishment of Bank's long term strategies and have a positive impact on the environment and society. The ESG policy outlines the approach taken to manage Bank's Business, environmental and social performance in an integrated manner and help ensure that industry accepted standards and best practices are applied when identifying, assessing and monitoring environmental, social and governance risks with respect to the Bank's business operations.

#### **J&K Bank Financial Performance w.r.t Operations performance**

During the fiscal 2023-24, the total income was recorded at ₹12,037.85 Crore compared to ₹10,111.92 Crore for the previous FY2022-23 showing an increase of 19.05%. Interest income stood at ₹11,212.37 Crore for the FY 2023-24 as against ₹9,355.11 Crore for the previous FY recording a YoY increase of 19.85%. The non-interest income was ₹825.48 Crore for the FY 2023-24 as against ₹756.81 Crore for the previous FY. Interest expended increased to ₹6008.68 Crore in the fiscal 2023-24 from ₹4,609.83 Crore in the previous fiscal 2022-23 recording a YoY increase of 30.34%.

The Bank's operating expenses stood at ₹3,752.29 Crore for FY 2023-24 as compared to ₹3,643.60 Crore for FY 2022-23. Operating Profit stood at ₹2,276.88 Crore for FY 2023-24 as compared to ₹1,858.49 Crore for FY 2022-23, growth of 22.51% YoY.

NPA Coverage Ratio of the Bank stood at 91.58% as on March 31, 2024 as compared to 86.20% as on March 31, 2023. Gross NPA Ratio stood at 4.08% as on March 31, 2024 as compared to 6.04% as on March 31, 2023. Net NPA Ratio has reduced from 1.62% as on March 31, 2023 to 0.79% on March 31, 2024.

The Bank posted a Net Profit of ₹1,767.27 Crore for the financial year ended Mar, 2024 as compared to Net Profit of ₹1,197.38 Crore during the financial year ended Mar, 2023.

The aggregate business of the bank stood at ₹2,28,537.40 Crore at the end of the financial year 2023-24.

The Bank recorded deposit growth of 10.44% and advances growth of 13.95% during the year.

Cost of deposits has increased to 4.57% for FY 2023-24 from 3.79% for FY 2022-23, while, CASA stood at 50.51% for FY 2023-24.

### Segment-wise and Product-wise performance of the Bank

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

Deposits	Amount (in Cr.)	Net Advances	Amount (in Cr.)
Demand	14,823.76	Cash Credits, Overdrafts & Demand Loans	26,725.37
Savings	53,248.85	Bills Purchased & discounted	186.17
Term	66,702.28	Term Loans	66,850.97
<b>Total</b>	<b>1,34,774.89</b>	<b>Total</b>	<b>93,762.51</b>

- Total deposits of the Bank grew by ₹12,737.15 Crore from ₹1,22,037.74 Crore as on March 31, 2023 to ₹1,34,774.89 Crore as on March 31, 2024, a growth of 10.44% percent. CASA deposits of the Bank at ₹68,072.61 Crore constituted 50.51% percent of total deposits of the Bank.
- Average deposits stood at Rs.1,24,464.97 Crore during FY 2023-24, compared to Rs.1,14,743.60 Crore during FY 2022-23 recording a growth rate of 8.47%.
- During the year, Gross Credit increased from ₹86,155.64 Crore (FY 2022-23) to ₹96,981.86 Crore (FY 2023-24), registering a growth of 12.57%.
- Average advances increased by ₹11,745.69 Crore at ₹90,244.68 Crore during FY 2023-24 compared to ₹78,498.99 Crore during FY 2022-23. The average yield on advances was 9.54% for the current fiscal against 8.91% during the previous fiscal.

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

### Opportunities and Threats:

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

The digital payments system in India has evolved the fastest amongst the countries. It is evident from the record number of UPI transactions per month. UPI transactions are expected to breach 100 crore transactions per day by FY27, according to a report by PwC India, which projects UPI to dominate the retail digital payments landscape, accounting for 90 per cent of the total transaction volumes over the next five years. The opportunities and potential to grow digitally are virtually unlimited. Post pandemic, increased use of Digital platforms,

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

The banking sector is currently navigating a landscape characterized by both opportunities and challenges. On the one hand, technological advancements have opened new doors for innovation, allowing banks to enhance customer experience through digital services, mobile banking, and fintech collaborations. These opportunities not only streamline operations but also offer a platform for financial inclusion by reaching underserved populations. However, these advancements come with their set of challenges. The rise of cyber threats poses a significant risk to the security of financial transactions, demanding robust cybersecurity measures. Additionally, the evolving regulatory environment and compliance requirements add complexity to banking operations. Frequent changes in regulations, including capital adequacy requirements, lending norms, and compliance standards, can pose challenges for banks as they need to adapt and ensure compliance, potentially affecting their profitability and operation. Taking cognizance of high growth in certain components of consumer credit and to strengthen internal surveillance mechanisms & address the build-up of risks in certain segments, RBI has recently issued regulatory measures wherein it has increased risk weights in respect of consumer credit exposure of SCBs including personal loans but excluding housing loans, education loans, vehicle loans and loans secured by gold, by an additional 25 percentage points to 125%. Besides RBI has also increased the risk weights on exposures to NBFCs by additional 25 percentage points where the risk weight as per external rating of NBFCs is below 100%. This direction from regulator will increase the capital requirements of Banks which in turn will increase their cost of capital. Besides maintaining good asset quality continues to be challenge for Banks as economic uncertainty or industry specific challenges can impact asset quality and profitability, posing a threat to banks' stability.

Striking a balance between innovation and security, and adapting to regulatory changes, is crucial for the banking sector to thrive in this dynamic landscape. Successful navigation through these challenges can lead to increased efficiency, customer satisfaction, and sustainable growth for banks in the ever-evolving financial industry.

### Risks & Concerns

Bank has comprehensive risk management framework which is based on continuous risk assessment, measurement and monitoring of various risks. The key components of the Bank's risk management architecture rely on the risk governance structure, comprehensive processes and internal control mechanism based on approved policies and guidelines. Risk Management is an integral part of the Bank's organizational structure and plays pivotal part in formulation of business strategy. The Bank has a well-charted risk management policies for managing credit, operational and market risks based on accepting various risks, controlled risk assessment,

measurement and monitoring of these risks. The Board sets the overall risk appetite and philosophy for the Bank.

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

#### Internal Control and Systems Adequacy

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

Audit Committee of Board provides directions / oversees the audit function of the bank including internal/ statutory / external audit of the Bank and inspections of RBI. It reviews the internal inspections / audit functions of the Bank - systems, its quality and effectiveness in terms of follow up. Supervision, Control & Audit Division, Corporate Headquarters examines, identifies and finalizes the Branches/ other Operational Offices for the purpose of various Audits from time to time. As per the approved Audit Policies, this annual exercise is conducted every year so that there is smooth conduct of various Audits like RBIA, Concurrent Audit, Credit Audit, Legal audit, I.S Audit etc. In compliance to RBI guidelines, the Bank has already put in place Audit system to strengthen various measures for effective controls for compliance to systems & procedures and policy decisions on various operational aspects of day-to-day banking.

Audits serve as one of the effective tools/modes of (i) early-warning system for detection of irregularities and lapses in daily operations of bank's branches; and (ii) checking recurrence of irregularities, infirmities and deficiencies in banking operations thereby facilitating their detection, diagnosis and initiating desired steps for their rectification, improvement of systems & procedures besides compliance to internal and regulatory guidelines and controlling risks/ preventing frauds.

In the light of the fast changing dynamics of today's banking environment and in tune with the extant guidelines the bank has adopted Risk Based Internal Audit, which includes, in addition to selective transaction testing, an evaluation of the risk management systems and control procedures prevailing

in various areas of the bank's operations. The implementation of risk-based internal audit means that greater emphasis is placed on the internal auditor's role in mitigating risks. While focusing on effective risk management and controls, in addition to appropriate transaction testing, the risk-based internal audit not only offers suggestions for mitigating current risks but also anticipates areas of potential risks and plays an important role in protecting the bank from various risks. The Branches and other offices of the bank are also subjected to other audits viz Concurrent Audit, IS Audit, Credit Audit, Legal Audit, Stock Audit, Forex Audit, Snap Inspection, Management Audit and Forensic Audit which form part of the internal control mechanism. These audits are effective tools/ modes of early-warning system for detection of irregularities and lapses in daily operations of bank's branches, checking recurrence of irregularities, infirmities and deficiencies in banking operations.

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

1. Concurrent Audit
2. Risk based Internal Audit
3. Long Form Audit Report
4. Information Systems Audit
5. Credit Audit
6. Legal Audit
7. Management Audit

All the critical operations of the Bank such as Treasury Operations, Centralized Processing Units, Data Centres, Contact Centre, Government Business Department, KYC/ AML Department, Terminal Benefits Department, Payments & Settlement Department, etc. are subjected to Concurrent Audit. Core Banking Solution (CBS) and all other major information technology assets / applications, besides concurrent audit, are also subjected to I.S Audit while as departments at controlling offices are covered under Management Audit.

#### Branch Audit

S&C and Audit Department undertakes review of the operations of Branches through Risk Based Internal Audit (RBIA), an adjunct to Risk Based Supervision, as per RBI directives. Your Bank has initiated a system driven process through a software called eThic for conducting the audit of all Branches of the Bank covering the business operations which auto calculates the periodicity of next audit as per the risk rating arrived at in current Audit.

#### Credit Audit

Your Bank undertakes Credit Audit to review large value standard borrowal accounts, evaluates portfolio quality including audit of appraisals, sanction and follow-up process on an ongoing basis. The loan review mechanism under credit audit has been designed to provide feedback on effectiveness of credit sanction and identify early deterioration in eligible borrowal accounts.

#### Management Audit

Management audit is an independent and systematic appraisal of how effectively and efficiently an organization is



accomplishing its objectives and performing the management functions of planning, organizing, directing, coordinating and controlling. Management audit is a total audit system encompassing the entire gamut of management functions and tools including the internal audit/inspection functions.

#### **Foreign Exchange (Forex) Audit**

Foreign Exchange business of the Bank being conducted across the country borders is exposed to a number of risks. Foreign currency prices are subject to change on account of monetary policies of the Reserve Bank and by domestic, international and overall global economic factors. Since the Forex market is a 24-hour global market with numerous players involving vast sum of money, rates can move considerably on account of any overseas developments and expectation of any change in monetary flows triggering speculation. Moreover, Forex market is information technology driven and as such, decision-making has to be instantaneous

#### **Information system audit**

Information system audit is a part of the overall audit process, which is one of the facilitators for good corporate governance. Information System (IS) auditing is a systematic independent examination of the information systems and the environment to ascertain whether the objectives, set out to be met, have been achieved. IS Audit is the process of collecting and evaluating evidence to determine whether a computer system (information system) is safeguarding the assets, maintaining data integrity and operating effectively to achieve organizational goals.

#### **Concurrent Audit**

Your Bank has put in place concurrent audit system carried out round the year at BUs on an ongoing basis. Concurrent audit is an independent appraisal activity conceived as a systematic examination of all financial transactions at a BUs to ensure accuracy and compliance of internal systems and procedures as laid down by the bank. It aims at minimizing the incidence of serious errors and fraudulent manipulations as it is intended to be undertaken concurrently. Your Bank has engaged Chartered Accountant Firms in addition to the retired experienced bank officers and regular officers for audits. Additionally, Concurrent Auditors are placed at Central Processing Centers to identify shortcomings in underwriting at a very early stage of the client relationship.

#### **Legal Audit**

Legal Audit in your Bank covers scrutiny of the loan and security related documents of loan accounts with credit exposure of Rs.5 crore and above. The legal audit is a control function, carried out by in-house team of internal auditors with requisite legal background/qualifications or through panel advocates to ensure that there are no shortcomings in the documents or creation of security in favour of your Bank.

The S, C & Audit Division handles the staff accountability cases other than those having a vigilance angle. The staff accountability cases are investigated by the field level functionaries located at three S&C Divisions viz. S&C Kashmir, S&C Jammu and S&C Delhi. The cases are then analyzed and put to hierarchy for referring to IAC (Internal Advisory Committee) or for closure as the case may be.

Vigilance cases emanate from two sources i.e. external and internal sources. The external sources include the complaints

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

#### **Human Resources and Industrial relations**

Bank believes that its greatest assets are its human resources and training is a long term investment in people development for organizational excellence. Bank has updated all policies related to HR as part of transformation journey. Business per Employee and Net Profit per Employee were at ₹17.81 crore and ₹13.75 lakh respectively for the financial year ended March, 2024 compared to ₹15.57 crore and ₹9.06 lakh pertaining to the financial year ended Mar, 2023.

#### **Training:**

Human Resource plays an important role in organizational development and its profitability. In order to keep the employees updated and relevant in the market, besides sharpening their skill set and knowledge, new techniques, procedures and technologies are introduced in the Organization. In line with organizational vision & goals and in order to develop leadership qualities and inculcate the sense of motivation and responsibility among its staff, trainings (both on job as well as off job) are imparted to the staff for which services of various Institutes are being utilized. Bank's own Staff Training Colleges at Srinagar and Jammu also cater to the sizeable training needs of the organization. Offline trainings are conducted both in-house as well as at external training institutes. In FY 2023-24, 6222 officials were imparted training in different banking related fields.

- The highest number of trainings were imparted in Credit function where 2091 employees were trained during the year.
- Digital banking also remained one of the focus area and 1431 employees designated as 'Digimitras' were trained during the year
- Information security, NPA Management & Cross selling were other areas with more than 500 to 1600 employees trained in each domain during the year.

J&K Bank, apart from being among the four banks having stake in National Institute of Banking Studies & Corporate Management (NIBSCOM), is also an Associate Member of below mentioned institutions/ bodies and officers of the Bank regularly participate in the trainings, seminars and workshops organised by them.

- i. National Institute of Banking Management (NIBM).
- ii. Federation of Indian Chambers of Commerce &



- Industry of India (FICCI).
- iii. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- iv. Indian Institute of Banking & Finance (IIBF).
- v. Confederation of Indian Industry (CII)

#### Capacity Building:

In order to encourage and groom its staff to acquire further knowledge and skill sets for disposal of assignments diligently and in a professional way, the Bank has taken a step ahead and enlisted courses contemporary to banking landscape as per RBI's guidelines. The officials successfully completing these courses are being reimbursed actual course fee and honorarium in case of Diplomas and MBA (B&F). As many as seven Diploma courses and eight Certificate courses offered by IIBF, besides certification/re-certification courses in IT conducted by Cisco/Solaris/Oracle/Microsoft/Sun Java have been enlisted.

Under RBI's Capacity Building Programme, following seven courses have been enlisted in order to develop a resource pool in critical areas viz Risk, Forex, Treasury etc.

- Certified Credit Professional Course.
- Certified Treasury Professional Course.
- Certified Risk in Financial Services.
- Diploma in IFRS by ACCA by KPMG.
- The Chartered Financial Analyst Programme offered by American Based CFA (USA).
- Financial Risk Management by GARP USA.
- Certification in Foreign Exchange

During FY 2023-24, the Bank entered into an academic arrangement with IIBF for conducting Training cum Certification exclusively for the employees of the Bank to create a pool of certified resources in sensitive and critical Banking domains of Credit, Forex, Treasury, Risk Management and Audit & Accounting.

#### e-Pathshala

During FY 2023-24, the Bank introduced an e-Learning Management System christened 'e-Pathshala', a software application accessible over Internet through PCs & Laptops. A mobile based version of the application was also introduced to give employees ease of accessing the app from

anywhere and at any time including while travelling. Eight courses comprising of 53 modules in areas of Information Security, Information Security, KYC AML Certification, Risk Management, Treasury, International Trade Finance, Credit Monitoring & Credit were uploaded on the system and made available to the employees for enhancing their knowledge. More than 1000 employees have already completed all the courses.

#### Manpower Planning

Manpower planning encompasses the process that identifies the number of employees that is required in terms of high quality and quantity, hence it is seen as an ongoing process of regular and structured planning.

HR always takes into consideration the growth of the Bank by transforming the current manpower position into desired manpower position through planning and management to have the right employee at the right position to ensure effective utilization of manpower, thereby to achieve the long term objectives/targets.

The Man power Planning is resorted to in a professional manner to ensure proper staffing, that is placing the right person at the right position. In order to adopt industry best practices, the Bank hired the services of a consultant (KPMG) for conducting an organization wide manpower assessment in the Financial Year 2022-23. The manpower deployment within the Bank is being done as per the said assessment.

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

- Return on Assets is 1.22% for the Financial Year ended 31<sup>st</sup> March, 2024 as compared to 0.89% for the previous Financial Year.
- Gross NPA Ratio stood at 4.08% as on March 31, 2024 as compared to 6.04% as on March 31, 2023.
- Net NPA Ratio stood at 0.79% as on March 31, 2024 as compared to 1.62% as on March 31, 2023.
- Earnings per Share is ₹16.80 for the Financial Year ended 31<sup>st</sup> March, 2024 as compared to ₹12.43 for the previous Financial Year.
- Adjusted Book Value per share stood at ₹92.90 as on March 31, 2024 as compared to ₹67.76 as on March 31, 2023.



# Corporate Functions Report

## Major CSR Activities in the Financial Year 2023-24

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

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

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

During the financial year FY2023-24, the bank continued to intervene and enhance value creation in the society through CSR activities in consonance with its mission of 'Serving to Empower'. While CSR initiatives undertaken during FY2023-24 have, directly or indirectly, benefitted hundreds of thousands of people across UTs of J&K and Ladakh, some eco-centric activities have contributed towards reducing carbon footprint and encouraging green energy solutions. The statutory disclosures with respect to the CSRESG Committee of the Board, including a report on the CSR, forms part of this report at Annexure 1.

### Key areas of intervention under the CSR programme:

- a) Healthcare & Hygiene
- b) Education
- c) Skill Development & Livelihood Generation
- d) Community Development/Welfare
- e) Ecology & Environment
- f) Rural Development
- g) Promotion of Sports
- h) Promotion and Preservation of Art, Culture & Heritage
- i) Animal Welfare
- j) Welfare of War Veterans, Ex-Servicemen and their families

### CSRESG Committee of the Board

- |                            |             |
|----------------------------|-------------|
| • Ms. Shahla Ayoub         | Chairperson |
| • Mr. Baldev Prakash       | Member      |
| • Mr. Umesh Chandra Pandey | Member      |
| • Mr. Anil Kumar Goel      | Member      |
| • Mr. Anand Kumar          | Member      |
| • Mr. Sudhir Gupta         | Member      |

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

### A. Healthcare & Hygiene

SDG 3 - "Ensure healthy lives and promote well-being for all at all ages"

#### 1. Menstrual Hygiene - Project for preventive healthcare measures for Women

The Bank undertook an extensive awareness campaign on menstrual hygiene and utilized the services of 'Live For Others - Being Helpful Foundation', an MCA registered organization, for project implementation, as per the following details:

- Campaign covered all the 20 districts of J&K.
- Sustainability ensured through community involvement by way of collaborating with volunteers, educational institutions, local stakeholders including panchs, sarpanchs, SHGs, female leaders etc.
- Impact and effectiveness ensured by imparting awareness in local languages/dialects.
- 100 Awareness camps/seminars (Around 5 in each district) with participant age groups varying from 12+ girls to women up to the age of 52. Thousands of girls and women benefit from the initiative.
- Focus was on removing shyness, education & awareness regarding women hygiene, removing myths & following scientific approach and, understanding the benefits of sanitary napkins and carrying this message forward.
- Free distribution of 500000 (Five Lac) Ayushman Bharat sanitary pads/napkin during the course of the campaign.

#### 2. NAJAATH - An initiative for Tobacco and Drug free Society

Conscious of the fact that Jammu and Kashmir is facing a growing menace that threatens not only the health and well-being of its residents but also the social fabric of the community, J&K Bank initiated a campaign for a drug and tobacco free society in collaboration with Department of Health Services and Department of Education. The project was initiated on a pilot-basis in twin cities of Jammu and Srinagar through SPVLG Foundation. The major highlights of the initiative were:

##### Awareness and Prevention

- Awareness Programmes and targeted psycho-educational sessions within the community through Community Counselling Centres (CCCs) and educational institutions.
- Community outreach programs to educate individuals and families about the detrimental effects of drug and tobacco use.
- Utilizing mass media platforms, such as FM

radio, TV (preferably DDK) and social media, to amplify the message of a drug and tobacco-free lifestyle. Directorate of Health Services, J&K provided relevant/ professional resource for the purpose.

- Collaboration with local health authorities to maximize the impact of the awareness campaign.

#### Treatment and Support

- Introduce the patients to accessible and proven-treatment-options.
- Creation of a referral network for individuals requiring specialized care.
- Counselling and psychological support to foster long-term recovery through CCCs, which provide safe and secure drop-in space for drug users in the community. These centres had the provision of screening, assessment and psycho-social counselling and provided referral and linkage to treatment and rehabilitation services for drug dependents.
- Providing nicotine patches to chronic smokers (identified by the concerned Health Department) to aid and encourage them to quit smoking.

### 3. **Ambulances to GMC Jammu and SKIMS Soura**

Proper healthcare is essential for the well-being and prosperity of any region, and this importance is magnified in a place like Jammu and Kashmir where climatic conditions can be harsh and access to healthcare is often challenging due to the rugged terrain. Beyond emergencies, healthcare is necessary for routine medical needs, maternal and child health, and the management of chronic diseases and with growing population, the need for augmentation of healthcare facilities becomes all the more important to cater to the diverse healthcare needs of the population. Although Government-run healthcare facilities are providing all the required services but the huge footfall of patients affects the overall quality of the service.

Carrying forward its legacy of complimenting Government's efforts in augmenting the overall health infrastructure, Bank provided two ambulances to GMC Jammu (and its associated hospitals) and one ambulance to SKIMS Soura.

- One of the two ambulances (basic patient-transport vehicle) required at GMC Jammu is being used at State Cancer Institute GMC Jammu while the second (critical care ambulance) at Super Speciality Hospital Jammu. Catering to a huge patient inflow, with patients from far off districts like Rajouri, Poonch, Doda, Kishtwar too relying for specialised treatment on the prestigious GMC and its associated hospitals, improving ambulance availability related services is of immense importance.
- The fully-equipped critical care ambulance required at SKIMS Soura (the largest

healthcare facility in the region catering to over 1.5 million patients annually) will help in transportation of patients with critical injuries as the facility of a critical care ambulance was lacking at SKIMS Soura. Further, owing to the huge patient footfall at the hospital from all over the region, requirement of such a facility was the need of the hour as it can reasonably improve the health-care infrastructure of the hospital, thereby bringing relief to hundreds, and even thousands, of patients annually.

### 4. **Providing Medical and Allied equipment to SKIMS Soura and GMC Jammu**

One of the key components of an efficient healthcare system is the availability of medical and allied equipment. These tools are the lifeline of healthcare providers, aiding in diagnostics, treatment, and patient care. In a region as geographically varied as J&K, having access to modern medical and allied equipment is crucial for diagnosing and managing a wide range of health conditions. This includes testing machine, patient-transport trolleys, privacy screens etc. as well as surgical instruments that enable intricate surgeries. Moreover, the need extends to basic hospital amenities likes seating benches, fans, furniture etc. which ensure the overall quality of healthcare services.

In this connection, Bank funded the project of providing various medical and allied equipment to SKIMS Soura and GMC Jammu. The equipment includes:

- Machinery/Equipment for Department of Urology Super Speciality Hospital GMC Jammu
- 200 + wall and pedestal fans for GMC, SMGS Hospital, Bone & Joint Hospital, Super Speciality Hospital, State Cancer Institute
- One Gastro-scope for the Department of Gastroenterology, SKIMS, Srinagar
- 40+ privacy screens for wards at SKIMS, Srinagar
- 80-100 seating benches for attendants visiting SKIMS, Srinagar

### 5. **Providing hearing aids and speech therapy to persons with hearing & speech impairment**

Catering to the needs of the specially-abled is of paramount importance in building an inclusive and equitable society. By providing equal opportunities and accessibility, we not only empower individuals-with-disabilities but also enrich our communities. It's a matter of social justice and human rights to ensure that people-with-disabilities can participate fully in all aspects of life, including education, employment, and social interactions. In the case of hearing and speech impaired individuals, the significance of catering to their needs is even more pronounced. Communication being a fundamental human need, these individuals face unique challenges.

In this connection, Bank collaborated with 'Voluntary Medicare Society', a well-established and credible organization serving the cause of specially-abled in Kashmir for the past 50 years, to conduct hearing



and speech assessment of the people and provide free hearing aids to the needy and deserving. The major highlights of the project include:

- Six (06) speech & audiology medical camps at different locations in Kashmir during which ENT specialists & speech therapists examined the persons with hearing and speech impairments.
- More than 500 people in Kashmir region were provided free-of-cost hearing-aids.
- Community based and Institutional Speech Therapy provided to persons with speech impairment by certified Speech Therapists over a period of six months.
- 5000+ potential beneficiaries (500+ direct beneficiaries of hearing aids and over 4500 beneficiaries of assessment camps and speech therapies).

**6. Construction of mechanized Sewage Treatment Plant (STP) at District Hospital Bandipora**

Importance of Wastewater treatment assumes more significance in the contemporary societies especially in developing nations like India. The main goal of wastewater treatment facilities is to protect people as well as local ecosystems, from harmful elements found in wastewater. Water treatment facilities are designed to speed up the process of purifying water because the natural process can't keep up with the amount of waste society produces. And this holds all the more importance for public facilities like hospitals.

In the aforementioned context, the 150 bedded District Hospital of Bandipora, located in a low-lying marshy land just half-a-kilometer away from the banks of the Wullar Lake, was provided support under CSR for setting up a Sewage Treatment Plant. The lake and its surrounding marshes provide habitat to important natural wildlife, thereby making it an ecologically hyper-sensitive area. Corporate Social Responsibility (CSR) in the context of environmental sustainability, particularly in wastewater treatment, is imperative in addressing the global challenge of water pollution and resource depletion. Given the escalating strain on water bodies due to various modern-day factors, advanced treatment technologies like setting-up of Sewage Treatment Plants can contribute a lot to the preservation of biodiversity, public health, and the overall well-being of communities.

**7. Patient Transport Trolleys and Wheelchairs to the Govt./ Semi Govt. Hospitals of J&K and Ladakh**

The importance of a standard healthcare system in any society cannot be over-stated and given the huge load on the existing government-run healthcare facilities especially in J&K and Ladakh, it has become imperative for responsible corporates like J&K Bank to step-in and compliment and support the efforts of the Government through innovatively conceived projects under Corporate Social Responsibility. With this understanding and context, a project was devised to provide Patient-Transport

Trolleys and Foldable Wheelchairs to different government-run hospitals in the twin UTs of J&K and Ladakh and augment the existing health-infra. Under the project, the Bank provided the following items to the District Hospitals of J&K & Ladakh and GMC Jammu/Srinagar and its associated Hospitals;

- 53 Hydraulic Casualty Trolleys
- 179 Stretcher-on-trolleys
- 197 Foldable wheelchairs

The initiative reached all the districts and allowed to augment the Health Infrastructure especially in the rural and far flung district hospitals in the larger interest of patient care.

**8. Ambulance to Health Centre of SKUAST-K**

Good healthcare contributes immensely towards a healthier and more productive society by ensuring timely and effective medical interventions, promoting disease prevention and health education, enhancing life quality and expectancy, reducing the burden of illness and disability, and supporting socio-economic development. Although Government-run healthcare facilities are providing all the required services but the huge footfall of patients affects the overall quality of the service. In this context, realizing the need at the Health Centre of SKUAST-K, J&K Bank in the FY2023-24 provided one ambulance equipped with basic life-saving equipment to the Centre.

It wouldn't be amiss to mention that the Health Centre of the University at Shalimar campus not only provides healthcare facility to the 5000 students and 2000 employees of the University, but also caters to the local community including the surrounding catchment area of Shalimar, Ishber, Tailbal and inhabitants of Foreshore Road.

**9. Medical Equipment to Maha Bodhi Karuna Charitable Hospital**

One of the key components of an efficient healthcare system is the availability of medical and allied equipment. These tools are the lifeline of healthcare providers, aiding in diagnostics, treatment, and patient care. In a region like Ladakh with difficult geographical terrain, having access to modern medical and allied equipment is crucial for diagnosing and managing a wide range of health conditions. In this regard, Maha Bodhi International Meditation Centre (MIMC) is, among other projects, running Maha Bodhi Karuna Charitable Hospital at Ladakh since 1999. The 30-bedded Charitable Hospital at Choglamsar Ladakh is spread over an area of 28328 mt<sup>2</sup> and is one of MIMC's many service projects wherein free external health and medical services are provided to the needy. Maha Bodhi International Meditation Centre (MIMC) has been serving the people of Ladakh through their various initiatives be it in education, disaster relief, sustainable development, humanitarian services and most importantly Healthcare. Having ascertained the on-ground work carried out by MIMC, Bank provided surgical equipment to the



Urological Department of their charitable hospital in the FY2023-24. The project is in line with the Bank's larger objective of supporting and augmenting the healthcare infra of J&K and Ladakh for the welfare of people.

10. **Medical equipment to Swami Vivekananda Medical Mission Hospital**

Swami Vivekananda Medical Mission (SVMM) is running 'Swami Vivekananda Charitable Hospital' since 1970. The 40-bedded Charitable Hospital at Amphalla Jammu is spread over an area of almost 10 Kanals and is one of SVMM's many service projects wherein free external health and medical services are provided to the needy. The Hospital is doing a commendable job in so far as catering to the healthcare needs of the local population is concerned. The organization is making continued efforts to augment its existing infra & services and provide the best healthcare services to the patients. The Hospital has established its credibility by serving the people through their specialized medical facilities and providing free healthcare services to thousands of needy patients every year.

Augmentation of healthcare facilities and targeted CSR interventions in important areas can have a profound impact on improving healthcare accessibility, quality, and outcomes in the region which will ultimately contribute to the betterment of the lives of the people. In this regard, acknowledging the hard-work of the SVMM Hospital, Bank in the FY2023-24 provided medical equipment to the surgical unit of the Hospital under CSR.

11. **Construction of Ladies Washroom at District Court Complex Jammu**

Bank provided support for construction of a ladies' washroom at District Court Complex Jammu, to provide a clean and hygienic toilet facility to the ladies visiting the Court for various purposes. The space will also serve as a safe toilet space for women in a busy public place like Court Complex. The project is also in line with objectives of Swachh Bharat Abhiyaan and fulfils Sustainable Development Goal pertaining to "ensuring access to sanitation for all".

12. **Construction of pre-fab patient/attendant sheds at District Hospital Kargil**

One of the key components of an efficient healthcare system is the availability & provision of attendant residential sheds in hospitals which serves as a critical and compassionate necessity in the healthcare infrastructure. These facilities serve as a supportive haven for family members and caregivers who are accompanying patients during their hospitalization. The emotional and psychological well-being of patients is significantly influenced by the presence of loved ones, offering comfort, reassurance, and a sense of security. Attendant residential sheds play a pivotal role in fostering a healing environment by ensuring that family members can stay close to their ailing relatives, especially during extended treatment periods or critical phases of illness. Moreover,

these facilities alleviate the financial burden on families who might otherwise incur additional costs for temporary accommodation. In essence, the incorporation of attendant residential sheds in hospitals is an essential step towards creating a holistic and patient-centred healthcare system that recognizes the significance of familial support in the healing process.

Contributing towards this important aspect of Healthcare, Bank supported construction of pre-fab structures (eight units) at District Hospital Kargil for the overnight stay and convenience of patients and their attendants visiting the hospital from far-off places. The structure will facilitate accommodation of 32 people with each of the eight units having a capacity of accommodating 04 people. The individual units come with basic facilities like kitchen, bathroom and sitting/sleeping area to provide a decent, secure, comfortable and convenient stay along with ensuring privacy.

Along with enhancing the level of accessibility of Govt. Health Services to all, especially those coming from economically poor background and residents of remote border areas of Kargil district of Ladakh UT, the pre-fab structures in a location like Kargil becomes even more pronounced given the geographical remoteness and extreme climatic conditions of the region. Bank's support in providing residential accommodations for attendants/patients visiting District Hospital Kargil is one more socially relevant project undertaken in the Healthcare sector.

B. **Education**

SDG 4 - "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

**1. Financial Literacy/Awareness Campaign**

Financial Literacy is combination of financial awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being and develop a sustainable financial system. Being financially aware helps people improve their understanding of financial products, concepts and risks and through information, instruction and objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help and to take other effective actions to improve their financial well-being.

Bank in the FY2023-24 utilized the modern means of communication in disseminating important financial information which not only ensured the widest possible reach (over 5 million in aggregate), but also reiterated Bank's resolve in being a responsible corporate citizen. Bank conducted the campaign for basic banking services, social security services, cyber security, safe digital banking etc. through:





- 2D informative videos which were shared on Bank’s social media platforms like Facebook, Instagram and YouTube.
- Running audio capsules on All India Radio and the FM Stations operating in J&K and Ladakh.
- Awareness through TV programmes on Doordarshan.

**2. Establishment of Library at Zanskar, Ladakh**

J&K Bank collaborated with Tehsil Legal Services Committee / Munsiff Judicial Magistrate 1st Class Zanskar to establish a public library at Zanskar, a remote sub-division of district Kargil in the Union Territory of Ladakh.

Functioning 24x7 and accessible against a nominal registration charge for the students, the library has already started playing an important role in educational development of local communities by providing access to information and resources, supporting literacy and education, promoting lifelong learning and serving as a community gathering space. Around 10000 people from a total population of around 20000 souls of the three blocks of the Zanskar Tehsil are expected to benefit from the initiative.

**3. Establishing Smart Classrooms in the University of Kashmir**

To ensure that quality education is provided even in the remote and far-flung areas, J&K Bank collaborated with the University of Kashmir, the premier Educational Institution of Kashmir, to extend the assistance of its experienced faculty to all its affiliated colleges and satellite campuses in remote and far flung areas through advanced technological tools by which tens of thousands of students studying in satellite campuses and affiliated educational institutions will be benefitted. Under this initiative, smart-classrooms with remote connectivity were established in seven Departments of Kashmir University, which will enable these departments to extend teaching assistance to remotely located institutions where such subjects are offered and will solve their problem of inadequate faculty to a reasonable extent.

The project aimed towards “promoting education” by utilizing advanced means of technology and shall prove beneficial in addressing the disparity in quality of education in cities & villages.

**4. Establishing Libraries at 10 locations in Kashmir**

Libraries play a pivotal role in society by serving as repositories of knowledge, culture, and history. They provide equitable access to information and resources for people of all backgrounds thereby fostering literacy, education, and intellectual growth. Libraries promote lifelong learning, critical thinking, and research skills, serving as hubs for community engagement and cultural enrichment. Additionally, they play a crucial role in preserving and archiving valuable literature and documents, ensuring that future generations have access to the collective wisdom of humanity.

Bank, in the FY2023-24, collaborated with ‘Sanjeevani Sharda Kendra Trust’, an NGO working towards safeguarding the socio-cultural and educational heritage with a special focus on educational empowerment of children and youth, to setup library-cum-reading rooms in Kashmir Valley with identified locations being Ranipora (Anantnag), Vassu (Kulgam), Kakaran (Kulgam), Sheikh Pora (Budgam), Veervan (Baramulla), Durga Mandir (Uri), Pando Mandir (Lagama-Uri) and three in Srinagar (Badami Bagh, Maharaj Gunj & Indira Nagar).

**5. Establishing Smart classrooms and computer lab at SMVD Gurukul and SMVD College of Nursing**

Corporate Social Responsibility (CSR) initiatives aimed at promoting education across different geographies serve as a transformative force, fostering sustainable development and societal well-being. Ensuring the provision of quality education in remote areas is imperative for fostering inclusive development and bridging societal disparities. By extending educational opportunities to under-served regions, we not only empower marginalized communities but also bridge educational disparities and unlock the potential of underprivileged youth to contribute to the broader socio-economic fabric. Quality education in remote areas also breaks the cycle of poverty, enhances social mobility, and cultivates local talent, ultimately nurturing a skilled workforce that can address regional challenges and drive sustainable growth. It is a crucial step toward building resilient communities and fostering a more equitable and interconnected world

Continuing its support in the field of promoting education, Bank collaborated with Shri Mata Vaishno Devi Charitable Society (SMVDCS) to establish;

- Ten Smart Class Rooms (08 in SMVD Gurukul and 02 in SMVD College of Nursing)
- One Computer Lab at SMVD Gurukul

**6. Contribution towards construction of Girls Hostel by Sewa Bharati at Gandoh Bhalessa, Doda**

In the remote and hilly region of Gandoh Bhalessa, Doda, located approximately 220 kms from Jammu, local families faced formidable barriers in ensuring higher education for their children. Further, the region’s geographical isolation and economic challenges forced students from far-flung areas to endure daily commute of three to four hours to reach colleges thereby placing a significant financial burden on impoverished families and more often than not, owing to unaffordability, students dropped out of their studies which exacerbated illiteracy and poverty within the area. This created a vicious cycle of limited opportunities and limited growth.

To address this issue, ‘Sewa Bharati Jammu’, in line with their parent organization’s objectives, constructed a single story girls’ hostel (with a carpet area of 5643 ft<sup>2</sup>) in this challenging terrain of Gandoh Bhalessa, which, with its current capacity of 30 students, provides food, clothing, and boarding &

lodging facility to the needy girls of far-flung areas thereby facilitating education and empowering girls of the region. In order to cater to the huge inflow of requests from students for accommodation, the organization expanded the capacity from 30 to 60 with the support of J&K Bank.

The hostel enables the girls of far-flung region to have equal opportunities in education. The hostel is serving as a lifeline for economically disadvantaged girl students by eliminating the obstacles that hinder their access to education thereby enabling them to aspire for a brighter future free of poverty and illiteracy. This not only helps promotion of education but empowers the community in general and women in particular. Expanding the capacity of the hostel helped extend the opportunity and facility to more such deserving girls from under-privileged regions and sections.

**7. School-bus to Humanity Welfare Organization helpline's Zaiba Aapa School for specially-abled students**

'Humanity Welfare Organization Helpline' is a not-for-profit organization established in the year 2003 with the objective of working towards the welfare of persons with disabilities with a focus on specially-abled children. The NGO, apart from running various skill development and employment generation programmes for specially-abled youth also deals with in-house education and rehabilitation of around 130 children with multiple disabilities like hearing, speech & visual impairment, cerebral palsy, autism, down's syndrome etc. through its school namely "Zaiba Aapa Institute of inclusive education". The school imparts free formal education and other varied specialized training programs like Braille for Children with Blindness, sign language courses for the hearing & speech impaired and activities of daily living trainings for the children with mental disabilities. In addition, physiotherapy and extra-curricular activities like sports, music, craft and mobility trainings are also provided to the children. Acknowledging the effort and hard-work of the organization, Bank provided one 30-seater school bus to the school for safe and secure to-and-fro transportation services of the specially-abled children. The project is Bank's humble contribution towards ensuring care of such disadvantaged sections of the society.

**8. School Bus to Army Goodwill School Harka Bahadur Kargil**

In Ladakh, where the geographical remoteness and harsh climatic conditions pose significant challenges, Army Goodwill Schools serve as vital educational institutions, bridging the gap in access to education. These schools have achieved remarkable success in providing education and fostering development in challenging environments and have significantly increased literacy rates and educational access thereby contributing to the empowerment of local communities.

Army Goodwill School, Harka Bahadur (named after Subedar Harka Bahadur, MVC of 1/5 Gorkha Regiment) is one of the many Goodwill schools operating under the auspices of Indian Army in the harsh and difficult geographical area of Kargil and is serving the educational needs of under-privileged students of border villages. Established in 1995, the school is located six kilometres from Kargil and has classes up to 10th standard with 541 under-privileged students currently enrolled. Lack of transport facility hindered enrolling more students as the daily commute in the harsh terrain often was acting as a deterrent.

Realizing the need, Bank provided a School Bus to the school for the welfare of the children. A dedicated school bus will ensure safe and reliable transportation, overcoming geographical barriers and enabling a higher attendance rate thereby promoting inclusivity by making education accessible to all. It also enhances the overall safety of students, especially during adverse weather conditions, contributing to a more conducive learning environment. This initiative not only facilitates academic progress but also emphasizes the importance of education by eliminating transportation hurdles, making it clear that every child's educational journey is valued. Moreover, the school bus serves as a symbol of commitment to the community, reinforcing the idea that education is a cornerstone for individual growth, community development, and overall societal progress in the unique context of Ladakh.

**9. Smart classes in Sainik School Nagrota**

In the contemporary world, the integration of modern tools and technology has revolutionized the educational landscape. These tools, ranging from interactive software to online platforms, enhance the learning experience by providing dynamic and engaging ways to acquire information. They promote collaboration, creativity, and adaptability, preparing students for the challenges of a rapidly evolving globalized society. The use of modern tools in education not only facilitates access to a vast pool of information but also cultivates a tech-savvy and innovative mind-set. As we navigate the complexities of the 21<sup>st</sup> century, the symbiotic relationship between education and modern tools becomes increasingly crucial, laying the foundation for a knowledgeable, skilled, and adaptable citizenry. Further, as per the guidelines of the New Education Policy (NEP) 2020, much importance has been given to the integration of technology and use of smart classrooms and smart boards in the teaching process.

In this context, Bank supported establishment of eight smart classrooms in Sainik School Nagrota for providing education to the students by utilizing the modern means of teaching. Established in 1970, Sainik School Nagrota is located at the serene location on the banks of river Tawi. The school is affiliated with CBSE with 500 cadets currently



enrolled and is the northern most & only such boarding school in the UTs of J&K and Ladakh. For the last more than five decades, the school has been doing a yeoman's service by preparing students academically, physically and mentally for entry into the National Defence Academy (NDA) and to join the Indian Armed forces as Officers. The school has consistently contributed towards its primary role as a feeder institution to the Armed Forces and contributing in Nation Building by producing well-disciplined citizens.

Bank's initiative is aimed at promoting education as such initiatives serve as a transformative force in fostering sustainable development and societal well-being.

**10. School bus and smart classes to Chinar Kashmir's hostel for orphan and destitute children**

Education plays a pivotal role in shaping individuals and societies, serving as a powerful catalyst for personal and collective growth. By fostering critical thinking, knowledge acquisition, and skill development, it empowers individuals to navigate complexities, make informed decisions, and contribute meaningfully to their communities. Moreover, education fuels economic progress by nurturing a skilled workforce, promoting innovation, and fostering an environment conducive to societal advancement. It forms the cornerstone of progress, equity, and sustainable development, serving as a beacon of hope for a brighter and more inclusive future. However, ensuring equal access to education for all still remains a challenge in our society and various Non-government organizations are working hard to bridge this gap and 'Child Nurture and Relief Kashmir (CHINAR Kashmir)' is one such organization. The organization was established in 2004 with a mission to support orphans, destitute children, women, and youth in Jammu & Kashmir. CHINAR Kashmir operates several innovative programs aimed at the social and economic upliftment of women and youth, ensuring familial care and education for destitute children, and offering material support to families in need. In addition to their core programs, they have been deeply involved in disaster relief and rehabilitation efforts in Kashmir since 2004.

CHINAR Home Programme is a facility run by the organization since 2004 for orphaned and destitute children in their hostel in Khanpora Budgam to provide care and support to children who have lost their parent(s). These destitute and orphan children mostly belong to the rural areas of Kupwara, Bandipora, Budgam, Kishtawar & Kulgam and are taken care of in a familial environment by CHINAR. The children are provided quality education in good private schools besides in-house tuition and all their expenses are borne by CHINAR including the transportation of children to and from the schools. J&K Bank provided support to CHINAR Kashmir for one school bus and four smart classes to be established at the hostel. The project is also in line

with the Sustainable Development Goal 4 which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. This goal supports the reduction of disparities and inequities in education, both in terms of access and quality.

**C. Skill Development & Livelihood Generation**

SDG 1 - "End poverty in all its forms everywhere"  
SDG 8 - "Decent work and economic growth"

**1. Upgrading Infrastructure of Rural Self-Employment Training Institutes (RSETIs)**

JKBRSETI Society is running 12 RSETIs in 12 Districts of the UT of J&K, providing the necessary skill and re-skill development programmes/trainings to unemployed youth especially in rural areas. Every year, over 4000 unemployed youth get training from these 12 RSETIs in varied fields. RSETIs provide a suitable training environment and a well-equipped training facility which is of great importance to meet the desired goals.

In order to construct the new RSETI buildings, improve the existing facilities and widen the scope of the trainings, CSR support to JKBRSETI Society was provided for:

- Construction of RSETI building at Poonch and Shopian
- Water purifiers, printers and salon chairs to all the 12 RSETIs

**2. Homestay Entrepreneurship Training Programme in collaboration with SIDBI (Small Industries Development Bank of India)**

The scope for tourism in Kashmir is immense and with increasing interest in exploring off-beat destinations, Homestay Tourism is emerging as a solution for having basic accommodation services at cheaper rates throughout the geography. Keeping that in view, J&K Bank, in collaboration with SIDBI and their technical partner KPMG & implementing agency 'JKDAG', undertook a project for developing six off-beat tourist destinations by training 150 locals for establishing Homestays thereby serving the dual purpose of livelihood generation and tourism promotion.

The project was conceived with a vision to create a larger socio-economic impact as the initiative not only helped in up-skilling the stakeholders but also generate livelihood opportunities in J&K. The project highlights include:

- A 21-day classroom training and 7-day practical training to 150 aspiring/interested trainees with a focus on operating and managing the homestay business, developing the entrepreneurial skills, digital/financial literacy, customer handling, soft skills and modules like housekeeping, food and beverage service, food and beverage production, front office management, digital marketing, fiscal management, opportunities of and approach to credit linkage, etc.
- Assessment and Certification of trainees by Tourism and Hospitality Sector Council (THSC), a regulatory



body for providing training and assessment for the tourism and hospitality sector.

- Registration with Department of Tourism, E-profiling, and Creation of a Digital catalogue for successful trainees.

**3. Entrepreneurship-cum-Skill Development Programme in collaboration with the (NIESBUD) Ministry of Skill Development and Entrepreneurship, Govt. of India**

In yet another endeavour to address shortage of skilled manpower with a larger objective of meeting the mounting needs and demands of the economy, J&K Bank collaborated with NIESBUD (National Institute for Entrepreneurship & Small Business Development), Ministry of Skill Development and Entrepreneurship, Govt. of India for a joint intervention on an Entrepreneurship cum Skill Development Programme (ESDP) in Jammu and Kashmir. The project saw 300 youth in both Jammu and Kashmir regions being trained for undertaking entrepreneurial journey.

The project highlights include;

- Capacity Building of 300 participants on Entrepreneurship Development
- Linking up 100 participants with suitable wage employment
- Mentoring and Handholding Beneficiaries resulting into establishment of 10 Nano and Micro Enterprises
- Extended Mentoring and Handholding Support to established enterprises for 2 years through post mentoring support to Provide Escort Services for the beneficiaries to guide them periodically to ensure successful establishment of their Business Ventures and scaling up businesses.
- Scaling up of 05 existing Enterprises

**4. Entrepreneurship-cum-Skill Development Programme in collaboration with the NIESBUD, Ministry of Skill Development and Entrepreneurship, Govt. of India (in Ladakh)**

Bank undertook a project in collaboration with NIESBUD (National Institute for Entrepreneurship & Small Business Development), Ministry of Skill Development, Government of India launched a separate Entrepreneurship cum Skill Development Programme (ESDP) in Ladakh to strengthen the skill development ecosystem in Union Territory. The collaboration saw 100 youth from the region (50 each in twin districts of Leh and Kargil) being trained/ skilled/ up-skilled. The programme highlights include:

- Capacity Building of 100 participants on Entrepreneurship Development
- Linking up 50 participants with suitable wage employment
- Mentoring and Handholding to Beneficiaries resulting into establishment of 5 Nano and Micro Enterprises
- Extended Mentoring and Handholding Support to established enterprises for 2 years through post mentoring support to Provide Escort Services

for the beneficiaries to guide them periodically to ensure successful establishment of their Business Ventures and scaling up businesses.

- Scaling up of 03 existing Enterprises.

**5. Livelihood generation project through walnut plantation in Kishtawar**

Corporate Social Responsibility (CSR) interventions in the field of 'livelihood generation' have had a transformative impact on communities by contributing towards their social and economic development. The initiatives extend beyond philanthropy, as they address the root causes of poverty by fostering self-sustenance. The instant project aimed to uplift the economic status of 100 socially / economically backward families in Kishtwar District by assisting them to establish mini-orchards of walnut on their lands. Implemented by 'Sewa Bharti Jammu', the plantation helped create local livelihood opportunity for the families and break the vicious cycle of poverty in the region and improve their economic status by helping them establish a sustainable source of income.

Such initiatives empower local communities to cultivate orchards, creating a renewable source of income and improving overall livelihoods. Beyond economic benefits, these projects contribute to environmental sustainability as trees enhance biodiversity and promote ecological balance. CSR initiatives centered on fruit tree provision exemplify a commitment to social and environmental responsibility, demonstrating how businesses can play a crucial role in fostering long-term, positive impacts on livelihoods while simultaneously contributing to the well-being of the planet.

**D. Community Development/Welfare**

1. Support to Life Help Centre for Child Care - a school for specially-abled children  
'Life Help Centre for Child Care', a Srinagar based not-for-profit organization established in the year 2008 with the objective of working towards the welfare of special-children, was provided various items/equipment required for the care and therapy of the special-children. The Bank's support will benefit around 35 special children, enrolled in the facility, suffering from various mental and genetic disorders like hearing, speech & visual impairment, cerebral palsy, autism, Down's syndrome etc. The items provided include:
  - Occupational therapy equipment
  - Surveillance setup
  - Swings and games
  - Cerebral Palsy Chairs and machine
  - Music system
  - Inverter and battery
  - Exercise equipment
2. Upgrading the facilities of orphanages, institutes for specially-abled children and old-age homes run by Department of Social Welfare J&K  
Caring for orphans and specially-abled children is of paramount importance in society. These are among



the most vulnerable, often lacking the support and resources that others may take for granted. Providing them with proper care, attention, and opportunities is not just a moral obligation but also crucial for their well-being and development. Caring for them not only meets their basic needs but also nurtures their self-esteem and confidence, enabling them to lead more fulfilling lives.

Apart from being a moral imperative, setting up special facilities for these children is a key aspect of providing adequate care to this vulnerable section of the society. These facilities cater to the specific needs of the beneficiaries, whether it's accessible infrastructure, specialized education, or tailored healthcare services. Such facilities also create a safe and inclusive environment where these children can thrive, learn, and grow.

To contribute in this sector, Bank joined hands with Department of Social Welfare of Jammu and Kashmir to provide certain amenities and augment the existing infra-structure of their special-care institutions be it orphanages, special schools, juvenile rehab homes or senior citizen homes by providing funds for:

- Open gym/recreational items for facilities at Jammu and Srinagar orphanages/special schools
- Two computer labs, one each at Srinagar and Jammu orphanages
- Braille printer (with software) for special-children of residential school for blinds at Jammu
- Recreational items for day-care old-age homes at Srinagar & Jammu

### 3. **Dustbins to DC office Srinagar**

Corporate Social Responsibility (CSR) interventions play a pivotal role in promoting environmental sustainability and civic hygiene. By incorporating responsible waste management practices into the CSR initiatives, socially-responsible corporates contribute to the creation of cleaner and healthier communities. Proper waste disposal and segregation mitigates the adverse impact of indiscriminate littering on ecosystems and public health. Through such interventions, Bank has always demonstrated a commitment to social and environmental well-being and contributed towards broader societal goals. By actively engaging in the provision of dustbins, CSR initiatives become a tangible embodiment of corporate responsibility, fostering a positive and sustainable impact on local environments and communities.

Bank in the FY2023-24 provided dustbins to D.C Office Srinagar for the convenience of the public visiting the office every day. The activity, apart from promoting cleaner and hygienic environment also contributes towards community development.

### 4. **Construction of Fish Sale Outlet at Aspirational District Kupwara**

Kupwara is one of the 117 Districts chosen by NITI Aayog under the ambitious National Level Aspirational District Programme launched by the Prime Minister Narendra Modi in January 2018. The Aspirational District Programmes aims to quickly and effectively transform these most under-developed districts across the country. With States as the main drivers, this program focuses on the strength of each district, identifying low-hanging fruits for immediate improvement and measuring progress by ranking districts on a monthly basis. Kupwara being a remote, border district has traditionally seen slow pace of development and demands Bank's attention. Pertinently, the backwardness of the district is the very reason that Kupwara has been identified by NITI Aayog as one of the Aspirational District.

District Administration Kupwara, under the auspices of the Aspirational District Programme, had identified a wide range of projects/ initiatives that are of vital importance for overall development of the district, particularly in Health, Education and Agriculture and allied sectors with construction of a Fish Sale outlet as one of the projects. The Sale Outlet will give a needed push in harnessing potential of Fisheries to evolve as a sub-regional economy of the area, the benefits of which will percolate to the common public of the district at large.

J&K Bank collaborated with Aspirational District Administration for construction of the Fish Sale Outlet with an aim to localize Sustainable Development Goals leading to the progress of the District and the Nation.

### 5. **Community development program of ST Village at Ganderbal**

Supporting socially and economically under-privileged sections of the society crucial for fostering inclusive development and societal harmony, Kashmir, marked by its diverse demographics, faces challenges related to economic disparities and social inequalities. By extending support to backward categories, which may include marginalized communities and individuals facing economic hardships, there is an opportunity to bridge the gap and ensure that development initiatives reach all sections of the population. Initiatives aimed at empowering such communities not only enhances their socio-economic status but also contributes to the overall progress of the region by promoting a sense of inclusivity and social justice along with strengthening the foundations of a more equitable society.

Bank, in the FY2023-24, extended support to over 1000 households belonging either to ST Community/ Priority Households by providing them sustainable lighting solutions. Each of the over 1000 households were provided with a solar-lantern thereby catering to multiple aspects of the community which

includes promotion of sustainable energy solutions and helping the community to avoid unhealthy & pollution causing means of lighting. The project was implemented by 'Mool Sustainability and Research Centre'.

#### 6. Seating Benches to various institutions

Utility of seating benches in public spaces like court complexes & district administrative offices especially in the waiting spaces is of great value in terms of providing comfortable seating facilities to public/ litigants visiting these offices. The benches while being available to all prove of immense benefit to the women and specially-abled persons, especially in light of the fact that litigations and court cases are hectic and time consuming, and availability of comfortable seating arrangement can act as a great relief.

Similarly, the facility is of great importance in educational institutions for the convenience of students. Proper outdoor seating places help students to improve social interaction & networking and provide informal learning spaces along with enhancing campus aesthetics.

It is with this understanding that Bank, in the FY2023-24, provided seating benches to various institutions which include:

- District Court Samba
- Jammu University's Kathua Campus
- University of Jammu Main Campus
- District Court Srinagar
- D.C Office Doda

The sheer number of prospective beneficiaries of the initiative will be in thousands annually and the initiative reiterates Bank's resolve of being a socially responsible corporate.

#### E. Ecology & Environment

SDG 11 - "Make cities and human settlements inclusive, safe, resilient, and sustainable"

SDG 13 - "Take urgent action to combat climate change and its impacts"

SDG 17 - "Strengthen the means of implementation and revitalize the global partnership for sustainable development"

#### 1. E-Vehicles to key educational institutions under Bank's Green Campus initiative

Conscious of the importance that green and clean ecosystem has on the overall sustainability of life, Bank has been encouraging green sources of energy both in its operations and through innovatively conceived projects under Corporate Social Responsibility. With this understanding and context, Bank under its ambitious Green Campus initiative provided e-vehicles to:

- Central University of Jammu
- Baba Ghulam Shah Badshah University Rajouri
- University of Jammu, and
- National Institute of Technology, Srinagar

The initiative will benefit more than 15000

students and staff members of these prestigious educational institutes while contributing towards reducing carbon emissions in the campuses of these institutions.

#### 2. Development of Modern Bus Stops/ Passenger Sheds for Srinagar & Jammu Smart City Electric Bus Projects

Srinagar and Jammu are being developed as the two Smart Cities in the UT of J&K and both the cities have been actively working on their Smart City projects to enhance urban infrastructure and services. The Smart City proposals include initiatives to improve transportation, solid waste management, water supply, and e-governance, among other aspects. The projects aim to leverage technology to enhance the overall quality of life for its residents, promote sustainable development, and create a more efficient and responsive urban environment. Implementation of smart solutions, such as intelligent traffic management systems, integrated surveillance, and the use of information technology for citizen services, is expected to contribute to the cities' development as smart and resilient urban centres.

With multiple projects in pipeline, the two Cities are currently, among other projects, implementing the Electric Bus Project. The e-buses, apart from being an eco-friendly alternative for commute, are equipped with state-of-the-art facilities for passengers which include heating and cooling system for the weather needs of the city (being introduced for the first time in India), wheelchair accessibility for disabled by way of foldable-mechanical ramps, digital payment option for ride booking and real-time bus tracking through mobile application which also shows the bus routes.

Embracing e-buses aligns with the global trend towards sustainable and environmental friendly practices. Cities promoting electric public transportation projects demonstrate a commitment to sustainability, which positively impacts the public image and attractiveness. It also correlates with the preferences of environmentally conscious citizens and contributes to the global ESG goals. J&K Bank collaborated with the twin Smart Cities for development of Bus stops/Passenger Sheds for the E-Bus project in Jammu & Srinagar.

#### F. Rural Development

SDG 2 - "End hunger, achieve food security and improved nutrition and promote sustainable agriculture".

#### 1. Supporting Agriculture Production Department's (APD's) "Kisan Sathi Chatbot" (an AI enabled virtual assistant for farmers)

To tackle various challenges faced by our farming community, the Government has devised a comprehensive strategy comprising 29 projects under the "Holistic Agriculture Development Programme (HADP)". These initiatives center on the principles of economy, equity, and ecology, aiming to double gross output, enhance exports, and establish



sustainable and commercially viable enterprises. This aspirational program spread across agriculture & allied sectors aims to increase the CAGR of J&K to 11% in five years by transforming the agri-economy. Agriculture Production Department have developed a 'virtual assistant' for farmers with an aim to empower them with a wide array of available information regarding farming methods, schemes & subsidies, cropping systems, tools & technologies, innovations, pricing, marketing, post-harvest management etc. The Artificial Intelligence-based WhatsApp Chatbot called the "Kisan Sathi Chatbot" aims to address the information gap between information and the end-user by directly providing chat support to farmers on their mobile phones and answer the questions related to all the aforesaid aspects of farmers & farming.

J&K Bank collaborated with APD to fund the Chatbot to not only promote improved & sustainable farming practices but also to help in the training and skill development of farmers, enable access to farming technology, promote livelihood diversification, help farmers in credit & market linkage and overall value addition of their crops which aligns with the broader goal of contributing to sustainable development and addressing social and environmental challenges.

**G. Promotion of Sports**

SDG 3 - "Good health and well-being"

**1. J&K Bank Football academies**

J&K Bank, has, over the decades, taken varied and substantial initiatives to promote sports culture in J&K. Football being a popular game - played, watched and appreciated locally, nationally and internationally - has always assumed primary focus of the Bank. After having established its own football team, the Bank set up two football academies almost a decade ago, one each in Jammu and Srinagar with the purpose of promoting football culture in J&K by way of encouraging, nurturing and training budding talent. Around 20 players are selected every year in each of the two academies for professional training through qualified and professional coaches. J&K Bank Football Academy has so far produced scores of players including more than 44 professional players who are playing today for different departmental and professional clubs of the country with some even having played for international clubs.

Bank in the FY2023-24 provided support to the Football Academies under Corporate Social Responsibility.

**H. Promotion and Preservation of Art, Culture & Heritage**

**SDG 4 - "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"**

1. Establishment of Shina Cultural Centre at Dawar Gurez  
With its deep-rooted history connected to Dardistan, the unique Shina language, the rich treasure of

culture and tradition, Gurez holds an exceptional identity. However, like other cultures, the socio-economic advancements have led to the neglect of the Shina Language and Culture. Rising up to the occasion, Indian Army took a significant initiative to establish Shina Cultural Centre in Dawar Gurez with an aim to promote and safeguard the culture and language of the Dard tribe. Conscious of the need to preserve and propagate this great cultural legacy, Bank collaborated with Indian Army by way of extending financial assistance to the tune of Rs.10.00 Lac out of CSR Fund for establishment of the Shina Cultural Centre.

**I. Animal Welfare**

**1. Animal ambulance to Narsingh Gao Seva Samiti, Kathua**

Animal rights are of paramount importance in fostering a compassionate and ethical society. Recognizing and upholding the rights of animals acknowledges their intrinsic value and inherent worth, irrespective of their utility to humans. Ensuring the well-being of animals encompasses safeguarding them from cruelty, exploitation, and unnecessary suffering. Advocating for animal rights not only upholds principles of justice and empathy but also acknowledges the interconnectedness of all life on Earth. Moreover, promoting animal rights contributes to environmental conservation and sustainable practices, as the welfare of animals is closely linked to the health of ecosystems and fostering a harmonious relationship between humans and other species will pave the way for a more compassionate and sustainable world for present and future generations.

In this context, Bank provided one animal ambulance to 'Shri Narsingh Gao Seva Samiti', Kathua in FY2023-24.

SNGSS has been running and maintaining the Narsingh Gaushala for the past decade with the primary objective of providing medical care to the injured cows by bringing them to the Gaushala for medical care who otherwise suffer on the roads. The organization rescues the deserted cows from accident sites & other locations for proper treatment and care at their facility. The ambulance has enabled them to ensure proper, safe and swift transportation of these injured animals allowing them to do their work in an efficient and effective manner.

**J. Welfare of war veterans and their families**

**1. Welfare of war veterans and dependents of Army/ Navy/Air Force Martyrs**

Sainik Bhawans and Sainik Offices in Kashmir and Jammu working under the aegis of Sainik Welfare Department, J&K, are looking after the welfare of around 350000 Ex-Servicemen/Widows/War Widows/War Maata/Pita and their families across J&K. J&K Bank, as a conscious corporate committed to the welfare of this important and proud segment of our society, took various steps to upgrade the

facilities available at these spaces. The facilities include:

- Increased security/surveillance at these Bhawans through installation of CCTV cameras
- Improving the basic residential facilities available to the families/ dependents of the Sainiks like beds, bed sheets, pillows, blankets, mattresses, curtains, dining table/ chairs, bulbs, garden benches, tea machine, water tanks, buckets/tumblers etc.).
- Wheelchairs for divyaang ex-servicemen or dependents of martyred soldiers/ ex-servicemen.
- Tabs, Laptops and Bio-metric devices for the Jeevan-Pramaan process/activity which aims at providing door-step life-certification of army/navy/air-force pensioners (8247 in Kashmir and 87000 in Jammu).
- Additionally, an Automatic Voltage Regulator was provided to the District Sainik Office Kupwara to help the office generator effectively respond to overloads.

#### **Awards & Certifications received by the Bank during FY23-24**

J&K Bank's illustrious history of more than eight decades is decorated with awards and accolades. Over the years, the bank has collected numerous honours in various categories. During the FY 2023-24, the bank outshone its competitors to grab the headlines in following categories.

- Honoured with Best MSME Bank Award along with Second Best Award for Promoting Government Schemes at MSME Banking Excellence Awards (2023).
- Awarded with Development Leadership Award 2023 at 14<sup>th</sup> Agriculture Leadership Conclave 2023.
- Prestigious 'Times Now India's Impactful CEO - 2023' Award bestowed upon MD & CEO Baldev Prakash.
- First Scheduled Commercial Bank (SCB) in the country to have been awarded Payment Card Industry Data Security Standard (PCIDSS) Version 4 Certification for both Issuance and Acquiring Business.
- Best Performance Award in CASA - India (1st Runner up in Small Bank Category) at ICC Emerging Asia Banking Conclave & Awards 2022
- Gold Award at Infosys Finacle Innovation Awards - 2023 under the category of Process innovation.

#### **HR initiatives for the Financial Year 2023-24**

In today's dynamic business environment, human assets differentiate an organization from its competitors. Understanding the vital role played by the motivated manpower in nurturing the organisation, it has remained our major priority to continuously improve employee efficiency, performance and strive to institutionalise globally competitive HR practices in the Bank.

As employees' are our first customers, we constantly strive to improve overall processes, systems and infrastructure. Ensuring the highest

degree of ease and transparency, the HR processes are mainly managed through the technology. To use HR data proactively and assure lucidity, HR system is managed through a robust HRMS viz., Peoples' system, a centrally occupied tool for managing internal HR functions. Another HRMS tool SOLUS is in place to manage Centralized Attendance system.

The Bank has rolled out a KPI Based Performance Management System (PMS) across the Organization as one of the HR Transformation Initiatives launched in Financial Year 2022-23, which has been further streamlined in the year 2023-24. The new KPI based appraisal System is envisaged to quantify and measure the organizational goals and establish the bar in terms of the specific deliverables employees will produce and provide a means to measure the effectiveness and outcomes of their efforts. The HRMS solution of the Bank has also been upgraded, which has resulted in end to end automation of major HR Processes. The Bank has also implemented a cloud based 'Learning Management System' which has substantially strengthened the 'e-learning' infrastructure of the Bank.

Under the Bank's Compassionate appointment policy, 2 Banking Attendants and 3 Assistant Banking Associates were appointed in the services of the Bank during FY 2023-24.

In the FY 2023-23, revised 'Compensation Policy', 'Mandatory Leave Policy', 'Policy on funding of defined benefits superannuation schemes' and 'Succession Policy' have been approved by the Board.

During the period, the Bank has conducted training modules through online/offline training classes/sessions/workshops etc. Around 6222 officials have been imparted training in different banking related fields.

Under RBI's Capacity Building Programme, several courses have been enlisted in order to develop a resource pool in critical areas viz. Risk, Forex, Treasury etc. A good number of officials of the Bank have been enrolling for these courses and subsequent to completion of any of these courses, actual fee is reimbursed in favour of successful officials, besides travelling allowance and classroom/training fee is also borne by the Bank wherever applicable.

During the year 2023-24, the Bank introduced various new initiatives to further improve the efficiency of the trainings imparted by the bank. Some of these are enumerated as under:

- Specialist Guest faculties from various reputed Institutions were requisitioned for conducting specialized training programmes at Bank's own Staff Training Colleges/Zonal Offices. Few such programmes conducted are as under:
  - Five programmes on Marketing Strategies (two each at STC Jammu & Srinagar) was conducted in collaboration with NIBSCOM in the month of Aug and Sep.
  - Two Days Workshop on Investigation were conducted at STC Srinagar, on Aug 24 & 25, faculty for which was invited from IIBF.



- Five Days programme on “Foreign Exchange Business” was conducted in Collaboration with FEDAI from Sep 18 to 22, 2023, at Zonal Office Delhi
- Seven Days Treasury Orientation Programme was conducted in Collaboration with SIFL from July 27 to Aug 04, 2023 at Zonal Office Mumbai.

Advanced programme on Strategic Leadership for Top Management was conducted jointly by 'IIBF' & 'Jamnalal Bajaj Institute of Management Studies'. 25 top level executives including 12 General Managers and 13 Deputy General Managers participated in the programme.

In an endeavour to bring in transformational change in the Attendance system, the Bank upgraded its Biometric Solution to the latest version with contactless, Facial Recognition System. The transition is aimed to enhance efficiency and accuracy in capturing the attendance of employees, besides facilitating seamless integration with other systems. The Bank is in the final phase of procuring a GPS enabled 'Geo fencing' based mobile attendance application/solution, which shall enable the roaming or field staff to mark their attendance at one or more approved locations.

#### **Risk Management**

Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent risk management function ensures that risk is managed through a risk management architecture as well as through policies and processes approved by Board of Directors. The key risks that the Bank is exposed to are Credit Risk, Market Risk, Liquidity Risk and Operational Risk. These risks not only have a bearing on the Bank's financial strength and operations but also on its reputation. Bank has in place Board approved Risk Strategy / Policies whose implementation is overseen by Board of Directors of the Bank. The Board of Directors has oversight on all the risks assumed by the Bank and approves the risk policies and strategies to establish an integrated risk management framework and control system in the Bank. The Integrated Risk Management Committee (IRMC), a board level committee entrusted with the overall responsibility of ensuring that the adequate structures, policies and procedures are in place for risk management in the bank. The day-to-day assessment, measurement and monitoring of various risks is managed by the Risk Management Vertical, which is headed by the Chief Risk Officer (CRO). The CRO reports to the IRMC of the Board. The CRO is responsible for ensuring an effective implementation of an enterprise-wide risk management framework through various risk policies, processes and limits. The risk management function in the Bank strives to proactively anticipate vulnerabilities in the business operations through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on improving its risk measurement systems including automation of the processes wherever feasible to ensure compliance of regulatory requirements as well as bringing efficiency in the risk management framework. The risk management policies and procedures established are updated on continuous basis and benchmarked to best practices. The Bank has successfully implemented Basel norms since its introduction. Under this, it has adopted the 'Standardized Approach'

for measurement of Credit Risk capital, 'Basic Indicator Approach' for Operational Risk capital and 'The Standardized Duration Approach' for Market Risk capital. The Bank has a robust risk management framework, which is geared to support the strategic objectives and business plans of the Bank.

The Integrated Risk Management Committee (IRMC) of the Board reviews risk management policies of the Bank pertaining to credit, market, liquidity, operational & Pillar II risks that includes strategic risk and reputational risk, and stress testing. The IRMC of Board is assisted by the Executive Committees (CRMC, ORMC, MRMC & ALCO) by review of policies for different risk categories that have a material bearing on the bank. These committees anticipate vulnerabilities in business & embedded risks for management, monitoring & control of these risks.

#### **Credit Risk Management:**

Credit Risk "defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties, losses that stem from outright default or reduction in portfolio value" is comprehensively managed by the Bank with distinct credit risk architecture, policies, procedures and systems in place.

The credit risk management policy of the Bank provides framework for credit risk management and embodies in itself the areas of risk identification, risk measurement, risk grading techniques adopted by the Bank, documentation practice and the system adopted for management of problem loans. The credit risk policy deals with short term implementation as well as long term approach to credit risk management to achieve desired business goals. The credit policy provides clear and well defined delegation of loan sanctioning which links risk and exposure amount to level of approval. Segment-wise and borrower category-wise exposure limits are fixed and monitored by the bank to address the risk of concentration. The Bank's credit risk management structure with Integrated Risk Management Committee (IRMC) of Board at the apex level and Credit Risk Management Committee (CRMC) at the executive level is responsible for overall credit risk management in the Bank. The committees periodically review the credit risk profile, evaluate the overall risk faced by the Bank and develop policies and strategies for identifying and managing credit risk at individual exposure level as well as portfolio level in sync with the bank's credit risk policy designed in accordance with regulatory guidelines.

The appraisal process encompasses a detailed risk assessment and rating of obligors, using the Bank's rating models to measure credit risk that forms core of the credit risk management process. Comprehensive credit approval processes by committees followed by post-sanction monitoring processes and remedial measures are steps followed to minimize delinquencies. For managing legal risks Bank has standard documents for various types of credit products for ensuring legal compliance of applicable laws and ensuring that the documentation entered into by the Bank is legally valid and enforceable.

Credit audit system and loan review mechanism function independently of the credit processing and credit approval system and ensure effective loan monitoring and management

of credit risk and operational risk in the loan portfolio.

Capital requirements for Credit risk are derived using Standardized Approach as per Basel-III guidelines.

#### **Operational Risk Management:**

The Operational Risk Management process of Bank is driven by a strong organizational culture and sound operating procedures that involves corporate values, competencies, comprehensive system of internal controls and contingency planning. The Bank has implemented a robust and comprehensive Operational Risk Management Framework in sync with Board-approved Operational Risk Management Policy to identify, assess and monitor risks, strengthen controls and minimize Operational Risk losses.

Integrated Risk Management Committee (IRMC) of Board at the apex level and Operational Risk Management Committee (ORMC) at executive level are responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank. Policies have been put in place for effective management of Operational Risk in the Bank, which aim to ensure clear accountability, responsibility and mitigation of operational risks. The Bank follows self-assessment programs for risk analysis and risk reducing measures. The Integrated Risk Management Committee (IRMC) approves the major aspects of the Bank's Operational Risks while the Operational Risk Management Committee (ORMC) periodically reviews the Operational Risk Management (ORM) Policy and associated frameworks that include Loss data management, Key Risk Indicators and Risk Control & Self-Assessment.

The Bank has a robust Business Continuity plan that ensures uninterrupted operations in case of disruption and is periodically tested to ensure that it can meet any operational contingencies. Bank's Board has the ultimate responsibility and oversight over BCP activity. The Board approves the Business Continuity Policy of bank. Senior Management is responsible for overseeing the BCP process. Bank's Board and Senior Management ensures BCP is independently reviewed and approved at least annually.

There is an independent Information Security department headed by Chief Information Security officer (CISO) that addresses information security related risks and ensures employee sensitization exercises. CISO reports to the Chief Risk Officer (CRO) of the Bank.

The Bank has Whistle Blower mechanism in place which inter alia defines the governance, roles & responsibilities of various officials/ officers from branch to the Board level, besides putting in place various controls for preventing fraud incidents and detecting frauds in an effective way. The central vigilance team oversees implementation of fraud prevention measures. Frauds are investigated to identify the root cause and relevant corrective steps are taken to prevent recurrence. Fraud prevention committees at the senior management and Board level also deliberate on material fraud events and initiate preventive action. Periodic reports are submitted to the Board and senior management committees.

Capital requirements for Operational risk are derived using

Basic Indicator Approach.

#### **Liquidity Risk:**

Asset-Liability Management (ALM) is a comprehensive and dynamic framework for measuring, monitoring and managing the financial risks associated with changing interest rates, foreign exchange rates and other factors that can affect the organization's liquidity. Proper Asset Liability Management is necessary for a bank for managing balance sheet risk, especially liquidity risk and interest rate risk, so as to maximize its net interest earnings. Bank's framework for liquidity and interest rate risk management is spelt out in its Asset Liability Management Policy that is implemented, monitored and periodically reviewed by the Asset Liability Committee (ALCO). The Asset-Liability Management Committee (ALCO) is a decision making unit consisting of the bank's top management, responsible for ensuring adherence to the risk tolerance / limits set by the Board as well as implementing the liquidity risk management strategy of the bank in line with bank's risk management objectives and risk tolerance. ALCO is headed by MD & CEO of the Bank.

As a part of ALM process, the Bank has established various Board approved limits to mitigate both liquidity and interest risks. While the maturity gap and stock ratio limits help manage liquidity risk, the net interest income and market value impacts help mitigate interest rate risk. This is reinforced by a comprehensive Board approved stress testing programme covering both liquidity and interest rate risk. Bank conducts various studies to assess the behavioral pattern of non-contractual assets and liabilities and embedded options available to customers, which are used while managing maturity gaps. Further, the Bank also has necessary framework in place to manage intraday liquidity risk.

The Liquidity Coverage Ratio (LCR), a global standard, is used to measure bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30day calendar liquidity stress scenario.

Net Stable Funding Ratio (NSFR) supplements the LCR and has a time horizon of one year. It has been developed to provide a sustainable maturity structure of assets and liabilities. NSFR would ensure that bank has a stable funding profile vis-a-vis its assets and off-balance sheet activities.

#### **Market Risk Management:**

The market risk management is governed by Market risk policy of the Bank. A well-defined Market risk management framework is in place to assess and minimize risks inherent in treasury operations through various risk management tools. In addition to various regulatory limits, Bank has defined various internal limits like Net Overnight Open Position, Modified Duration, Stop Loss, VaR Limits, PV01 Limit, and Concentration & Exposure Limits and ensures adherence thereof on continuous basis for managing market risk in trading book of the Bank. These limits are stipulated in Market Risk Policy, Investment & Trading Policy, Asset Liability Management Policy, etc. All these policies are reviewed and approved by the Bank's Board of Directors. For the Market Risk Management of the Bank, there is a functional separation



between the Treasury Front Office, Mid office and Treasury Back Office.

The Bank currently follows the standardised approach for computation of market risk capital on interest rate related instruments in the trading book, equities in the trading book and foreign exchange risk for its trading portfolio.

**Pillar II Risks:**

The Bank has a structured framework in the form of Internal Capital Adequacy Assessment Process (ICAAP) to assess capital position vis-a-vis identified risks and also the future capital requirement of the Bank. ICAAP is to identify, assess and manage all risks that may have a material impact on business / financial position / capital adequacy and ensure that a bank is aware of its risk profile and has systems in place to assess, quantify and monitor these risks. One of the objectives is to determine the economic capital required to cover all risks faced. While Regulatory Capital is the capital that the regulator requires a bank to maintain, Economic Capital is the capital that a bank needs to maintain and is, in general, estimated using internal assessment of all the risks including residual risks. Additionally, the Board approved Stress Testing Policy entails the use of regulatory specified & internal scenarios to assess potential vulnerability to extreme but plausible stressed business conditions. The ICAAP document addresses the following issues:

- a) Capital Planning and Management considering the material risks faced by the Bank and future capital requirement of the Bank basis growth strategies, macroeconomic environment and market share of the Bank.
- b) Changes in the Bank's risk levels based on on/ off balance sheet positions assessed under assumed scenarios using sensitivity factors that generally relate to their impact on profitability and capital adequacy.
- c) Identification and assessment of all types of material risks, capital requirement thereof and capital position under stress scenarios.

The Bank has a stress testing policy in place to measure impact of adverse stress scenarios on the adequacy of capital. Periodic stress testing is undertaken on portfolio to gauge the impact of stress scenarios on the health of portfolio, profitability and capital adequacy. The stress scenarios are idiosyncratic, market wide and a combination of both. Stress testing enables a Bank in forward looking assessment of risks, which overcome the limitations of statistical risk measures or models based mainly on historical data and assumptions. It also facilitates internal and external communication and helps senior management understand the condition of the Bank in the stressed time. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires banks to undertake rigorous, forward-looking stress testing that identifies severe events or changes in market conditions that could adversely impact the Bank.

**Ratings:**

Bank's rating for its fixed deposits and Tier II Bonds (Basel III Compliant) assigned by RBI accredited rating entities is as follows:

Instruments	Rating	Rating Agency	Comments
Certificate of Deposit Programme	CRISIL A1+	CRISIL	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Short Term Fixed Deposit Programme	CRISIL A1+	CRISIL	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Fixed Deposit Programme	AA-	CRISIL	This rating indicates that the degree of safety regarding timely payment of interest and principal is strong.
Tier II Bonds (under Basel III)	IND A+	India Ratings	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	BWR AA-	Brickwork	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	Care A+	Care Rating	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Additional Tier 1 Bonds (under Basel III)	BWR A	Brickwork	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instrument carry low credit risk.



### Marketing & Product Development:

The banking industry, being associated with financial services, operates in a dynamic environment that poses a variety of challenges, compelling it to remain proactive in redesigning and re-engineering itself to remain relevant and competitive. The mushroom growth of NBFCs and other organized private lenders have triggered a paradigm shift in lending processes, more so for personal loans. Thus the banks need to constantly update their existing offerings as well as come up with new products to suit the existing market segments as well as to penetrate new markets. In this backdrop, new product development and updation of existing products assumes utmost importance in the banking sector. Keeping abreast with the evolving trends in banking industry, Bank has put in place a Board approved Product Development and Approval Policy which delineates the framework for introduction of new products & review of existing ones in order to make them inclusive, responsive and market oriented.

The banking industry, like any other service industry has to focus more on service delivery, as it heavily contributes to service quality. Majority of the banks have shifted their service delivery from physical branches/ channels to virtual branches/ digital changes. On this account, vast branch network and deep geographical penetration which was earlier considered a huge competitive advantage is probably not relevant any more. Thus product development, in addition to routine product features, focuses on ease of processing of service requests, simplicity of processing, promptness of delivery, safety, security and likewise. Customer centric and customer friendly behavior of staff assumes paramount importance to customer satisfaction and customer delight, thus training and development of staff to improve their communication and presentation skills needs added emphasis.

J&K Bank has a vast bouquet of specially designed products under MSME, Trade, Personal Loan Segment, Industry, Handicrafts, Tourism, Agriculture, Micro Finance, Education and other Service Sectors with enhanced focus on UT's of J&K and Ladakh. These products are customized and tailor made to suit the specific requirements of target groups.

The personal consumption loan scheme is a flagship product of the bank having wide acceptance in UT's of J & K and Ladakh. The product features are designed in such a manner so that they suit the needs of almost all the sections of society thereby making this product more inclusive, and the Bank has so far been successful in covering a vast segment of customers under the product. Housing Loan, Car Loan, Solar roof top Finance, Loans for purchase of Consumer Durables, Loan against property and Festival Advance are other key products under personal segment. Majority of the vehicle loan schemes like Car Loan Scheme, Commercial Vehicle Finance Scheme, Two wheeler finance schemes have been reviewed to make them more competitive and marketable.

Under the Agriculture Sector, Bank has continued its endeavor to launch special campaigns for 100% coverage of PM-Kisan Beneficiaries' under Kisan Credit Card (KCC) and a vast section of population has benefitted from the scheme. Besides Bank launched a KCC saturation campaign titled "Ghar Ghar KCC" to extend this facility to left out

agriculture community. Bank is committed in supporting the creation of Agri-infrastructure such as CA Stores and other food processing units and establishment of sheep, dairy and poultry units. Bank is whole heartedly implementing various Government Sponsored Schemes like Integrated Diary Development Scheme (IDDS), Integrated Sheep Development Scheme (ISDS), Integrated Poultry Development Scheme (IPDS), PMFME, Agri-Infra Fund Scheme etc. Besides bank has launched Holistic Agriculture Development Fund scheme to finance various projects in agri sector.

Bank is playing vital role in ensuring credit flow to MSME Sector in the UTs of J&K and Ladakh; and special attention is being paid to handholding of the sector in line within the regulatory framework. The bank's schemes for business community are regularly updated to align them with the market demands. Besides, the Bank also implements various flagship schemes of Government like PMEGP, JKREGP, PM SVANidhi, Mission Youth Schemes.

In order to ensure that products and strategies of the bank are competitive and market oriented, the feedback and suggestions of various stake holders, as received during review meetings or through other channels are duly considered at the time of product revision or designing business strategies. Besides the prototype of revised or newly introduced products is shared with key stake holders for necessary validation/ value addition before routing them for formal approval.

As a part of marketing and in order to provide customers with special discounts on occasions of festivities, the Bank launched many Business Promotion campaigns/ Festive offers during the FY 2023-24. Various concessions/ relaxations under specified schemes featured in these campaigns which have been of considerable help in augmenting our retail credit portfolio.

Bank is imparting added focus on providing innovative digital financial services through interactive and secure Technology to its customers which shall enable virtual interaction with them without losing human touch. Besides, bank is now migrating loan appraisal, sanction and disbursement to digital platform as well, so as to reduce TaT, improve efficiency and ensure prompt and hassle free credit delivery. A good number of loan products have already been shifted to digital framework and bank is exploring all available options and putting in concerted efforts to widen the scope of technology utilization in credit appraisal and dispensation by transferring more customer segments and credit products to digital platform.

Bank has established in-house marketing teams for sourcing loan leads in Housing, Car and Education Loan segment. Besides, services of DSAs are also being utilized to source loan proposals. The scope of DSA policy is being expanded to sourcing of digital product leads as well. Services of apprentices are also being utilized for marketing and obtaining of market feedback.

Bank has entered into various MoUs with various manufacturers, particularly vehicle manufacturers so as to pool the resources to coordinate with each other for better



and effective marketing and sales completion.

Bank has initiated steps to augment fee based income by increasing non-fund business and raising awareness among the staff and Bank's Clientele to avail the benefits of non-fund business. Cross selling of 3<sup>rd</sup> party products is being emphasized to improve the non interest income of the bank. Besides the services charges schedule has also been revised to align it to prevailing industry practices.

#### IT Initiatives during FY 2023-24

- **Rollout of New Mobile Banking Application "JKB mPay Delight +":**

As a major step towards realizing its digital banking objectives, our bank launched a new state of art mobile banking application "mPay Delight +" to provide 'Bank-in-a-Pocket' experience to its customers. The new features rolled out in the new version include UPI-Scan to Pay option, ability to schedule transactions, Full statement delivery over email, Management of Credit & Debit Cards, opening/ closing of recurring & fixed deposits and much more. Our flagship product 'mPay Delight +' has been developed on a resilient architecture & framework which has the capacity to handle surges in transaction volumes observed on occasion of festivities and has in-fact already surpassed 1000crore daily transaction amount mark while delivering uninterrupted services to our valuable customers which has been recognized as a major achievement given the service disruptions observed in past on the legacy Mobile App.

- **Rollout of New UPI & IMPS Platform:**

The upgraded platform for UPI & IMPS on cloud hosted model has been rolled out for all customers of the bank. The platform was upgraded from existing on-premises to a cloud hosted platform and all the existing registered users were migrated to the new cloud platform from day one. The New UPI Platform is hosted on cloud and is able to scale up the infrastructure on demand. This auto scalability is very much required for UPI Setups where projecting and envisaging transaction load is not easy. The inherent convenience this UPI ecosystem offers coupled with the Fintech UPI Apps has resulted in an exponentially growing transaction volumes on J&K Bank's UPI System. The new UPI and IMPS platform has already been integrated into our Mobile Banking Application 'mPay Delight +' and our eBanking setups and our customers are able to avail all UPI & IMPS Services like UPI-Scan & PAY, Instant IMPS transfers, UPI-Virtual Private Address(VPA) based transfers and much more. Since its launch in December 2023, total UPI registrations have surpassed 35Lakhs and the number of transactions on monthly basis has touched 10crore mark.

- **Rollout of New Financial Inclusion Platform:**

In order to upgrade and scale-up our Technology Platform for Financial Inclusion, an All-In-One Cloud Hosted Solution for Financial Inclusion Products was rolled out. This hosted solution is capable of handling our projected transactional growth for next 5 years and the bank is able to offer beyond Financial Inclusion set of services spanning over business mobilization, asset quality management, customer relationship management through Business Correspondents using this application. Through this platform upgrade, the bank is envisioning that this channel shall not only serve the regulatory Financial Inclusion directions, but also propagate the banks business especially in improving the asset quality and recovery processes. The upgraded platform is also providing a dedicated mobile app to BC's to ensure last

mile delivery of bank products inching towards door step banking.

- **Launch of UPI-QR SoundBox:**

With an aim to enhance our scope in digital payments, QR-SoundBox was rolled out. This QR Sound Box is a portable speaker that is equipped with a dedicated 4G SIM slot compatible across networks, for data connectivity. The QR-SoundBox will notify the merchant through audio alerts every time a customer makes a payment, helping them to run their business smoothly without the hassle of reading SMS every time a transaction has been made.

- **Rollout of Online Account Opening Facility with VideoKYC:**

As part of Business Process Re-Engineering & Go-Digital initiative, our bank has successfully launched Online Account Opening Facility along with Video KYC which enables the prospective customers to open a Bank Account 24x7 at their convenience and comfort. In the first phase the facility has been initially enabled for General Saving Account and Student Saving Account schemes.

- **Pan Bank Rollout of eOffice with Mobile App:**

A revamped and modern eOffice Application suite has been launched across the bank. This Modernized e-Office Suite completely automates file & correspondence movement from creation to archival of files and correspondence and all decisions can be captured in the file itself and remain intact throughout the lifetime of the file. Since its launch, over 21000 notes have been initiated on the eOffice application of which over 15000 notes were disposed of in same day. This tremendous acceptance of eOffice initiative has not only drastically reduced the paper usage across the bank but also improved the decisioning turnaround time. By transitioning to paperless processes and significantly reducing paper usage, our bank demonstrates its steadfast commitment to environmental sustainability and our broader ESG goals, contributing to a greener future. To complement this and further improvise the initiative, a mobile app was also launched for Authorizer/Approver users which allows decisioning on the go. The Mobile App allows convenient, easy to use interface for approving users to view their dashboard, download notes offline and make their decisions within the app itself.

#### Achievements in Digital Banking FY2023-24

Digital technology is changing how Banks interact with their customers. In just a few years, the financial services industry has evolved from traditional delivery channels to a system supplemented by alternate IT-enabled delivery channels. Digital products play an instrumental role in reducing cost of operations. Besides reduction in footfall, the introduction of digital delivery channels provides a leeway to operative levels to focus on sales operations. The ability of banks to deliver services through Digital Channels is crucial to achieve superior customer experience and competitive edge.

The digital banking transition has helped Bank to improve efficiency, generating growth and convenience for customers with the opportunity to bring more prospective customers.

Our strategic priorities are focused around customers, technology and talent to build a future ready financial institution. We are leveraging emerging opportunities and building our brand through superior customer experience,

innovative products and services as per customer demand and community engagement.

We remain committed for enhancing customer experience through focus on customer journey, automation, innovative, comprehensive products and services ecosystem.

**The details of "Achievements in Digital Banking for the FY 2023-24" are as below:-**

- A) Received Runner up Award at ASSOCHAM 18<sup>th</sup> Annual Summit and Awards Banking and Financial Sector Lending held at Mumbai in Best Digital Initiatives category.
- B) The Digital transaction percentage of the Bank for the FY 2023-24 reached to 87.55 %
- C) Bank successfully completed the 100% digitization project for all districts in UT of J&K.
- D) Bank launched a new Digital product "Instant QR" which is utilized by our customers to receive instant and secure payments through mPay Delight plus and all other BHIM UPI apps like GooglePay, PhonePe, Paytm etc.
- E) In our commitment to enhance customer convenience, Bank introduced Debit Card Home Delivery service. This offering allows customers to receive their debit cards at their doorstep, providing a hassle-free experience without the need to visit a branch.
- F) In its commitment to enhance customer experience through digital transformation, the Bank rolled out new flagship mobile banking app - mPay Delight+ with value-added features for its customers.
- G) To align our UPI systems with growing volumes and to meet the customer expectations, bank has upgraded its UPI systems to latest technology driven platform which offers industry best features to our customers. Besides the new UPI features are being tightly integrated with mPay Delight+ app to make digital interaction convenient & hassle free and offer an omni-channel experience to our valued customers.
- H) The bank launched Visa Debit and Credit Card which marks another significant milestone in the digital landscape of our Bank by providing our customers with a versatile and globally accepted payment solution across a wide network of ATMs and Merchant establishments (POS & e-commerce) both domestic and international.
- I) To keep pace with the ever changing business environment and continuing its commitment to provide superior products and services, the Bank launched new premium versions of Debit Cards - Platinum and World Debit Card with value added features like Lounge access, Ecommerce Coupons, wellness coupons, golf offers, dining offers etc.
- J) To encourage digital payments and strengthen its digital footprints, the bank launched a new Digital product in its POS segment "SOFT POS" which is utilized to receive quick and secure payments through an application installed on Android Mobile Phones. Soft POS an innovative technology allows businesses to accept card payments in Contactless Mode directly on their smartphones (NFC Enabled) without the requirement of any additional hardware with a simple tap of the cardholder's contactless credit or a debit card.
- K) To stay ahead in the competitive market Bank launched another Digital Product 'J&K Bank Sound Box' which is a small portable speaker designed for payment alerts for UPI QR transactions. When a customer makes a payment by scanning J&K Bank UPI QR code, the Sound box will notify merchants of successful payments with a voice alert.
- L) Bank launched Online Account Opening Facility along with Video KYC that enables the prospective customers to open a Bank Account 24x7 at their convenience and comfort. The service is aimed at providing our customers with a seamless and secure method to open a Bank account remotely without any geographical barriers within the country and without the need for visiting a Bank Branch.
- M) Bank rolled out its flagship "J&K Bank Instant Digital Loan" for employees of J&K Government and MOU-affiliated organizations. This offering replaced the partially automated Phone Pe Loan facility, which required human intervention. The Instant Digital Loan leverages Straight Through Processing (STP) technology, providing a seamless, fully automated loan application and disbursement process. Customers can now apply for and receive loans instantly through a user-friendly digital platform, ensuring convenience and a hassle-free experience.
- N) Some of the other Top Govt Departments that have been onboard to online mode of collection during the Financial year are as below:-
  - Jambu Zoo
  - State Dispute Redressal Commission.
  - University of Jammu CDC.
  - GMC Handwara, GMC Udhampur and GMC Baramulla
  - Municipal Council Katra
  - Jammu and Kashmir Gao Raksha Samiti
  - Balgarden Charitable Home For Destitute Children
  - Polytechnic Doda

**Digital User/Transaction Summary report for the FY 2023-24:-**

Digital Channels	Q4 FY 2022-23	Q1 FY 2023-24	Q2 FY 2023-24	Q3 FY 2023-24	Q4 FY 2023-24
Debit Card Users	38,58,499	39,66,855	41,10,866	41,64,707	43,06,879
m-Pay Users	19,58,831	20,29,588	21,44,712	21,70,128	24,35,581
UPI Users	15,87,660	17,48,218	20,13,383	17,27,788	19,82,207
Internet Banking Users	5,60,116	5,69,368	6,37,069	6,55,308	6,67,189
QR Merchants	1,35,368	1,58,090	2,71,270	3,33,142	4,36,553
Credit Card Users	78,050	1,02,546	1,08,164	1,13,166	1,17,847

POS Users	11,619	11,530	11,356	14,222	14,304
Total Digital Transactions	16,41,17,163	18,68,94,824	20,48,86,731	22,68,57,500	24,95,25,448
Total Transactions	19,55,70,055	21,83,72,072	23,77,45,547	25,92,79,839	27,62,42,345
% age Digital Transactions	83.92%	85.59%	86.18%	87.50%	90.33%

### Financial Inclusion

Background: Financial inclusion has received a lot of attention from the Policy Makers and the Regulators alike for inclusive growth and equitable development of economy. Reserve Bank of India has adopted a bank-led model to deepen Financial Inclusion and to make Banking services available across all population segments and geographies.

Financial Inclusion, initially considered a regulatory compulsion, has, over time, become an important business function for the Banks. Accordingly, the Business Correspondent Channel is now being recognised as an important 'Alternate Banking Channel' owing to the geographical overreach of the Business Correspondent network as well as its cost-effectiveness.

### Financial Inclusion Function in the Bank

Financial Inclusion has remained a prime focus area of the Bank all along. The Business Correspondent Network of the bank, popularly known as the Khidmat Centre Network, has received focused attention from the Management of the bank and as a result the network has emerged as one of the important alternate channels of the Bank besides helping in achieving the national Financial Inclusion milestones in J&K.

The Bank, in December 2023, adopted a new technology software for Kiosk Banking which has resulted not only in stabilizing the Kiosk Banking platform but has also added a large number of services available to the customers of the bank through the BC network.

Apart from that, a slew of management decisions and operational initiatives have increased the efficiency of the Business Correspondent Channel manifold. The Business correspondent network has been able to cater to the financial needs of the unbanked and under banked populations and spaces by providing a large number of banking services to the general public.

Financial Inclusion Strategy: In the Financial Year 2024, the Bank adopted a three-dimensional strategy to rejuvenate the BC network and leverage fully. The three concurrent phases, 1) Turnaround; 2) Accelerate and 3) Transform were implemented simultaneously for better and speedier results

### Impact: Review of Performance

#### A. BC Network:

Performance Parameter	Performance		
	FY 22	FY23 (YoY Growth)	FY24 (YoY Growth)
1. No. of Active BCs	645	805 (25%)	935 (16%)

At the end of FY2024 there were 935 active Business Correspondents as against that of 805 for FY23 registering a YoY growth of 16.15%. In the Financial Year 2023 the number of active BCs increased to 805 BCs as compared 645 in the

preceding year, registering thereby a yoy increase of 25%.

#### B. Transactions Performed by BCs: Numbers

Performance Parameter	Performance		
	FY 22	FY23 (YoY Growth)	FY24 (YoY Growth)
1. Carded	23,84,748	15,36,512 (-35%)	16,13,319 (5%)
2. AePS	1,30,661	4,52,477 (246%)	27,18,289 (500%)
3. IMPS	0	0	3,693
4. Third Party Deposit	0	0	79,252
5. Bill Payment	0	0	76,974

Five types of financial transactions can be performed at the BC outlets. The last three types were, however, added in the last quarter of FY 24 consequent to adoption of new technology solution.

There has been a thrust on AePS transactions because these are done on behalf of those customers who are either illiterate or are technology disabled. The AePS transactions have, thus, seen a phenomenal YoY growth of 500% on the back of 27.18 Lakh transactions done at BC outlets in FY 24. Pertinent to mention that only 1.30 lakh such transactions had been performed in FY 22. In the year 2022-2023 the number of AePS transactions was 4.52 lakh; a growth of 246% over the preceding year.

The Card-based transactions had a YoY growth rate of only 5% in FY 24 clocking more than 16 lakh transaction. The relatively slower YoY growth is also because of customers preferring AePS mode for transaction over card mode even if they being cardholders.

For IMPS, Third Party Deposit and Bill Payment transactions, there is no historical data available since they were made available at the Kiosk towards the end of FY24.

#### C. Account Opening

##### 1. No. of accounts opened by BCs

Performance Parameter	Performance		
	FY 22	FY23 (YoY Growth)	FY24 (YoY Growth)
1. Savings Bank	34,569	19,862 (-42)	24,957 (26%)
2. Fixed Deposit	0	0	172
3. Cash Certificate	0	0	0
4. Monthly Yield Deposit	0	0	250
5. Recurring Deposit	0	0	78

The previously used software solution allowed for opening of only Small Savings Bank Accounts and partial opening of General Savings Bank accounts. The current software application allows opening of all types of SB accounts, Fixed Deposit Accounts for a maximum of Rs 50,000/- and Recurring Deposit accounts.

A YoY growth of 26% was witnessed in FY 24 for total Savings Bank accounts opened by the BCs.

**II. Basic Savings Bank Accounts:**

The number of PMJDY accounts along with the amount of deposit lying in the accounts at the end of FY 23 and FY24 is tabulated hereunder:

As on 31.03.2023		As on 31.03.2024	
No. of Accounts	Amount (In Cr.)	No. of Ac- counts	Amount (In Cr.)
18,28,103	129.07	17,95,501	140.01

**OD facility in Basic Savings Bank Account:**

In accordance with the regulatory guidelines, the bank has kept an option of overdraft upto Rs.10,000/- in all the PMJDY Accounts. The position of OD outstanding in Basic Savings Bank Account as on 31.03.2024 is as under:

Gender	As on 31.03.2023		As on 31.03.2024	
	No. of Ac- counts	Amount (Rs in Lakh)	No. of Ac- counts	Amount (Rs in Lakh)
Male	4107	167.74	4779	276.58
Female	2999	84.78	4945	145.57
<b>Total</b>	<b>7106</b>	<b>252.52</b>	<b>9724</b>	<b>422.15</b>

**D. Ease Services:**

A number of Ease Services like Cheque Book Request, Check Stop Request, Card Block Request, SMS Alert Subscription, Passbook Printing, Mini Statement etc. are also now available through Kiosk Banking Platform.

**E. Social Security Schemes:**

PMSBY is an Accidental Insurance Scheme offering accidental death and disability cover of Rs. 2.00 Lakh for death or permanent disability and a cover of Rs. 1.00 lakh for partial disability for SB Account holders in the 18-70 age group. The scheme is renewable from year to year. The bank achieved a yoy growth of 304% in enrollments under the scheme in FY24

PMJJBY offers Life Insurance cover, renewable every year, of Rs 2.00 lakh for death due to any reason for all savings Bank Account Holders in the age group of 18-50 years. The bank achieved a yoy growth of 168 % in enrollments under the scheme in FY24.

Atal Pension Yojana is a government-backed pension scheme targeted at the unorganized sector in the age group of 18-40. The Bank enrolled 3156 beneficiaries under APY in FY 24.

Performance Parameter	Performance	
	FY23 (YoY Growth)	FY24 (YoY Growth)
1. Pradhan Mantri Surakhsha Bima Yojana- PMSBY	61,061 (-23%)	2,46,874 (304%)
2. Pradhan Mantri Jeevan Jyoti Bima Yojana- PMJJBY	31,766 (-32%)	84,996 (168%)
3. Atal Pension Yojana- APY	6,961 (209%)	3,156 (-55%)

Claims settled under PMJJBY and PMSBY: The cumulative position of insurance claims as on 31.03.2024 is tabulated herein-below:

Scheme	Insurer	Claims Received During FY24	Claims Settled	Claims Rejected
PMSBY	New India Assurance Co.	101	64	2
PMJJBY	LIC of India	390	80	23

**Financial Literacy Camps**

Camps conducted by Rural Branches: In compliance to regulatory guidelines, the Bank conducts awareness camps through Rural Branches. Each rural branch is required to conduct at least one such camp every month. Special Camps are conducted for newly included people in the Financial system while as Targeted Camps are conducted for specific target groups like farmers, SHGs, senior citizens, school children etc. The summary of such camps conducted in FY24 is as under:

Year	FY23	FY24
Number of Camps	4948	6187

Camps Conducted by FLCCs: In compliance to regulatory guidelines, the Bank has set up Financial Literacy cum Credit Counseling Centres (FLCC) in its 12 lead districts. The FLCCs conduct financial literacy camps to promote financial education, digital literacy among various population segments like School/College students, SHGs, rural women, bank clients etc. The summary of the camps conducted by the FLCCs is presented as under:

FY 23			FY24		
Special Camps	Target Camps	Total	Special Camps	Target Camps	Special Camps
355	1153	1508	314	1132	1446

**Camps conducted by CFLs**

In compliance to the instruction of the Reserve Bank of India, The Bank has established 56 Centres for Financial Literacy (CFL) in collaboration with CRISIL Foundation and Responset Development Services- Non Governmental Organizations nominated by Reserve Bank of India. The CFLs have been established in various blocks of the lead Districts of the Bank. The number of financial literacy camps conducted by the CFLs is summarized below.



	FY23	FY24
Number of camps	3259	9562

### Customer Service

The Bank realizes the importance of customer service and continues to lay utmost priority for rendering prompt and efficient service to customers.

For facilitating hassle free escalation of grievances & service requests, Bank has notified various communication channels in the public domain which include on-line grievance portal on website. Customers are provided the facility of registering their service request through mPay and eBanking channels for hassle free escalation of grievances & Service Requests. The customers receive acknowledgement of their complaint/ Service Request instantly with unique ID for future reference and tracking. The customer complaints/Service Requests are processed and disposed-off through the Grievance Portal within defined TAT and response/ reply is sent to the complainant/ customer through Portal/ Email/SMS.

Bank has adopted 'zero tolerance' policy on staff misbehaviour with Customers. SOP has been framed for handling staff misbehaviour complaints and circulated to the Branches to sensitize the staff that the substantiated complaints of misbehavior will be dealt with strictly and disciplinary action will be initiated against the erring employee besides transferring him/her to distant location.

Root cause analysis of complaints is performed so as to plug the gaps, if any, and avoid recurrence of complaints on similar grounds. This approach has helped the Bank in making the grievance redressal mechanism more effective and responsive. The customer complaints which are partially or wholly rejected by the Bank are auto-escalated to Bank's Internal Ombudsman for opinion.

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

The Bank has constituted a sub-committee of the Board known as 'Customer Service Committee' with the objective of bringing improvements in the quality of customer service and to examine any other issues having a bearing on the quality of customer service rendered. The CSC of Board reviews the various customer service initiatives implemented by the bank from time to time and discuss on new initiatives to enhance the customer experience.

The Bank has constituted a 'Standing Committee on Customer Service', which is responsible for implementation and compliance of the 'Code of Banks Commitment to Customers'. The committee consists of official and non-official members. The official members include the top management of the Bank and non-official members include the public representation so as to put the day-to-day issues faced by the common customers and their resolution. The non-official members have been included in the standing committee so as to enable an independent feedback on the quality of customer service rendered by the Bank.

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

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

### Prompting Compliance

The bank has implemented robust compliance processes in accordance with guidelines set by the Reserve Bank of India (RBI) and the bank's internal governance standards. Our commitment to accountability, transparency, and business ethics is evident in our adoption of industry best practices. We have established a comprehensive Group compliance policy to identify and mitigate compliance risks effectively.

To ensure compliance, the bank strictly adheres to all statutory provisions outlined in various legislations, including the Banking Regulation Act, RBI Act, FEMA, and other regulatory guidelines. Furthermore, we have implemented internal policies that align with these requirements, continually updated to reflect changes as necessary. Our enterprise-wide compliance framework establishes clear roles and responsibilities to maintain adherence.

Further, In order to foster a strong compliance culture, we have established a dedicated "Compliance" Department at the apex level. The Compliance function of the Bank is being headed by a senior officer of the rank of General Manager designated as Group Compliance Officer whose overall responsibility is coordinating the efforts of identification and management of Bank's Compliance Risk and supervising the activities of other Compliance Function staff.

Additionally, we have implemented the CERMO+ and TasC applications, which enable us to monitor regulatory guidelines and ensure compliance accordingly. These measures strengthen our overall compliance efforts and demonstrate our commitment to regulatory compliance.

# Independent Auditors Report

To  
The Members of  
Jammu & Kashmir Bank Limited.

## Report on Audit of the Standalone Financial Statements. Opinion

1. We have audited the accompanying standalone financial statements of Jammu & Kashmir Bank Limited ('the Bank') which comprise the Standalone Balance Sheet as at 31st March 2024, the standalone Profit & Loss Account and the standalone Statement of Cash Flow for the year then ended & notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are included the Returns of 48 branches/offices audited by us and 980 branches audited by the Statutory Branch Auditors for the year ended on that date. The Branches/offices audited by us and those audited by other auditors have been selected by the Comptroller & Auditor General of India in accordance with the guidelines issued to the Bank by the Reserve Bank of India. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for Banking Companies and are in conformity with the accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2024, and its profit and its cash flows for the year ended on that date.

## Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report.

We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.

## Emphasis of Matter

3. We draw attention to
- Note No 15(b)(vii) of Schedule 18 of the financial statements regarding excess in fair value of Plan Assets in Gratuity Benefits over present value of funded obligation amounting to Rs 243.07 crore credited to "Payments to and Provisions for Employees" with consequential impact on results for the year.
  - Note no. 16(g) of Schedule 18 of the financial statements, which states that 'Other assets' of the Bank include dues of Rs 3253.69 crore from Government of UT of Jammu and Kashmir on account of disbursement of Pension to retired employees of UT of Jammu and Kashmir.

Our Opinion is not modified in respect of these matters.

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i.	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements): Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 60.68% of the Bank's total assets. They are, inter alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provide guidelines related to classification of Advances into performing and non-performing Advances (NPA), classification of advances and provisioning thereof is made as per RBI guidelines. The Bank classifies these Advances based on IRAC norms as per its accounting policy No.3 of Schedule 17.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>The bank is in the continuous process to upgrade existing &amp; implement new IT applications in various areas of its business operations, including income recognition and asset classification in terms of RBI guidelines. These applications require detailed testing, verifications and User Acceptance Testing (UAT) before final implementation.</p> <p>The carrying value of the advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<p>Our audit approach towards advances with reference to the Income Recognition and asset classification (IRAC) norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis. Also performed other substantive procedures included and not limited to the following:</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms by way of various internal audits as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars/ Directions/ Guidelines;</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI SPARC, IRAR and RMP.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provisions;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol>



ii.	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements): Investments include investments made by the Bank in various Government Securities, other approved securities, Shares, Debentures &amp; Bonds, subsidiaries &amp; sponsored Institutions, and other approved securities. Investments constitute 22.64 % of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision thereof. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p>	<p>Our audit approach towards Investments with reference to the RBI Master directions included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with RBI guidelines.</li> </ol>
iii.	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations on Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 15 (k) of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Understanding the current status of the litigations/ tax assessments including the status upto the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/judicial forums and follow up action thereon;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>
iv.	<p>Information Technology ("IT") Systems and Controls impacting Financial Reporting The Bank's IT environment comprises a multitude of autonomous and interdependent IT systems that are utilized to process and record a substantial volume of transactions in the course of business operations.  Consequently, the Bank's financial reporting process is highly critical and reliant on these information technology systems.  Appropriate IT general controls and IT application controls are necessary to ensure that such IT systems can process the data in a consistent, comprehensive, and accurate manner, as required for dependable financial reporting. We have identified specific critical IT systems that significantly influence the financial reporting process and associated control testing. These systems are considered a critical audit matter due to several factors, including the Bank's extensive use of automation, the complex nature of its IT architecture, and the influence it has on the financial records and financial reporting process.</p>	<p>Our protocols pertaining to this issue comprised the following measures: Technology specialist assisted in the evaluation of the controls governing the Bank's IT systems by gaining knowledge of the IT infrastructure, IT environment, and IT systems. We assessed and examined the pertinent IT general controls on the critical IT systems and IT dependencies that were determined to be significant for our examination of the Bank's standalone financial statements and financial reporting process. Important general controls in information technology have been evaluated for the critical IT systems in the following domains: Programme change management, encompassing the transfer of programme modifications to the production environment in accordance with established protocols, while also ensuring the appropriate segregation of environments. User access management, encompassing activities such as provisioning and de-provisioning user access, conducting access reviews, managing passwords, overseeing sensitive access rights, and implementing segregation of duties, to guarantee that only authorised personnel were granted privilege access to applications, operating systems, and databases in the production environment. Programme development, encompassing the establishment of controls pertaining to the development or implementation of IT applications and the associated infrastructure, upon which financial reporting is dependent. IT operations, encompassing tasks such as backup and recovery, monitoring, and job scheduling. In addition, we assessed the operational efficiency and design of critical IT dependencies that are integral to the critical business process. This encompassed the testing of interfaces, automated controls, accounting procedures, calculations, segregation of duties, and system-generated reports, where applicable. We established communication with individuals responsible for governance and management, and when required, we implemented alternative audit procedures and/or tested a combination of compensating controls or remedied controls.</p>

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

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the standalone financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



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

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

### Auditor's Responsibilities for the audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

8. We did not audit the financial statements / information of 980 branches/ offices included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs 70622.21 Crore as at 31st March 2024 and total revenue of Rs. 8476.06 Crore for the year ended on that date, as considered in the standalone financial statements. These branches cover 93.40 % of advances, 93.65 % of deposits and 91.86 % of non-performing assets as at 31st March 2024 and 70.41 % of revenue for the year ended 31st March 2024. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors.
9. The annual financial results include the results for the quarter ended 31st March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

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



11. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-A" to this Report.
12. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - (c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
  - (d) the profit and loss account shows a true balance of profit for the year then ended.
- 13. Further, as required by section 143(3) of the Act, we report that:**
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - c) the reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
  - d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - f) as per Notification No. GSR 463(E) dated 05.06.2015 Section 164(2) of Companies Act, 2013 is not applicable to Jammu & Kashmir Bank Limited being a Government Company;
  - g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - h) as per the Notification No.GSR 463(E) dated 05.06.2015 Section 197 of Companies Act, 2013 is not applicable to The Jammu & Kashmir Bank Limited, being a Government Company;
  - i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - in Schedule 12., to the financial statements;
    - ii) the Bank has made Nil provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
    - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank
    - iv) a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
    - v) the dividend declared and paid during the year by the bank is in compliance with section 123 of the Companies Act 2013.
    - vi) As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), the bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUR9648

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZL2222

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

**Annexure - A to Para 14 of Independent Auditor's Report of even date on the standalone Financial Results of Jammu & Kashmir Bank Limited. Directions/sub-directions of Comptroller and Auditor General of India under Section 143(5) of Companies Act 2013 for the Financial Year 2023-2024**

S. No.	Directions/Sub directions	Auditor's comments including action taken wherever required.	Impact on accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any may be stated.	As per information and explanation given to us the bank has system in place to process all the accounting transactions through IT.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender (Jammu & Kashmir Bank Ltd) to the company (All Borrowers) due to the company's (Borrower's) inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	Refer Schedule 18 Note 4(b) and 4(g)
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There are no deviations. The loans received are utilized for the intended purpose. However, during the FY 2023-24 grants/ subsidy received have been utilized in accordance with the stipulated guidelines.	Nil

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**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



**Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of  
Jammu & Kashmir Bank Limited  
(Referred to in paragraph 13(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)  
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143  
of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of The Jammu & Kashmir Bank Limited ('the Bank') as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

**Management's Responsibility for Internal Financial Controls over Financial Reporting**

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

**Auditor's Responsibility**

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

7. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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ASSOCIATES LLP**  
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Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

<b>CAPITAL AND LIABILITIES</b>	<b>Schedule</b>	<b>As at 31-03-2024 ₹ "000" omitted</b>	<b>As at 31-03-2023 ₹ "000" omitted</b>
Capital	1	11,01,326	10,31,623
Reserves and Surplus	2	12,12,55,497	9,84,00,757
Deposits	3	1,34,77,48,949	1,22,03,77,383
Borrowings	4	2,88,50,015	2,89,23,058
Other Liabilities and Provisions	5	4,63,10,109	11,08,89,767
<b>TOTAL :-</b>		<b>1,54,52,65,896</b>	<b>1,45,96,22,588</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	7,25,00,801	7,79,40,577
Balance with Banks & Money at Call & Short Notice	7	92,74,028	1,08,46,044
Investments	8	34,98,67,091	34,82,91,521
Advances	9	93,76,25,111	82,28,54,513
Fixed Assets	10	2,25,74,772	2,27,15,388
Other Assets	11	15,34,24,093	17,69,74,545
<b>TOTAL :-</b>		<b>1,54,52,65,896</b>	<b>1,45,96,22,588</b>
Contingent Liabilities	12	4,84,48,743	5,23,37,681
Bills for Collection		1,51,32,708	1,70,54,071
Principal Accounting Policies	17		-
Notes on Accounts	18		
The schedules referred to above form an integral part of the Balance Sheet.			

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

In terms of our report of even date annexed

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUR9648

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZL2222

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

<b>SCHEDULE 1 - CAPITAL</b>		<b>As at 31.03.2024 ₹ '000' Omitted</b>	<b>As at 31.03.2023 ₹ '000' Omitted</b>
<b>Authorised Capital</b>			
1,850,000,000 (P.Y. 1,850,000,000 )			
Equity Shares of Rs.1/- each		1,850,000	1,850,000
<b>Issued :-</b>			
1,101,400,463 (P.Y 1,031,697,861) Equity Shares of Rs.1/= each		1,101,400	1,031,698
<b>Subscribed and Paid-up Capital</b>			
1,101,182,463 (P.Y. 1,031,479,861 )			
Equity Shares of Rs. 1/- each		1,101,182	1,031,479
Add Forfeited Equity Shares (218,000 ) ( P.Y. 218,000)		144	144
<b>TOTAL</b>		<b>1,101,326</b>	<b>1,031,623</b>
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS</b>			
<b>I. Statutory Reserves</b>			
Opening Balance		27,030,883	24,037,433
Additions during the year		4,418,171	2,993,450
Deductions during the year		-	-
Closing Balance		31,449,054	27,030,883
<b>II. Capital Reserves</b>			
a) Revaluation Reserve Fixed Assets			
Opening Balance		12,812,625	9,498,454
Additions during the year on account of Revaluation Reserve		179,256	3,519,560
Deduction during the year (depreciation)		(302,758)	(205,389)
Closing Balance		12,689,123	12,812,625
b) Others			
Opening Balance		2,888,472	2,888,472
Additions during the year		-	-
Deductions during the year		-	-
Closing Balance		2,888,472	2,888,472
<b>III. Share Premium</b>			
Opening Balance		21,824,157	17,604,651
Additions during the year		7,370,346	4,219,506
Deductions during the year			

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

	As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
Closing Balance	29,194,503	21,824,157
<b>IV) Revenue and other Reserves</b>		
a) Investment Fluctuation Reserve		
Opening Balance	2,095,800	377,800
Additions during the year	-	1,718,000
Deductions during the year	-	-
Closing Balance	2,095,800	2,095,800
b) <b>Special Reserve (u/s 36 (i) (viii) of i.tax act, 1961)</b>		
Opening Balance	1,231,600	1,231,600
Additions during the year	245,000	-
Deductions during the year	-	-
Closing Balance	1,476,600	1,231,600
c) <b>Other Reserve</b>		
Opening Balance	30,517,220	23,565,220
Additions during the year	10,944,725	8,670,000
Deductions during the year	-	(1,718,000)
Closing Balance	41,461,945	30,517,220
<b>TOTAL ( I,II,III &amp; IV)</b>	<b>121,255,497</b>	<b>98,400,757</b>
<b>SCHEDULE 3 - DEPOSITS</b>		
<b>A I. Demand Deposits</b>		
i) From Banks	1,114,430	1,331,995
ii) From Others	147,123,147	138,600,300
<b>TOTAL (I &amp; ii)</b>	<b>148,237,577</b>	<b>139,932,295</b>
<b>II. Saving Bank Deposits</b>	<b>532,488,529</b>	<b>520,247,496</b>
<b>III. Term Deposits</b>		
i) From Banks	28,280,883	21,387,369
ii) From Others	638,741,960	538,810,223
<b>TOTAL (i &amp; ii)</b>	<b>667,022,843</b>	<b>560,197,592</b>
<b>TOTAL A (I+II+III)</b>	<b>1,347,748,949</b>	<b>1,220,377,383</b>
<b>B. I. Deposits of branches in India</b>	<b>1,347,748,949</b>	<b>1,220,377,383</b>
<b>II. Deposits of branches outside India</b>	-	-
<b>TOTAL B (I+II)</b>	<b>1,347,748,949</b>	<b>1,220,377,383</b>

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

	As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 4 - BORROWINGS</b>		
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Unsecured Redeemable Debentures/Bonds (BASEL III for Tier I & Tier II Capital)	28,810,000	28,810,000
iv) Other Institutions & Agencies	40,015	113,058
<b>TOTAL ( i to iv )</b>	<b>28,850,015</b>	<b>28,923,058</b>
<b>II. Borrowings outside India</b>	-	-
<b>GRAND TOTAL ( I &amp; II )</b>	<b>28,850,015</b>	<b>28,923,058</b>
Secured borrowings included in I & II above	Nil	Nil
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>		
i) Bills Payable	3,826,531	2,985,297
ii) Inter Office Adjustments (Net)	-	-
iii) Interest Accrued	237,195	289,481
iv) Deferred Tax Liability (Net)	-	-
v) Provision Against Standard Assets	4,313,990	5,460,829
vi) Other (Including Provisions)	37,932,393	102,154,160
<b>TOTAL ( i to vi )</b>	<b>46,310,109</b>	<b>110,889,767</b>
<b>SCHEDULE 6 - CASH &amp; BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in Hand (Including Foreign Currency Notes)	6,156,011	6,373,076
II. Balance with Reserve Bank of India		
a) In Current Account	58,344,790	54,567,501
b) In Other Accounts	8,000,000	17,000,000
<b>TOTAL ( I &amp; II )</b>	<b>72,500,801</b>	<b>77,940,577</b>



# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>			
<b>I.</b>	<b>In India</b>		
	i) Balance with Banks		
	a) In Current Accounts	164,555	416,670
	b) In Other Deposit Accounts	10	10
	<b>TOTAL (i) of (a &amp; b)</b>	<b>164,565</b>	<b>416,680</b>
	<b>ii) Money At Call and Short Notice</b>		
	a) With Banks	-	1,000,000
	b) With Other Institutions	7,995,576	8,708,708
	<b>TOTAL (ii) of (a &amp; b)</b>	<b>7,995,576</b>	<b>9,708,708</b>
	<b>TOTAL (i &amp; ii)</b>	<b>8,160,141</b>	<b>10,125,388</b>
<b>II.</b>	<b>Outside India</b>		
	i) In Current Accounts	530,052	227,636
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	583,835	493,020
	<b>TOTAL II of (i, ii &amp; iii)</b>	<b>1,113,887</b>	<b>720,656</b>
	<b>GRAND TOTAL (I&amp;II)</b>	<b>9,274,028</b>	<b>10,846,044</b>
<b>SCHEDULE 8 - INVESTMENTS</b>			
<b>I.</b>	<b>Investments in India in</b>		
	i) Government Securities	299,205,666	291,558,271
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,005,292	1,018,560
	iv) Debentures and Bonds	7,566,743	7,145,437
	v) Subsidiaries and/or Joint Ventures	400,000	400,000
	vi) Sponsored Institutions	2,179,726	87,508
	vii) Others :		
	a) Certificate of Deposit	39,260,750	47,754,843
	b) Suitfile	-	-
	c) Venture Capital	239	239
	d) Commercial Paper	-	-
	e) Security Receipts	248,675	326,663
	<b>TOTAL ( I )</b>	<b>349,867,091</b>	<b>348,291,521</b>

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>II.</b>	<b>Investments Outside India in</b>		
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others investments	Nil	Nil
	<b>TOTAL II of (i-iii)</b>	-	-
	<b>TOTAL (I &amp; II)</b>	<b>349,867,091</b>	<b>348,291,521</b>
<b>III.</b>	<b>Investments Category-Wise</b>		
	i) Held to Maturity	290,695,663	268,010,374
	ii) Held for Trading	6,421	11,726
	iii) Available for Sale	59,165,007	80,269,421
	<b>TOTAL III of (i-iii)</b>	<b>349,867,091</b>	<b>348,291,521</b>
<b>SCHEDULE 9 - ADVANCES</b>			
<b>A</b>	<b>i) Bills Purchased and Discounted</b>	1,861,700	2,123,234
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	267,253,699	252,298,285
	iii) Term Loans	668,509,712	568,432,994
	<b>TOTAL (i to iii)</b>	<b>937,625,111</b>	<b>822,854,513</b>
<b>B</b>	<b>i) Secured by Tangible Assets (includes advances against book debts)</b>	649,018,028	566,150,949
	ii) Covered by Bank/Govt. Guarantees	3,140,303	3,602,502
	iii) Unsecured	285,466,780	253,101,062
	<b>TOTAL (i to iii)</b>	<b>937,625,111</b>	<b>822,854,513</b>
<b>C</b>	<b>I. Advances in India</b>		
	i) Priority Sector	352,044,234	253,934,033
	ii) Public Sector	11,066,140	6,416,170
	iii) Banks	3,414	39
	iv) Others	574,511,323	562,504,271
	<b>TOTAL (i to iv)</b>	<b>937,625,111</b>	<b>822,854,513</b>
	<b>II. Advances Outside India</b>		
	i) Due from Banks	-	-
	ii) Due from Others	-	-
	<b>GRAND TOTAL (I &amp; II)</b>	<b>937,625,111</b>	<b>822,854,513</b>

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

	As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 10 - FIXED ASSETS</b>		
<b>I. Premises</b>		
a) At cost as at 31st March of the preceding year	21,449,425	17,807,006
Additions during the year	432,942	3,759,443
	<b>21,882,367</b>	<b>21,566,449</b>
Deductions during the year	194,125	117,024
	<b>21,688,242</b>	<b>21,449,425</b>
Depreciation to date	3,297,120	2,934,324
<b>Total (a)</b>	<b>18,391,122</b>	<b>18,515,101</b>
b) Constructions work in progress	407,100	441,257
<b>TOTAL (I) [ a+b ]</b>	<b>18,798,222</b>	<b>18,956,358</b>
<b>II. Other Fixed Assets (Including Furniture &amp; Fixtures)</b>		
a) At cost as at 31st March of the preceding year	16,284,878	15,199,548
Additions during the year	1,862,862	1,101,660
	<b>18,147,740</b>	<b>16,301,208</b>
Deductions during the year	99,520	16,330
	<b>18,048,220</b>	<b>16,284,878</b>
Depreciation to date	14,359,568	12,557,812
<b>TOTAL (II)</b>	<b>3,688,652</b>	<b>3,727,066</b>
b) Capital work in progress	87,898	31,964
<b>TOTAL (II) [ a+b ]</b>	<b>3,776,550</b>	<b>3,759,030</b>
<b>GRAND TOTAL (I &amp; II)</b>	<b>22,574,772</b>	<b>22,715,388</b>
<b>SCHEDULE 11 - OTHER ASSETS</b>		
I. Interest Accrued	7,948,147	6,992,882
II. Inter Office Adjustment (Net)	700,609	702,481
III. Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	628,514	1,864,986
IV. Stationery and Stamps	51,679	42,769
V. Deferred Tax Asset (Net)	1,551,197	1,828,499
VI. Non-Banking Assets acquired in satisfaction of claims	-	-
VII. Others *	142,543,947	165,542,928
<b>TOTAL ( I to VII )</b>	<b>153,424,093</b>	<b>176,974,545</b>
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 97258125 thousand (Previous year Rs. 68072650 thousand)		

# Schedules to Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>			
I.	Claims against the Bank not acknowledged as debts	3,592,693	2,446,709
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	13,980,447	19,013,257
IV.	Guarantees given on behalf of constituents:-		
	a) In India	22,754,491	21,964,418
	b) Outside India	263,457	247,358
V.	Acceptances, Endorsements & Other Obligations	5,056,171	5,926,586
VI.	Other items for which the Bank is Contingently liable	2,801,484	2,739,353
	<b>TOTAL ( I to VI )</b>	<b>48,448,743</b>	<b>52,337,681</b>

## Standalone Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

	SCHEDULE	YEAR ENDED 31.03.2024 ₹ '000' Omitted	YEAR ENDED 31.03.2023 ₹ '000' Omitted
<b>I</b>	<b>INCOME</b>		
	Interest Earned	112,123,623	93,551,062
	Other Income	8,254,789	7,568,107
	<b>TOTAL</b>	<b>120,378,412</b>	<b>101,119,169</b>
<b>II</b>	<b>EXPENDITURE</b>		
	Interest Expended	60,086,768	46,098,253
	Operating Expenses	37,522,857	36,436,014
	Provisions and Contingencies	5,096,105	6,611,102
	<b>TOTAL</b>	<b>102,705,730</b>	<b>89,145,369</b>
<b>III</b>	<b>NET PROFIT / (LOSS)</b>	<b>17,672,682</b>	<b>11,973,800</b>
	<b>TOTAL</b>	<b>120,378,412</b>	<b>101,119,169</b>
<b>IV</b>	<b>APPROPRIATIONS</b>		
	<b>TRANSFERED TO</b>		
i)	Statutory Reserve	4,418,170	2,993,450
ii)	Capital Reserve	-	-
iii)	Revenue and Other Reserve	10,641,970	8,464,610
iv)	Investment Fluctuation Reserve	-	-
v)	Special Reserve	245,000	-
vi)	Proposed Dividend	2,367,542	515,740
	<b>TOTAL</b>	<b>17,672,682</b>	<b>11,973,800</b>
	Principal Accounting Policies	17	
	Notes on Accounts	18	
	Earnings per Share (in Rs.) (Basic/Diluted)	16.80	12.43

The schedules referred to above form an integral part of the Profit & Loss Account.

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

In terms of our report of even date annexed

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
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FRN: 105270W/W100846

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**CA. Nakul Saraf**  
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M.No. 541550  
UDIN: 24541550BKAEUR9648

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZL2222

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

## Schedules to Standalone Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

		YEAR ENDED 31.03.2024 ₹ '000' Omitted	YEAR ENDED 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 13 - INTEREST EARNED</b>			
I.	Interest/Discount on Advances/Bills	86,086,671	69,975,540
II.	Income on Investments (Net of Amortization)	22,654,302	20,709,235
III.	Interest on Balances with R.B.I and other Inter Bank Funds	369,059	946,813
IV.	Others	3,013,591	1,919,474
	<b>TOTAL (I to IV)</b>	<b>112,123,623</b>	<b>93,551,062</b>
<b>SCHEDULE 14 - OTHER INCOME</b>			
I.	Commission, Exchange & Brokerage	2,380,283	1,586,530
II.	Profit /(Loss) on Sale of Investments (Net)	575,221	516,668
	Profit on Sale of Investments	575,221	562,506
	Less: Loss on sale of investments	-	(45,838)
III.	Profit /(Loss) on revaluation of Investments (Net)	458,561	(125,277)
	Profit on revaluation of Investments	514,705	-
	Less: loss on revaluation of investments	(56,144)	(125,277)
IV.	Profit/( Loss) on Sale of Land, Buildings & Other Assets (Net)	10,670	11,932
	Profit on Sale of Land, Buildings & Other Assets	10,838	12,721
	Less: Loss on Sale of Land, Buildings & Other Assets	(168)	(789)
V.	Profit /(Loss) on Exchange Transactions (Net)	122,264	142,024
	Profit on Exchange Transactions	123,645	143,195
	Less: Loss on E/Transactions	(1,381)	(1,171)
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/or Joint Venture abroad/in India	-	-
VII.	Miscellaneous Income	4,707,790	5,436,230
	<b>TOTAL (I to VII)</b>	<b>8,254,789</b>	<b>7,568,107</b>
<b>SCHEDULE 15 - INTEREST EXPENDED</b>			
I.	Interest on Deposits	56,861,121	43,516,295
II.	Interest on RBI/Inter-Bank Borrowings	375,672	364,795
III.	Others	2,849,975	2,217,163
	<b>TOTAL (I to III)</b>	<b>60,086,768</b>	<b>46,098,253</b>

## Schedules to Standalone Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

		YEAR ENDED 31.03.2024 ₹ '000' Omitted	YEAR ENDED 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 16 - OPERATING EXPENSES</b>			
I.	Payments to and provisions for Employees	25,715,586	27,036,554
II.	Rent, Taxes and Lighting	1,129,150	1,047,628
III.	Printing and Stationery	124,976	97,637
IV.	Advertisement and Publicity	114,278	51,323
V.	Depreciation on Bank's Property	2,175,456	1,575,629
VI.	Directors Fees, Allowances and Expenses	32,892	27,257
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	170,731	130,780
VIII.	Law Charges	173,667	186,138
IX.	Postage, Telegrams, Telephones etc.	53,457	49,391
X.	Repairs and Maintenance	392,509	308,182
XI.	Insurance	1,635,985	1,441,397
XII.	Other Expenditure	5,804,170	4,484,098
<b>TOTAL (I to XII)</b>		<b>37,522,857</b>	<b>36,436,014</b>

# Schedule 17

## "Principal Accounting Policies"

### A. Overview

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

### B. Basis of preparation of Financial Statements

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

### C. Use of Estimates

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

### D. Significant Accounting Policies

#### 1. Revenue Recognition

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

#### 2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

##### 2.1 Classification:

Investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, in accordance with the guidelines issued by Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Bonds and Debentures
- v. Subsidiaries and Joint Ventures
- vi. Others

##### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorized as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorized as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its acquisition. Subsequent shifting amongst categories is done with the approval of the Board normally once in a year and in conformity with



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regulatory guidelines.

- v. Investments in subsidiaries and associates are classified as HTM.

#### 2.3 Valuation:

- i. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless such costs are higher than the face value, in which case, the premium is amortized over the term to maturity using straight line method.
- ii. The individual scrip's in the "Available-for-Sale" category are marked to market at quarterly intervals. The net depreciation under each of six classifications under which investments are presented in the balance sheet is fully provided for, whereas the net appreciation under any of the aforesaid classifications is ignored.
- iii. The individual scrip in the "held-for-trading" category is marked to market at weekly intervals and the net depreciation under each of the six classifications under which investments are presented in the Balance Sheet is accounted for in the Profit and Loss account and appreciation is ignored.
- iv. The market value for the purpose of periodical valuation of investments, in case of quoted securities included in "Available for Sale" and "Held for trading" categories is based on the prices declared by the Financial Benchmarks India Pvt. Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. For securities whose prices are not published by FBIL, securities are revalued at market prices available from the trades/quotes on the stock exchanges and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

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

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

- 2.4 The depreciation in value of investments where interest/principal is in arrears is not set-off against the appreciation in respect of other performing securities. Such investments including Non-performing Non-SLR investments are treated applying RBI prudential norms on NPA Classification and appropriate provisions are made as per RBI norms and no income on such investments is recognized.

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

### 3. Advances

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

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

'with effect from the quarter ended 31<sup>st</sup> December 2023 the bank shall maintain additional provisions @10% each in respect of NPA BOS in sub-standard category (both secured/unsecured) and Doubtful -1 and Doubtful - 2 (secured portion only) over and above the minimum provisions required as per the current IRAC norms.'

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

### 4. Floating Provisions

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

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## "Principal Accounting Policies"

### 5. Fixed Assets and Depreciation

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

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

Depreciation on computers (including ATMs/CDMs) along with software, forming integral part of the computers is computed at 33.33% on straight line method in terms of RBI guidelines issued vide letter no BP.1660/21.04.018/2001 dated 01.02.2001, taking residual value as Nil.

In compliance with Section 15(1) of Banking Regulation Act, 1949, the Bank write off the entire amount of intangible assets.

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

- 5.3 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 5.4 Premium paid for leasehold properties is amortized over the period of lease.
- 5.5 The Bank revalues freehold immovable assets every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. However, where such an increase is a reversal of any previous decrease arising on revaluation which has been charged to profit and loss account, such increase is credited to profit and loss account to the extent that it offsets the previously recorded decrease. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss account except that, to the extent such a decrease is related to a previous increase on revaluation that is included in Revaluation Reserve, it is charged against that earlier increase. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.
- 5.6 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

### 6. Employee Benefits

- 6.1 Short Term Employee Benefits:  
The undiscounted amounts of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.
- 6.2 Long Term Employee Benefits:
- Defined Contribution Plan:  
Provident Fund: Provident Fund is a defined contribution scheme as the bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to profit and loss account. The Bank is paying matching contribution towards those employees who have not opted for the pension.
  - Defined Benefit Plan  
**Gratuity**  
The Bank pays gratuity, a defined benefit plan, to vested employees on retirement or resignation or on death while in employment or on termination of employment. The Bank makes contribution to recognized trust which administers the funds on its own account or through insurance companies. Actuarial valuation of the gratuity liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is

# Schedule 17

## "Principal Accounting Policies"

determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account.

### **Pension**

The Bank provides for pension to all eligible employees. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees based on the respective employee's years of service with the Bank and applicable salary. Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of pension liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account. Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The Bank also operates a New Pension Scheme (NPS) for all employees joining the Bank on or after 1<sup>st</sup> August, 2010 (Such new joiners not being entitled to become members of the existing pension scheme). As per the scheme, these employees contribute 10% of their salary and the Bank contributes 14% of the employee's salary. The amount contributed by the Bank to NPS during the year is recognized in the profit and loss account.

### **Leave Salary**

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary, appointed by the Bank.

## **7. Transactions involving Foreign Exchange**

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

## **8. Segment Reporting**

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

## **9. Taxes on Income**

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

## **10. Provisions, Contingent Liabilities and Contingent Assets**

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

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## "Notes on Standalone Accounts"

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

### 11. Impairment of Assets

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

### 12. Share Issue Expenses

Share issue expenses are charged to the Share Premium account.

### 13. Earnings per Share

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

# Schedule 18

## "Notes on Standalone Accounts"

### 1. Regulatory Capital

#### 1.1 a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	11180.59	8549.38
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	12180.59	9549.38
iv)	Tier 2 capital	2084.79	2352.40
v)	Total capital (Tier 1+Tier 2)	14265.38	11901.78
vi)	Total Risk Weighted Assets (RWAs)	93028.60	77373.33
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.02%	11.05%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.09%	12.34%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.24%	3.04%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (TotalCapital as a percentage of RWAs)	15.33%	15.38%
xi)	Leverage Ratio	7.60%	6.35%
xii)	Percentage of the shareholding of a) Government of India	Nil	NIL
xiii)	Amount of paid-up equity capital raised during the year	6.97	9.85
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	NIL
xv)	Amount of non-equity Tier 2 capital raised during the year	Nil	1021

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

#### b) Drawdown from Reserves

(Amount in ₹ crore)

S No.	Reserves	Amount Drawn	Purpose
1	Revaluation Reserve	30.27	Depreciation on revalued portion of fixed assets amounting to ₹ 30.09crore has been transferred to General Reserve. Further an amount of ₹ 0.18crore has been transferred to general reserve on account of disposal of a previously revalued asset.

1.2 During the FY 2022-23, the Bank raised equity capital through Employee Stock Purchase Scheme (JKBESPS-2023) by allotting 7,00,00,000 (Seven Crores) equity shares to the eligible employees. Statutory Central Auditors for FY 2022-23 issued a Qualified Opinion stating that the JKBESPS-2023 was not implemented in conformity with Para 2.3.1.7 of 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 1,2015 and Clause 21 of JKBESPS-2023. The Bank, however has maintained that the JKBESPS-2023 was in conformity with the applicable laws/regulations. The Bank received the listing approval in respect of the shares issued under JKBESPS 2023 from BSE and NSE on May 03, 2023 and October 20, 2023 respectively and trading approval from both the exchanges on November 9, 2023.The Bank has, therefore, reckoned the amount of Rs.338.31 crores for computation of financial ratios/prudential limits concerning net worth/capital funds with effect from 31st December, 2023 in terms of independent examination and approval of the matter by the Audit committee of the Board.

1.3 During financial year 2023-24, Bank has raised Equity Share Capital (including Share Premium) of Rs. 750 Crores through Qualified Institutional Placement on 15 December, 2023. The Bank issued and allotted 6,97,02,602 fully paid-up equity shares of Re. 1 each (face value) at a premium of Rs. 106.60 per share to the investors on discount of 4.49% (i.e. Rs.5.06 per share) on floor price of Rs. 112.66 per Equity Share determined, as per the formula prescribed

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## "Notes on Standalone Accounts"

under Regulations 176(1) of the SEBI ICDR Regulations. Due to change in accounting policy, para D(12) of schedule 17 the share issue expenses amounting to Rs. 6.00crores have been charged to share premium account.

### 2. Asset Liability Management:

#### a) Maturity pattern of certain items of assets and liabilities

Maturity Pattern of Assets and Liabilities as on 31032024 (Standalone)

(Amount in ₹ crore)

	Next Day	2 to 7 Days	8 to 14 Days	15 to 30 Days	31 days upto 2 Months	More than 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 years	Over 1 years upto 3 years	Over 3 years upto 5 years	Over 5 years	TOTAL
Deposits	695.47	4410.92	2440.79	3279.68	2570.57	3226.61	7362.24	13354.56	48855.18	32402.10	16176.78	134774.89
Borrowings	0.00	0.00	0.00	0.00	0.00	1000.00	0.00	500.00	0.00	1385.00	0	2885.00
Investments	4508.15	2.19	9.75	9.79	759.28	1670.91	744.34	4035.17	5749.08	4622.30	12875.75	34986.71
Advances	509.79	1137.53	1248.47	1810.30	1185.02	1788.04	3784.51	6690.74	45433.26	16292.15	13882.71	93762.51
Foreign Currency Assets	26.24	169.04	7.00	158.56	0.00	175.19	104.10	154.00	20.85	0.00	0.00	814.98
Foreign Currency liabilities	50.72	192.68	5.67	171.91	0.00	111.15	106.48	161.20	7.01	0.00	6.17	812.99

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

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

#### b) Liquidity Coverage Ratio (LCR)

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

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

HQLA comprise of liquid assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The Total Net Cash Outflows are the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

		Quarter March 2024		Quarter December 2023		Quarter September 2023		Quarter June 2023		Quarter March 2023	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)	29743.37	29724.46	29729.80	29710.44	28984.35	28967.23	29414.04	30055.91	30280.73	30259.92
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which	92434.94	6981.69	89832.29	6595.51	88376.11	6489.80	88154.61	6613.96	85082.06	6267.89
(i)	Stable deposits	45235.86	2261.78	47698.84	2382.16	46956.28	2347.81	46848.67	2391.84	46278.27	2313.95

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		Quarter March 2024		Quarter December 2023		Quarter September 2023		Quarter June 2023		Quarter March 2023	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
(ii)	Less stable deposits	47199.08	4719.91	42133.45	4213.35	41419.82	4141.98	41305.94	4222.12	38803.78	3953.95
3	Unsecured wholesale funding ,of which	21135.25	11447.50	18060.50	10124.2	19436.75	10621.40	20897.89	10183.47	19758.50	9495.77
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
(ii)	Non Operational deposits ( all counterparties)	21135.25	11447.50	18060.50	10124.42	19436.75	10621.40	20897.89	10183.47	19758.50	9495.77
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	0	0	0.00	0.00	0.00	0.00	0.00	0.00	11.19	0.00
5	Additional requirements of which	79.11	79.11	100.01	100.01	66.12	66.12	76.00	79.73	0.86	0.86
(i)	Outflows related to derivative exposure and other collateral requirements	79.11	79.11	100.01	100.01	66.12	66.12	76.00	79.73	0.86	0.86
(ii)	outflows related to loss of funding on debt products	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	7332.07	562.68	6879.07	517.31	9153.76	785.45	7379.02	678.13	6957.00	598.56
7	Other contingent funding Obligations	5221.12	204.72	5230.64	205.00	5276.94	206.39	4527.55	175.18	3628.74	137.65
8	Total cash outflows	126202.49	19275.70	120102.51	17542.25	122309.69	18169.16	121035.07	17730.47	115439.59	16501.99
	Cash Inflows										
9	secured Lending (e.g. reverse repo)	0.00	0.00	0.00	0.00	0.00	0.00	5346.43	0.00	0.00	0.00
10	Inflows from fully performing exposure	692.85	355.95	665.48	351.53	634.09	359.97	1662.75	867.88	2397.04	1227.17
11	Other cash inflows	190.19	95.09	455.33	227.67	126.50	63.94	675.75	346.75	655.49	326.66
12	Total cash inflows	883.04	451.04	1120.81	579.20	62.59	423.91	7684.94	1214.63	3052.52	1553.83
	TOTAL HQLA	29743.37	29724.46	29729.80	29710.44	28984.35	28967.23	29414.04	30055.91	30280.73	30259.92
	Total Net Cash Outflows	125319.45	18824.66	118981.0	16963.05	122247.10	17745.25	113350.14	16515.84	112387.07	14948.17
	Liquidity Coverage ratio (%)		157.90%		175.15%		163.24%		181.98%		202.43%

In accordance with RBI guidelines vide circular no. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. We have considered 48 data points for the quarter March 2024.

Bank's LCR was at 157.90% based on daily average of past three months (Q4 FY23-24). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs 29743.37 Cr which were mostly in the form of level 1 assets. The weighted average total net cash outflows were to the tune of Rs 18824.66 Cr.

Liquidity Management in the Bank is driven by RBI guidelines and Bank's ALM Policy. ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. In addition to daily / monthly LCR reporting, Bank also prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis.



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## "Notes on Standalone Accounts"

### c) Net Stable Funding Ratio (NSFR)

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

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

Bank's NSFR comes to 169% as at the end of the quarter Q4 (FY 2023-24) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.03.2024 stood at Rs. 136076.41 crores and amount for Required Stable Funding (RSF) as on 31.03.2024 was Rs 80335 crores.

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more.

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

Statement of NSFR		BLR 7		
Name of the Bank		Jammu & Kashmir Bank		
Statement for the Quarter Ending		Mar-24		
S.No.	Items	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
<b>A.</b>	<b>Components of ASF category (Liability Categories)</b>			
I	Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year)	1.00	14755.86	14755.86
II	Other capital instruments with effective residual maturity of one year or more	1.00	0.00	0.00
III	Other liabilities with effective residual maturity of one year or more	1.00	12191.36	12191.36
IV	Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	0.95	41337.38	39270.51
V	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	0.90	73568.37	66211.54
VI	Funding with residual maturity of less than one year provided by non-financial corporate customers	0.50	816.86	408.43
VII	Operational deposits	0.50	0.00	0.00
VIII	Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks	0.50	6613.34	3306.67
IX	Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	0.50	502.00	251.00
X	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests)	0.00	562.06	0.00
XI	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	0.00	0.00	0.00
XII	"Trade date" payables arising from purchases of financial instruments, foreign currencies	0.00	0.00	0.00
<b>B.</b>	<b>Total Available Stable Funding</b>		<b>150347.24</b>	<b>136395.38</b>
<b>C.</b>	<b>Components of RSF category</b>	<b>Associated RSF Factor</b>	<b>Un-weighted Amount (Rs Crore)</b>	<b>Weighted Amount (Rs. Crore)</b>
I	Coins and banknotes	0.00	615.60	0.00
II	Cash Reserve Ratio (CRR) including excess CRR	0.00	5034.92	0.00
III	All claims on RBI with residual maturities of less than six months	0.00	800.00	0.00
IV	"Trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.	0.00	0.00	0.00
V	Unencumbered Level 1 assets, excluding coins, banknotes, CRR and SLR Securities	0.05	0.00	0.00

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## "Notes on Standalone Accounts"

Statement of NSFR		BLR 7		
Name of the Bank		Jammu & Kashmir Bank		
Statement for the Quarter Ending		Mar-24		
S.No.	Items	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
<b>A. Components of ASF category (Liability Categories)</b>				
VI	Unencumbered SLR Securities	0.05	29816.11	1490.81
VII	Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets as defined in LCR circular dated June 9, 2014 and various amendments as indicated in the text of the circular, and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan	0.10	0.00	0.00
VIII	All other 'standard' unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories	0.15	799.56	119.93
IX	Unencumbered Level 2A assets	0.15	169.28	25.39
X	Unencumbered Level 2B assets	0.50	1.60	0.80
XI	HQLA encumbered for a period of six months or more and less than one year	0.50	0.00	0.00
XII	'Standard' Loans to financial institutions and central banks with residual maturities between six months and less than one year	0.50	0.00	0.00
XIII	Deposits held at other financial institutions for operational purposes	0.50	68.67	34.33
XIV	All other assets not included in the above categories with residual maturity of less than one year, including 'standard' loans to non-financial corporate clients, to retail and small business customers, and 'standard' loans to sovereigns and PSEs	0.50	44762.94	22381.47
XV	Unencumbered 'standard' residential mortgages with a residual maturity of one year or more and assigned the minimum risk weight under the Standardised Approach	0.65	6828.73	4438.67
XVI	Other unencumbered 'standard' loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under the Standardised Approach	0.65	10969.87	7130.42
XVII	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP	0.85	133.68	113.62
XVIII	Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions	0.85	32836.16	27910.74
XIX	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	0.85	546.21	464.28
XX	Physical traded commodities, including gold	0.85	0.00	0.00
XXI	All assets that are encumbered for a period of one year or more	1.00	0.00	0.00
XXII	NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities	1.00	10.41	10.41
XXIII	5% of derivative liabilities	1.00	0.22	0.22
XXIV	All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities	1.00	14386.96	14386.96
XXV	All restructured 'standard' loans which attract higher risk weight and additional provision	1.00	591.63	591.63
<b>D.</b>	<b>Required Stable Funding - On Balance Sheet Assets [I to xxv]</b>		<b>148370.97</b>	<b>79098.90</b>
<b>E.</b>	<b>Off-Balance Sheet Assets</b>			

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## "Notes on Standalone Accounts"

Statement of NSFR		BLR 7		
Name of the Bank		Jammu & Kashmir Bank		
Statement for the Quarter Ending		Mar-24		
S.No.	Items	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
A.	Components of ASF category (Liability Categories)			
I	Irrevocable and conditionally revocable credit and liquidity facilities to any client	5% of the currently undrawn portion	8937.19	446.86
<b>II</b>	<b>Other contingent funding obligations, including products and instruments (a) + (b) + (c)</b>	<b>5% of the currently undrawn portion</b>	<b>5198.14</b>	<b>259.91</b>
(a)	Unconditionally revocable credit and liquidity facilities	5% of the currently undrawn portion	5198.14	259.91
(b)	Trade finance-related obligations (including guarantees and letters of credit)	3% of the currently undrawn portion	0.00	0.00
(c)	Guarantees and letters of credit unrelated to trade finance obligations	3% of the currently undrawn portion	0.00	0.00
III	Non-contractual obligations (a) + (b) + (c)	-	-	0.00
(a)	potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities	0.05	0.00	0.00
(b)	structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs)	0.05	0.00	0.00
(c)	managed funds that are marketed with the objective of maintaining a stable value	0.05	0.00	0.00
<b>F.</b>	<b>Required Stable Funding - Off Balance Sheet Items (I)+(II)+(III)</b>			<b>605.88</b>
<b>G.</b>	<b>Total Required Stable Funding (D+F)</b>			<b>7980566</b>
<b>H.</b>	<b>NSFR (B / G)</b>			<b>171.03</b>

As per the extant RBI Guidelines, the banks are required to make Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio and Net Stable funding ratio under the BASEL III Framework. Accordingly, these disclosures are being made available on the Bank's website i.e. [www.jkbank.com](http://www.jkbank.com). These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.

### 3. Investments

#### a) Composition of Investment Portfolio

As at 31 <sup>st</sup> March, 2024													(Amount in crore)	
Particulars	Investments in India							Investments outside India					Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India			
Held to Maturity														
Gross	28811.5937	0.0000	0.0000	0.0000	257.9726	0.0000	29069.5663	NIL	NIL	NIL	NIL	NIL	NIL	
Less: Provision for non-performing investments (NPI)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	NIL	NIL	NIL	NIL	NIL	NIL	
Net	28811.5937	0.0000	0.0000	0.0000	257.9726	0.0000	29069.5663	NIL	NIL	NIL	NIL	NIL	NIL	

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## "Notes on Standalone Accounts"

								NIL	NIL	NIL	NIL	NIL
Available for Sale								NIL	NIL	NIL	NIL	NIL
Gross	1108.9729	0.0000	555.1959	1141.8730	0.0000	4127.5777	6933.6195	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.0000	0.0000	455.3192	385.1987	0.0000	176.6113	1017.1292	NIL	NIL	NIL	NIL	NIL
Net	1108.9729	0.0000	99.8767	756.6743	0.0000	3950.9664	5916.4903	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Held for Trading								NIL	NIL	NIL	NIL	NIL
Gross	0.0000	0.0000	0.6525	0.0000	0.0000	0.0000	0.6525	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.0000	0.0000	0.0104	0.0000	0.0000	0.0000	0.0104	NIL	NIL	NIL	NIL	NIL
Net	0.0000	0.0000	0.6421	0.0000	0.0000	0.0000	0.6421	NIL	NIL	NIL	NIL	NIL
								NIL	NIL	NIL	NIL	NIL
Total Investments	29920.5666	0.0000	555.8484	1141.8730	257.9726	4127.5777	36003.8383	NIL	NIL	NIL	NIL	NIL
Less: Provision for non-performing investments	0.0000	0.0000	453.4902	384.4227	0.0000	48.2400	886.1529	NIL	NIL	NIL	NIL	NIL
Less: Provision for depreciation and NPI	0.0000	0.0000	455.3192	385.1987	0.0000	176.6113	1017.1292	NIL	NIL	NIL	NIL	NIL
Net	29920.5666	0.0000	100.5292	756.6743	257.9726	3950.9664	34986.7091	NIL	NIL	NIL	NIL	NIL

As at 31<sup>st</sup> March 2023

(Amount in ₹ crore)

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

## Schedule 18

### "Notes on Standalone Accounts"

Less: Provision for depreciation and NPI	0	0	0.03	0	0	0	0.03	0	0	0	0	0
Net	0	0	1.17	0	0	0	1.17	0	0	0	0	0
Total Investments	29155.83	0	574.66	1013.96	85.67	4986.13	35816.25	0	0	0	0	0
Less: Provision for non-performing investments	0	0	467.05	294.98	0	48.24	810.27	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.81	299.42	36.92	177.95	987.10	0	0	0	0	0
Net	29155.83	0	101.85	714.54	48.75	4808.18	34829.15	0	0	0	0	0

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

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	176.83	84.12
b) Add: Provisions made during the year	4.67	97.63
c) Less: Write off / write back of excess provisions during the year	55.07	4.92
d) Closing balance	126.43	176.83
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance	209.58	37.78
b) Add: Amount transferred during the year	0.00	171.80
c) Less: Drawdown	0.00	0.00
d) Closing balance	209.58	209.58
iii) Closing balance in IFR as a percentage of closing balance of investments in Available for Sale (AFS) and Held for Trade (HFT)/Current category	3.54	2.61

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

The value of sale and transfer of securities to/from HTM Category (excluding permitted transfers) has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR Investment Portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

S. No.	Particulars	Current Year	Previous Year
a)	Opening balance	870.39	722.07
b)	Additions during the year since 1 <sup>st</sup> April	47.37	172.34
c)	Reductions during the above period	14.00	24.02
d)	Closing balance	903.76	870.39
e)	Total provisions held (excluding floating provision of ₹ 2.76 Crores and ₹ 29.57 crore of interest capitalized)	890.70	810.27

ii) Issuer composition of non-SLR investments

(Amount in ₹ crore)

Sn.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade securities*		Extent of unrated Securities*		Extent of unlisted Securities*	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	2	3	4	5	6	7					
a)	PSUs	119.32	69.31	119.32	69.31	-	-	-	-	-	-
b)	Fis (incl. NBFC's AIF'S)	1447.28	1423.84	657.49	712.95	114.33.00	115.00	-	-	-	-
c)	Banks (incl. CD's)	3211.96	4094.34	0.00	0.00	0.00	0.00	-	-	-	-
d)	Private Corporates (incl. CP's)	893.51	824.89	318.34	279.93	216.47	177.44	23.03	23.03	23.03	23.03
e)	Subsidiaries/Joint Ventures**	257.97	85.67	-	-	-	-	-	-	-	-

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## "Notes on Standalone Accounts"

Sn.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade securities*		Extent of unrated Securities*		Extent of unlisted Securities*	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	2	3		4		5		6		7	
f)	Others	153.23	162.38	-	-	-	-	-	-	-	-
g)	Less: Provision held towards depreciation/NPI/ Interest Capitalized ***	1017.13	987.10	-	-	-	-	-	-	-	-
<b>Total ***</b>		<b>5066.14</b>	<b>5673.33</b>	<b>1090.15</b>	<b>1062.19</b>	<b>330.80</b>	<b>292.44</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>

\*Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\*Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

\*\*\* Excludes floating provision of ₹2.76 Crores

### e) Repo transactions (in face value terms)

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	500.00	500.00	4.11	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1200	1700.00	51.50	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

### f) Government Security Lending (GSL) transactions (in market value terms)

FY 2023-24				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March, 2024
a) Securities lent through GSL transactions	0.00	0.00	0.00	0.00
b) Securities borrowed through GSL transactions	0.00	0.00	0.00	0.00
c) Securities placed as collateral under GSL transactions	0.00	0.00	0.00	0.00
d) Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00

FY 2022-23				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March, 2023
a) Securities lent through GSL transactions	0.00	0.00	0.00	0.00
b) Securities borrowed through GSL transactions	0.00	0.00	0.00	0.00
c) Securities placed as collateral under GSL transactions	0.00	0.00	0.00	0.00
d) Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00

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## "Notes on Standalone Accounts"

g) Investments include ₹217.97crores in J&K Grameen Bank, Sponsored institution of the Bank. The Bank had made a prudential provision of ₹36.92crores in financial year 2020-21 as net worth of J&K Grameen Bank had eroded due to continuing losses and there was a permanent diminution in carrying cost of investment. However, to bring the investment valuation inline with the provision of RBI Master Direction on classification, valuation and operation of Investment Portfolio of Commercial Banks dated August 25, 2021 (updated as on December 8<sup>th</sup> 2022), the bank has reversed the provision in the current year.

The Bank has made investments of Rs. 71.56 crore on 18.09.2023 in J&K Grameen Bank as application money for which shares were allotted and taken in share account on 18.03.2024. The Bank had made additional investment of Rs. 100.73 crores on 28.04.2022 in J&K Grameen Bank as application money for which shares were allotted and taken in account on 09.06.2023.

h) Floating Provisions (Investments)

(Amount In Crores)

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

### 4. Asset Quality

Classification of advances and provisions held

PARTICULARS	FY 2023-24 (01.04.2023-31.03.2024)						PREVIOUS YEAR (01.04.2022-31.03.2023)					
	Standard	Non-Performing				Total	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances		Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs												
Opening Balance	80951.21	787.82	3434.83	981.78	5204.43	86155.64	68721.92	879.77	4206.68	1434.08	6520.54	<b>75242.46</b>
Add: Additions during the year					1111.62						7446.61	
Less: Reductions during the year*					2359.86						8762.72	
Closing balance	93025.66	426.74	2750.82	778.64	3956.19	96981.86	80951.21	787.82	3434.83	981.78	5204.43	<b>86155.64</b>
*Reductions in Gross NPAs due to:		882.45	1263.05	214.35	2359.86			6126.96	2065.89	569.86	8762.72	
i) Upgradation					903.23						6448.58	
ii) Recoveries (excluding recoveries from upgraded accounts)					843.95						1276.98	
iii) Technical/ Prudential <sup>16</sup> Write-offs					506.86						329.61	
iv) Write-offs other than those under (iii) above					22.60						475.81	
e) Due to Compromise/ settlement					83.23						231.72	
e) Interest Reversal					0.00						0.02	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	424.78*	134.15	2642.06	981.78	3757.99	4304.07	482.85	142.40	3108.85	1434.08	4685.33	<b>5168.18</b>

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## "Notes on Standalone Accounts"

Add: Fresh provisions made during the year					-72.73						-12.52
Less: Excess provision reversed/ Write-off loans					528.90						914.82
Closing balance of provisions held	431.40	115.04	2262.68	778.64	3156.36		424.78*	134.15	2642.06	981.78	3757.99
*Recasted											
Net NPAs <sup>17</sup>											
Opening Balance		641.93	692.31	0.00	1334.24			733.32	1016.78	0.00	1750.10
Add: Fresh additions during the year					1184.35						7459.13
Less: Reductions during the year					1830.96						7847.90
Closing Balance ***		311.33	425.52	0.00	736.84			641.93	692.31	0.00	1334.24
*** Closing Balance has been arrived after subtracting ICAP of Rs 3.52 Cr (Rs 43.79 as on 31.12.2023 and Rs 40.27 cr on 31.03.2024) and adding ECGC/CGTMSE of Rs 1.92 cr (Rs 20.79 Cr as on 31.12.2023 and Rs 22.72 Cr as on 31.03.2024)											
Floating Provisions											
Opening Balance								124.48			13.11
Add: Additional provisions made during the year								0.00			111.37
Less: Amount drawn down during the year ****								0.00			0.00
Closing balance of floating provisions								124.48			124.48
Technical write-offs and the recoveries made thereon											
Opening balance of Technical/ Prudential written-off accounts								4461.84			4596.59
Add: Technical/ Prudential write-offs during the year								506.86			329.61
Less: Recoveries made from previously technical/prudential written-off accounts during the year								173.74			464.37
Closing balance								4794.96			4461.84

Ratios	Current Year	Previous Year
Gross NPA to Gross Advances	4.08%	6.04%
Net NPA to Net Advances	0.79%	1.62%
Provision coverage ratio	91.58%	86.20%

a) Sector-wise Advances and Gross NPAs		(Amounts in ₹ crore)					
S.No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
i)	Priority Sector						
1	Agriculture & Allied Activities	9133.80	426.55	4.67	9183.74	672.39	7.32
2	Advances to Industries sector eligible as priority sector lending	3918.68	249.79	6.37	2769.80	265.26	9.58



# Schedule 18

## "Notes on Standalone Accounts"

2.a	Manufacturing	3866.73	248.42	6.42	2723.03	263.01	9.66
3	Services	17346.96	668.81	3.86	9001.79	366.91	4.08
3.a	Services	7485.44	263.92	3.53	3289.44	223.66	6.80
3.b	Trade	9438.58	404.89	4.29	5412.31	143.25	2.65
4	Personal Loans	5673.58	44.98	0.79	5070.84	40.76	0.80
4.a	Personal	5056.39	38.66	0.76	4618.74	34.16	0.74
4.b	Micro-credit	617.19	6.32	1.02	452.10	6.60	1.46
	Sub-Total (i)	36073.02	1390.13	3.85	26026.17	1345.32	5.17
ii)	Non-Priority Sector						
1	Agriculture & Allied Activities	287.03	0.05	0.02	686.81	0.03	0.00
2	Industry	11460.98	656.47	5.73	11206.84	1162.25	10.37
2.a	Manufacturing	3697.25	442.58	11.97	5097.37	721.64	14.16
2.b	Infrastructure	7760.60	211.75	2.73	6095.06	437.27	7.17
3	Services	15661.45	1641.89	10.48	19925.56	2416.48	12.13
3.a	Trade	2091.41	417.09	19.94	5362.31	764.74	14.26
3.b	Financial Market	10867.30	625.24	5.75	8478.11	684.94	8.08
4	Personal loans	33499.38	267.66	0.80	28310.34	280.35	0.99
4.a	personal	31952.92	267.00	0.84	27055.51	279.14	1.03
	Sub-Total (ii)	60908.85	2566.07	4.21	60129.54	3859.11	6.42
	<b>Total (i + ii)</b>	<b>96981.86</b>	<b>3956.19</b>	<b>4.08</b>	<b>86155.72</b>	<b>5204.43</b>	<b>6.04</b>

Sub sectors have been disclosed where the outstanding advances exceeds 10% of the outstanding total advances to that sector.

- b) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019 In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Bank has not made additional provisions for the quarter ended March 31 2024 as the existing provisions are adequate to take care of the NPAs as detailed below (Total provision as on March 31, 2024 is Rs. 27.24 Crores):

Amount of loans impacted by RBI Circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2024 out of (b) classified as NPA (c)	Provisions held as on 31.03.2023 (d)	Additional provision made during the year ended 31.03.2024 (e)	Provision held as on 31.03.2024 (f)
27.24	27.24	27.24	27.24	0.00	27.24

- c) Divergence in asset classification and provisioning:  
No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2023, based on the conditions mentioned in RBI circular No. DBR. BP.BC.No.31/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019.
- d) Disclosure of transfer of loan accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated 24<sup>th</sup> September 2021, the details of loans transferred/acquired (Loan not in default) during the year Period 01-04-2023 to 31-03-2024:
- i) NPA accounts transferred during the period 01.04.2023 to 31.03.2024:  
The details of the Non-Performing Assets transferred during the period 01.04.2023 to 31.03.2024 are given below:  
(Amounts in ₹ crore)

S No	Particulars	Current Year			Previous Year		
		To ARCs	To permitted transferees	To other transferees	To ARCs	To permitted transferees	To other transferees
a.	No of accounts	Nil	Nil	Nil	3	Nil	1
b.	Aggregate principal outstanding of loans transferred	NA	NA	NA	562.76	NA	188.11
c.	Weighted average residual tenor of the loans transferred (Years)	NA	NA	NA	2.68	NA	0
d.	Net book value of loans transferred (at the time of transfer)	NA	NA	NA	142.84	NA	0

## Schedule 18

### "Notes on Standalone Accounts"

e.	Aggregate consideration (₹ in crore)	NA	NA	NA	305.12	NA	94.33
f.	Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA	1.23	NA	0

No Excess Provision on sale of NPAs to Securitization Company (SC)/reconstruction Company (RC) has been accounted for in the Profit & Loss Account during the current financial year.

- ii. The Bank has not acquired any stressed loan or NPA during the year.
- iii. The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
- iv. Bank has not acquired any "Loan not in default" through assignment of loans.
- v. Bank has not acquired any stressed loans and not transferred any loan not in default/Special Mention Account (SMA).
- vi. Bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- vii. Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2024:  
(In ₹ Crore)

Recovery Rating Band	Book Value as on 31.03.2024	Book Value as on 31.03.2023
RR1+	13.39	13.39
RR1	80.18	0.00
RR3	0.00	0.00
RR4	38.27	64.26
NA*	21.40	4.55
Rating not assigned**	0.00	80.18
<b>Total</b>	<b>153.24</b>	<b>162.38</b>

\*100% provisions made against the SRs

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

#### f) Fraud accounts

(₹ in crore)

Particulars	Current year	Previous Year
Number of frauds reported	35	20
Amount involved in fraud (₹Crore)	241.76	380.04
Amount of provision made for such frauds	237.72	375.32
Amount of Unamortised provision debited from 'other reserves' as at the end of the year)	Nil	Nil
*During the FY 2023-24, the total number of fresh fraud cases declared/reported is 32 and reclassified 3 fraud cases with aggregate total amount involved being ₹241.76 crores out of which an amount of ₹4.04 Crores being recovered.		

#### g) Resolution Framework for COVID-19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID 19 related stress as per RBI Circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:  
(₹ in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	56.94	2.72	0.00	6.55	47.67
Corporate persons*	339.26	18.84	0.00	56.50	263.92
Of which MSMEs	51.69	9.01	0.00	8.20	34.48
Others	174.51	8.76	0.00	20.00	145.76
<b>Total</b>	<b>570.71</b>	<b>30.31</b>	<b>0.00</b>	<b>83.05</b>	<b>457.35</b>
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

# Schedule 18

## "Notes on Standalone Accounts"

### 5. Exposures

#### a) Exposure to real estate sector

S.No	Particulars	Current Year	Previous Year
	Direct Exposure		
	(i) Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	14169.49	11650.95
	Of which individual housing loans eligible for inclusion in priority sector advances	4579.99	4541.64
	(ii) Commercial Real Estate	1792.79	2177.29
1.	Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0	0
	(iii) Investment in Mortgage-Backed Securities (MBS) and other securitized exposures:	0	0
	(a) Residential	0	0
	(b) Commercial real estate	0	0
2.	Indirect Exposure		
	Fund based and non-fund-based exposures on National housing Bank and Housing Finance Corporation	3468.69	3025.03
	Total Exposure to Real Estate Sector	19430.97	16853.27

#### b) Exposure to capital market

Particulars	(Amount in Crores of Rs.)	
	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	75.50	74.42
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.05	0.04
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15.00	15.00
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.02
Total exposure to capital market	90.55	89.48

#### c) Risk category-wise country exposure

(Amount ₹ in Crores)

Risk Category	Exposure (net) as at	Provisions held as at	Exposure (net) as at	Provisions held as at
	Mar-24	Mar-23	Mar-23	Mar-22
Insignificant	615.32	0.00	118.98	0.00
Low	76.12	0.00	18.03	0.00
Moderately Low	4.98	0.00	1.98	0.00
Moderate	0.00	0.00	0.00	0.00
Moderately High	1.53	0.00	0.10	0.00
High	2.03	0.00	0.00	0.00
Very high	0.00	0.00	0.00	0.00
<b>Total</b>	<b>699.97</b>	<b>0.00</b>	<b>139.09</b>	<b>0.00</b>

## Schedule 18

### "Notes on Standalone Accounts"

d) Unsecured Advances

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	28546.68	25310.11
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	NA	NA

e) Factoring exposures

The Banks factoring exposure as at 31.03.2024 Nil is (Previous Year - Nil)

f) Intra-group exposures

(Amounts in ₹ crore)

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

g) Unhedged foreign currency exposure

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

(Amounts in ₹ crore)

Particulars	Provision Held	
	Current Year 31.03.2024	Previous Year 31.03.2023
Opening balance	3.76	2.70
Additions during the Year	6.14	1.16
Deductions during the Year	5.35	0.10
Closing balance	4.54	3.76

The incremental capital held by the Bank towards the foreign currency exposure amounts to ₹ 0.12 crores (previous year ₹ 1.13 crores)

#### 6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

(Amounts in ₹ crore)

Particulars	Current Year	Previous Year
Total Deposits of 20 largest depositors	13164.34	10984.00
Percentage of 20 largest deposits to total Deposits of the Bank	9.77%	9.00%

b) Concentration of Advances

(Amounts in ₹ crore)

Particulars	Current Year	Previous Year
Total Advances to the twenty largest borrowers	17692.73	11819.29
Percentage of advances to twenty largest borrowers to total advances of the bank	13.79%	13.28%

c) Concentration of Exposures

(Amounts in ₹ crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	16071.68	12440.52
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers/customers	15.19%	11.89%

# Schedule 18

## "Notes on Standalone Accounts"

### d) Concentration of NPAs

(Amounts in ₹ crore)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	1811.70	2400.18
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	45.79%	46.12%

### 7. Derivatives

#### a) Forward rate agreement/Interest rate swap

(Amounts in ₹ crore)

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

#### b) Exchange traded interest rate derivatives

(Amounts in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	0.00	0.00
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument wise)	0.00	0.00
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00

#### c) Disclosures on risk exposures in derivatives

##### i) Qualitative disclosures

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

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

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

##### ii) Quantitative Disclosures

(Amounts in ₹ crore)

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

# Schedule 18

## "Notes on Standalone Accounts"

- d) Credit default swaps  
Bank did not enter in any credit default swap.

### 8. Disclosures relating to securitisation

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

### 9. Off balance sheet SPVs sponsored

The bank has not floated any off balance Sheet SPV.

# Schedule 18

## "Notes on Standalone Accounts"

### 10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amounts in ₹ crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	273.93	244.30
Add: Amounts transferred to DEA Fund during the year	34.98	34.28
Less: Amounts reimbursed by DEA Fund towards claims	28.77	4.65
Closing balance of amounts transferred to DEA Fund	280.14	273.93
The Closing balance of amounts transferred to DEA Fund as disclosed above are also included under schedule 12 - Contingent Liabilities - other items for which the bank is contingently liable.		

### 11. Disclosure of complaints

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

Sr. No	Particulars	Previous year (FY 2022-23)	Current year (FY 2023-24)
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	1116	2324
2.	Number of complaints received during the year	52608	54686
3.	Number of complaints disposed during the year	51400	55465
3.1	Of which, number of complaints rejected by the bank	582	8273
4.	Number of complaints pending at the end of the year	2324	1545
Maintainable complaints received by the bank from OBOs			
	Number of maintainable complaints received by the bank from OBOs	530	616
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	514	589
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	10	29
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note :			
1. Maintainable complaints refer to complaints on the grounds specifically mentioned in <u>BO Scheme 2006</u> and covered within the ambit of the Scheme.			
2. Till the Financial Year 2022-23, the Bank was disclosing only the non-digital complaints in the summary information. For the current year, the number of complaints pending at the beginning of the year, received and disposed during the year and pending at the end of the year include digital and non-digital complaints. The figures for the previous year have been regrouped accordingly.			
Note:			
•	Number of BO complaints pending at the beginning of FY2022-23 -----	9	
•	Number of BO complaints pending at the end of FY2022-23 -----	15	
•	Number of BO complaints pending at the end of FY2023-24 -----	13	

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1 (Internet/Mobile/Electronic Banking)	2291	51332	0.2	1221	0
Ground - 2 (Loans and Advances)	8	1401	129	135	0
Ground - 3 (ATM/Debit Cards)	1	172	161	30	0
Ground - 4 (Credit Cards)	1	157	59	12	0
Ground - 5 (Account opening/difficulty in operation of accounts)	1	151	26	21	0

## Schedule 18

### "Notes on Standalone Accounts"

a) Top five grounds of complaints received by the bank from customers					
Other Grounds • Staff Misbehaviour • Deficiency of services • Insurance • Leakage of Account Info • Non-Linkage of Aadhaar • Unauthorised Debits • Pension and facilities for senior citizens/differently abled • Others	22	1473	110	126	1
<b>Total Complaints</b>	<b>2324</b>	<b>54686</b>	<b>3</b>	<b>1545</b>	<b>1</b>
Previous Year					
Ground - 1 (Internet/Mobile/Electronic Banking)	1105	50982	48	2291	0
Ground - 2 (Loans and Advances)	2	612	353	8	1
Ground - 3 (Account opening/difficulty in operation of accounts)	2	120	2900	1	0
Ground - 4 (Credit Cards)	0	99	27	1	0
Ground - 5 (Staff Behavior)	1	95	313	5	0
Other Grounds • ATM/Debit Cards • Deficiency of services • Insurance • Leakage of Account Info • Non-Linkage of Aadhaar • Unauthorised Debits • Pension and facilities for senior citizens/differently abled • Others	6	700	57	18	0
<b>Total Complaints</b>	<b>1116</b>	<b>52608</b>	<b>50</b>	<b>2324</b>	<b>1</b>

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

During the year ended March 31, 2024, 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	39	2.14*
2.***	Penalty imposed by RBI on ATM Cash Outs	10	1.00*
3.	Penalty imposed on non-compliances with RBI directions	1	250.00
4.	Penalty imposed on branch office(s)	1	0.20
	<b>Total</b>	<b>51</b>	<b>253.34</b>

\*This amount has been recovered from the concerned employees.

\*\*₹ 0.50 Lacs (one instance) out of penalty at S. No. 1 &

\*\*\*₹ 0.50 Lacs (five instances) out of penalty at S. No. 2 have been waived-off and reversed by RBI.



# Schedule 18

## "Notes on Standalone Accounts"

13. Disclosures on remuneration			
Type of disclosure		Information	
Qualitative	a)	Information relating to the composition and mandate of the Remuneration Committee.	Bank has constituted the Nomination and Remuneration Committee of the Board pursuant to the requirement of the Reserve Bank of India and the Companies Act, 2013, which constituted of following members of the Board as on 31.03.2024. Mr. Anand Kumar (Chairman N&RC) Dr. Rajeev Lochan Bishnoi Mr. Naba Kishore Sahoo Ms. Shahla Ayoub
	b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The major objective of Banks' Compensation Policy are: <ul style="list-style-type: none"> <li>• To ensure effective governance of compensation.</li> <li>i. Actively oversee the compensation systems design and operation.</li> <li>ii. Monitor and review the compensation system to ensure the system operates as intended.</li> <li>iii. Employees engaged in financial system and control must be independent, have necessary authority and must be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank.</li> <li>• To ensure effective alignment of compensation with prudent risk taking: <ul style="list-style-type: none"> <li>i. Compensation must be adjusted for all types of risks.</li> <li>ii. Compensation outcome must be symmetric with risk outcomes.</li> <li>iii. Compensation pay out schedules must be sensitive to the time horizon of risks.</li> <li>iv. The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.</li> </ul> </li> <li>• To comply with the regulatory directives whereby all private sector banks are required to formulate and adopt a comprehensive Compensation Policy covering all their employees and conduct annual review thereof.</li> <li>• To attract, develop and retain high-performing and motivated employees</li> </ul> <p>The Compensation Policy of the Bank is in line with the regulatory guidelines, however as per Board directions, the policy shall be considered for implementation once the Bank reaches a cost to income ratio of 50% or below, in-line with the peer banks. The Bank being a member bank of Indian Banks' Association (IBA), as such the compensation structure of the Banks' employees is currently guided by the IBA stipulated pay structure. However, in the case of Contractual Senior Employees viz. MD &amp; CEO, ED and the CFO, the compensation structure (for the FY 2023-24) is aligned as per the compensation policy.</p>
	c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	The Compensation Policy of the Bank is in line with the regulatory guidelines, however as per Board directions, the policy shall be considered for implementation once the Bank reaches a cost to income ratio of 50% or below, in-line with the peer banks. The Bank being a member bank of Indian Banks' Association (IBA), as such the compensation structure of the Banks' employees is currently guided by the IBA stipulated pay structure, without any performance linked variable components. However, in the case of Contractual Senior Employees viz. MD & CEO, ED and the CFO, the compensation structure (for the FY 2023-24) is aligned as per the compensation policy, wherein performance linked Variable pay is included within the remuneration. As per the Compensation Policy, various types of risks are to be taken into account by the Bank in its remuneration process. A wide variety of measures of credit, market, liquidity and various other risks shall be used by the bank in implementation of risk adjustment which shall involve both quantitative and judgmental elements. In order to manage current and future risks, the compensation policy stipulates variable pay as a component of the compensation structure of Whole Time Directors, Material Risk Takers (MRTs) and Control function staff. The variable portion of the compensation comprises of cash and non-cash (share linked instruments) components which is deferred over a period of 3 years so that the compensation is adjusted for all types of risks that the Bank may be exposed to. The compensation policy also stipulates 'malus' and 'clawback' options to take into account specific crystallised risk, adverse performance outcomes including those related to misconduct and deterioration in financial performance of the Bank.
	d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	As per the compensation policy, the variable component of remuneration (wherever applicable) is assessed by the Bank based on the individual performance in relation to KRAs for a reference performance year. KRAs take into consideration both the quantitative (financial aspects) and qualitative (nonfinancial aspects) parameters. The quantum of Variable Pay is a function of the Bank's and the individual's performance with due adjustment for risks involved.
	e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	As per the bank's compensation policy, deferral and vesting of variable remuneration shall apply to the MD & CEO /Whole Time Directors (WTDs), Material Risk Takers (MRTs) and control Function staff. The Material Risk Takers (MRTs) and Control Function Staff designated by the Bank within the policy include the following: a) Material Risk Takers (MRTs) The following officials have been identified as MRTs based on the RBI stipulated qualitative and quantitative criteria for identification of MRTs. General Managers within the following domains. 1. Consumer & Commercial Banking (CCB)/Corporate Banking (including Divisional Heads in business line function) 2. Central Banking Operations (CBO) 3. Govt. Banking & Treasury Ops. 4. Strategy & IT 5. BSD, Insurance 6. Human Resources 7. IAPM 8. Law b) Control Function Staff The following officials have been identified as the Control Function Staff: 1. Chief Compliance Officer (CCO)/GCO 2. Head of Internal Audit (HIA) 3. Chief Risk Officer (CRO) 4. CIV/CVO 5. Company Secretary 6. Finance/CFO In line with the RBI guidelines, the Bank's compensation policy stipulates the following principles for Deferral / vesting of variable remuneration for WTDs/CEO, MRTs: <ul style="list-style-type: none"> <li>• At least 50% of Total Pay, should be variable.</li> <li>• The variable pay can be in the form of share-linked instruments or a mix of cash and share-linked instruments. There should be proper balance between the cash and share-linked components in the variable pay. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash.</li> <li>• A minimum of 50% of the Total Variable Pay shall be paid via non-cash instruments.</li> <li>• The compensation policy stipulates that the total variable pay of the MD &amp; CEO to be limited to a maximum of 100% of the fixed pay (as against the maximum permissible regulatory ceiling of 300% of the fixed pay), to be allocated equally (50%) between the cash component and non-cash component. The said ceiling being the minimum would apply to the MRTs and Control Function staff as well.</li> </ul>



# Schedule 18

## "Notes on Standalone Accounts"

		<p>Cash Component:          (a) Upfront payment shall be 50% of cash component of Variable Pay          (b) Deferred payment shall be 50% of cash component of Variable Pay</p> <ul style="list-style-type: none"> <li>• Non-cash Components (share-linked instruments):</li> </ul> <p>(a) ESOP/ESOS: The monetary value, of grant of share-linked instruments shall not exceed 50% of Variable Pay</p> <ul style="list-style-type: none"> <li>• Period of Deferral Arrangement:              The deferral period shall be a minimum of three years. This would be applicable to both the cash and non-cash components of the variable pay. However, in cases where the cash component of variable pay is under INR 25 lakhs, deferral requirements for cash component will not apply.</li> </ul> <p>Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation, as such the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.</p> <p>The Compensation policy stipulates Malus and Clawback clauses for adjusting deferred remuneration before &amp; after vesting (applicable for WTDs, CEO, MRTs and Control function Staff):</p> <p>Malus: Payment of all or part of amount of deferred variable pay can be prevented</p> <p>Clawback: Previously paid or already vested deferred variable pay can also be recovered under this clause.</p>
		<p><b>FRAMEWORK TO INVOKE MALUS / CLAWBACK CLAUSES:</b></p> <p>The variable pay shall be subject to ex-post risk adjustment measures to take into account specific crystallised risk or adverse performance outcome including those relating to misconduct. It shall include reduction of current year awards (in-year adjustment), the application of malus (reducing or cancelling deferred pay that have not yet vested), and clawback (recouping already vested awards). The 'malus' and 'clawback' clause will be invoked when the employee demonstrates fraudulent behavior, moral turpitude, lack of integrity, flagrant breach of company policies and statutory norms resulting in financial or non-financial losses.</p> <p>Malus and clawback will be applied basis informed judgment of NRC for following conduct/risk related circumstances:</p> <ol style="list-style-type: none"> <li>Any act which exposes the bank to substantial risk.</li> <li>Non-disclosure of material conflict of interest by the employee or any misuse of official powers.</li> <li>Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature.</li> <li>Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates.</li> <li>Wilful misinterpretation / misreporting of financial performance of the bank.</li> <li>Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly.</li> <li>An act of wilful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise.</li> <li>Material breach of:             <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Any Non-Disclosure Agreement</li> <li>• Regulatory procedures</li> <li>• Internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or / and clawback provisions.</li> </ul> </li> </ol> <p>i. Violation of guidelines for Anti Hedging and guidelines for Prevention of Insider Trading.</p> <p>The occurrence of any/some/all of the above conditions/events shall trigger a review by the Nomination and Remuneration Committee for the application of the Malus or the Clawback arrangement.</p> <p>Malus may be applied to the following additional circumstances:</p> <ol style="list-style-type: none"> <li>In the event of deterioration in financial performance in form of drop in Profit After Tax (PAT) from one financial year to the next by 30% or more, the NRC shall evaluate and decide if Malus needs to be applied on none, part or all of the unvested deferred variable compensation. For the evaluation, the NRC may take into consideration conditions leading to the deterioration in financial performance, including changes in regulations, industry performance and others.</li> <li>In the event when there is a deterioration of more than 5% in the operating profit and/or net Non-Performing Asset (NPA)/to net Advances exceeds 0.75%, and deterioration in any other specific performance criteria that may be laid down by the Nomination and Remuneration Committee (NRC). The NRC will review the performance taking into consideration the macroeconomic environment as well as the internal performance indicators and accordingly decide whether any part of the deferred tranche belonging to a financial year merits a withdrawal.</li> <li>In the event where the assessed divergence in Bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure, the Bank shall not pay the unvested portion of the variable compensation for the assessment year under 'Malus' clause. Such a scenario can also lead to the invoking of the 'Clawback' clause. Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the Bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning or both provisioning and asset classification.</li> </ol> <p>Final decision to invoke malus and/or clawback shall be approved by NRC. In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation / withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors that may have been beyond the control of the concerned employee.</p> <p>Prior to yearly pay out of the deferred components of Total Variable Pay, NRC shall review the release of the pay-out. In the event where the clawback clause is invoked, the employee will agree to return the previously received Total Variable Pay back to the Bank, taking into account relevant regulatory/ statutory stipulations. In case the vested stock options have already been exercised, the employee shall return fair value of options at the time of grant, using Black-Scholes model</p>

f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	The compensation policy of the Bank stipulates the following components of performance linked variable pay: <ul style="list-style-type: none"> <li>• Cash component</li> <li>• Non-cash component (share linked instruments). This shall be granted to employees, in the form of Employee Stock Options (ESOPs). The Bank shall have in place an Employee Stock Option Scheme (ESOS), formulated in accordance with the SEBI-SBEBSE (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. ESOS shall have an inbuilt deferral design; grant immediately following the reference performance year with no immediate vesting, 30% vesting after end of first year following the reference performance year, next 30% vesting after end of second year &amp; balance 40% vesting after the end of third year, which is intended to spread and manage risk.</li> <li>• Employee stock options shall be fair valued on the date of grant by the Bank using Black-Scholes model.</li> </ul>	
	Particulars	Current Year	Previous Year
Quantitative Disclosures  (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Material Risk Takers)	g) Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	The Committee met ten times during the year and total sitting fee of ₹ 12,00,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit)	The Committee met ten times during the year and total sitting fee of ₹15,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit)
	i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
	h) ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
	i) Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
	ii) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	*Cash (Deferred): ₹ 0.12 Cr *Non-Cash/ ESOP (Deferred): ₹ 0.35 Cr *pertains to the assessment of variable pay for the reference performance year (FY 2021-22 & 2022-23).	Deferred Cash: ₹ 0.18 Cr Deferred Non-Cash (ESOP): ₹ 0.46
	ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Total Fixed Salary: ₹ 4.86 Cr Total Variable Pay : Nil*  *Variable Pay assessment for MD & CEO/ WTD/MRT for FY 2023-24 is pending.	Total Fixed Salary: ₹ 4.22 Cr Total Variable Pay : ₹ 1.03 Cr Deferred variable pay: ₹ 0.64 Cr Non-deferred variable Pay: ₹ 0.39 Cr
	k) i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL
	ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
	iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l) Number of MRTs identified	10* *Identified as per the Compensation Policy of the Bank	11* *Identified as per the Compensation Policy of the Bank
	m) (i) Number of cases where malus has been exercised	NIL	Nil
	(ii) Number of cases where clawback has been exercised	NIL	Nil
	(iii) Number of cases where both malus and clawback have been exercised.	NIL	Nil
General Quantitative Disclosure	(n) The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	<ul style="list-style-type: none"> <li>• Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2023-24 was ₹ 14.44 lacs</li> <li>• Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2023-24): 9.53X</li> <li>• Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.08 lacs</li> <li>• Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 6.07X</li> </ul>	

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### "Notes on Standalone Accounts"

Details of Remuneration paid to Non - Executive Directors during FY 2023-24			
Name	Sitting Fee	Profit related Compensation (FY 2022-23)	Total
Dr. Rajeev Lochan Bishnoi	2160000	1000000	3160000
Mr. Naba Kishore Sahoo	2280000	1000000	3280000
Dr. Mohmad Ishaq Wani	0	400000	400000
Mr. R K Chhibber	2160000	1000000	3160000
Mr. Umesh Chandra Pandey	2120000	1000000	3120000
Mr. Anil Kumar Goel	2080000	1000000	3080000
Mrs. Sushmita Chadha	0	493151	493151
Mr. Anand Kumar	2400000	1000000	3400000
<b>Total</b>	<b>13200000</b>	<b>6893151</b>	<b>20093151</b>

#### 14. Other Disclosures

##### a) Business ratios

Particulars	Current Year	Previous Year
Interest Income as a percentage to Working Funds	7.76%	6.92%
Non-Interest Income as a percentage to Working Funds	0.57%	0.56%
Cost of Deposits	4.57%	3.79%
Net Interest Margin	3.92%	3.89%
Operating Profit as a percentage to Working Funds	1.58%	1.37%
Return on Assets	1.22%	0.89%
Business (deposits plus advances) per employee(in ₹ crore)	17.81	15.57
Profit per employee (in ₹ crore)	0.14	0.09

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

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

\*\*\* Deposits (other than inter-bank deposits) & Gross Advances are as at the close of the year.

##### b) Bancassurance business

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business  
(Amounts in ₹ crore)

Name of the Company	Current Year FY2023-24	Previous Year FY2022-23
PNB MetLife	55.69	47.36
Life Insurance Corporation of India	1.67	0
Bajaj Allianz Life Insurance Company Limited	22.17	0
Bajaj Allianz General Insurance Company Limited	22.73	20
IFFCO TOKIO General Insurance Company	3.51	3.33
<b>Total</b>	<b>105.77</b>	<b>70.69</b>

##### c) Marketing and distribution

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

S.No	Nature of income	Current Year	Previous Year
1	Commission from JKBFSL on opening DEMAT Accounts	0.16	0.03
2	Commission from JKBFSL on mobilizing Mutual Funds	0.12	0.07
3	Service Charges from PMFBY	0.42	0.13
<b>Total</b>		<b>0.70</b>	<b>0.23</b>

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## "Notes on Standalone Accounts"

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has purchased the following PSLCs during the year:

(Amount in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	1708.00	50.00
<b>Total</b>	<b>1708.00</b>	<b>50.00</b>

The Bank has sold the following PSLCs during the year:

(in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

e) Provisions and contingencies

(Amount in ₹ crore)

STANDALONE DETAILS OF PROVISIONS		YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
1	Provision for Taxes (A+B)	617.30	586.98
	A. Income Tax	588.79	530.55
	B. Deferred Tax	28.51	56.43
2	Provision for Bad & Doubtful Debts	(73.61)	(12.51)
3	Provision for Standard Assets	(114.68)	63.23
4	Provision for Non Performing Investment	75.88	83.46
5	Provision for diminution in the fair value of restructured/rescheduled advances	0.00	(28.24)
6	Provision for Contingent Liabilities	0.10	(2.33)
7	Provision for Contingencies	-	(27.74)
8	Provision for Frauds/ Embezzlements (other than Advances)	4.62	(1.74)
	<b>Total :-</b>	<b>509.61</b>	<b>661.11</b>

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS) RBI vide Circular DBR.BP.BC. No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year.

The bank hired a consultant for implementation of Ind AS in the Financial Year 2023-2024 and consultant has started the process of parallel conversion to IND AS. The base year for Ind As conversion is Financial Year 2023-2024 with transition date as at April 1, 2023.

It is pertinent to mention that the Bank had previously availed the services of a consultant for implementation of Ind AS but the contract was terminated due to non-performance by the previous Consultant.

g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S.no	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	143.24	140.81
ii)	Arrears in payment of DICGC premium	Nil	Nil

h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks  
Bank has estimated the additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020, amounting to ₹72.50 Crores. However, RBI vide their Circular RB1/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹3.625 crores and ₹14.50 crores to the Profit & Loss account for the quarter & Year ended 31st March 2024 respectively and the balance unamortized expense of ₹29.00 Crores has been carried forward. Had the bank charged the entire additional liability to the Profit and loss account, the consequential net profit for the year ended march 31, 2024 would have been ₹ 1738.27crores

i) Disclosure of Letters of Comfort (LoCs) issued by banks ( CCB / Forex)

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### "Notes on Standalone Accounts"

The Bank has not issued any letter of comfort on behalf of the customers or on its behalf in respect of trade credits during the FY 2023-24.

j) Portfolio-level information on the use of funds raised from green deposits

Particulars	(Amount in ₹ crore)		
	Current Financial Year	Previous Financial Year	Cumulative*
Use of green deposit funds**			
(1) Renewable Energy			
(2) Energy Efficiency			
(3) Clean Transportation			
(4) Climate Change Adaptation			
(5) Sustainable Water and Waste Management			
(6) Pollution Prevention and Control			
(7) Green Buildings			
(8) Sustainable Management of Living Natural Resources and Land Use			
(9) Terrestrial and Aquatic Biodiversity Conservation			
Total Green Deposit funds allocated (B = Sum of 1 to 9)			
Amount of Green Deposit funds not allocated (C = A - B)			
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects			

No such scheme is available for the reference period. However, the Bank is in process to roll out the Green Deposit scheme.

\* This shall contain the cumulative amount since the RE started offering green deposits. For example, if a bank has commenced raising green deposits from June 1, 2023, then the annual financial statement for the period ending March 31, 2025, would contain particulars of deposits raised and allocated from June 1, 2023, till March 31, 2025. Further, the actual amount of green deposits raised during the year and use of such funds shall be given under this disclosure.

\*\*Under each category, REs may provide sub-categories based on the funds allocated to each sub-sector. For example, REs may provide sub-categories like solar energy, wind energy, etc. under "Renewable Energy".

#### 15. Disclosure Requirements as per the Accounting Standards

a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies

- During the year, there were no material prior period income/expenditure items.

There are following changes in the Significant Accounting Policies adopted during the Financial Year 2023-24 as compared to those followed in the previous Financial Year 2022-2023:

- To be more prudent the Bank has made additional provision of Rs. 135.67crore on its secured portion at the rate of 10% on its non-performing assets held in sub-standard, D-1, & D-2 Category over and above the prescribed norms.
- Due to change in accounting policy, para D(12) of schedule 17 the share issue expenses amounting to ₹6.00crores have been charged to share premium account.

b) Accounting Standard - 15 "Employee Benefits"

The bank has recognized in its books of accounts the liability arising out of employee benefits as the sum of the present value of obligation as reduced by fair value of plan assets on the balance sheet date, as under:

I - Principal Actuarial Assumptions as the Balance Sheet date:

Actuarial Assumptions	PENSION		GRATUITY		LEAVE ENCASHMENT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.20%	7.45%	7.20%	7.45%	7.20%	7.45%
Expected Return on Plan Assets	7.20%	7.45%	7.20%	7.0%	NA	NA
Rate of Escalation in salary	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition Rate	1%	1%	1%	1%	1%	1%

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

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligation 01.04.2023	2646.48	1120.08	501.41
Interest Cost	185.09	81.30	36.18
Current Service Cost	74.54	70.12	29.61
Benefits paid	(324.03)	(57.48)	(31.44)
Actuarial (loss)/ gain on obligations (Balancing figure)	858.58	(307.64)	(24.84)
Present Value of Obligations, 31.03.2024	3440.66	906.38	510.92

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### "Notes on Standalone Accounts"

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Fair Value of Plan Assets 01.04.2023	2560.00	1119.92	0.00
Expected return on Plan assets	109.18	81.30	0.00
Contributions by Bank	1001.69	0.16	40.95
Benefits paid	(324.03)	(57.48)	(31.44)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	93.70	5.56	0.00
Fair Value of Plan Assets, 31.03.2024	3440.55	1149.46	0.00

#### IV - Actual return on Plan Assets

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	109.18	81.30	0.00
Actuarial (loss)/ gain on Plan Assets	93.71	5.56	0.00
Actual Return on Plan Assets	202.89	86.86	0.00

#### V - Net Actuarial Gain/ (loss) recognized

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial (Gain)/loss for the period - Obligation	858.57	(307.64)	(24.84)
Actuarial (Gain)/ loss for the period - Plan Assets	(93.71)	(5.56)	0.00
Total (Gain)/Loss for the period	764.86	(313.20)	(24.84)
Actuarial (Gain ) or loss recognized in the period	764.86	(313.20)	(24.84)
Unrecognized Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00

#### VI - Amount recognized in Balance Sheet & Related Analysis

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2024	3440.67	906.39	510.93
Fair Value of Plan Assets, 31.03.2024	(3440.55)	(1149.46)	0.00
Difference	0.12	(243.07)	510.93
Unrecognized Transitional Liability	0.00	0.00	0.00
Unrecognized Past Service cost-vested benefits-Carried Forward	0.00	0.00	0.00
Liability Recognized in the Balance Sheet	0.12	*(243.07)	510.93
Negative amount determined under Paragraph 55 of AS-15(R)	-	-	-
Present value of available refunds and reductions in future contributions	-	-	-
Resulting asset as per Paragraph 59 (b) of AS-15 (R)	-	*243.07	-

#### VII-Expense recognized in Profit and Loss Statement

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	74.55	70.12	29.61
Interest Cost	185.09	81.31	36.18
Expected return on Plan assets	(109.18)	(81.30)	0.00
Net Actuarial (Gain)/loss recognized in the year	764.87	(313.20)	(24.84)
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	915.33	(243.07)	40.95

During the year while considering the defined benefit obligation for the gratuity fund, the actuarial came across that Special Grade Allowance was being considered in earlier years as part of service cost. Consequent to this, there is surplus in Plan Assets amounting to ₹243.07 crores, representing excess of fair value of Plan Assets over Present Value Obligation. Correspondingly, an amount of ₹243.07 crores has been credited to 'payment to and provision for employees' during the year. Figures of previous year are not comparable to that extent.

## Schedule 18

### "Notes on Standalone Accounts"

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

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	86.48	0.16	501.41
Expenses	915.33	(243.07)	40.95
Contributions/ Benefits paid	(1001.69)	(0.16)	(31.44)
Closing Net Liability /(Asset) (Liability recognized in B/S in current period)	0.12	(243.07)	510.93

#### IX - Amount for the Current Period

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Defined Benefit Obligation	3440.67	906.39	510.93
Plan Assets	3440.55	1149.46	0.00
Surplus/(Deficit)	(0.12)	243.07	510.93
Experience adjustments on plan liabilities	494.69	(328.51)	(36.69)
Actuarial loss/(gain) due to change in financial assumptions	363.88	20.87	11.85
Experience adjustments on plan assets	(93.71)	(5.56)	0.00
Net actuarial loss/ (gain) for the year	764.86	(313.20)	(24.84)

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

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1%	6.04%
State Government Securities	0	41.86%
High Quality Corporate Bonds	0	39.80%
Equity Shares of listed companies	0	2.89%
Funds managed by Insurer	99%	0.74%
Other- Bank Deposits and CD's	0	8.67%
Treasury Bills	0	0
<b>Total</b>	<b>100</b>	<b>100.00</b>

#### XI - Best Estimate of contribution during next year

(Amount ₹ in Crore)

Particulars	PENSION (Funded)	GRATUITY (Funded)
Bank's best estimate of Contribution during next year	700.00	150.00

#### Particular Basis of assumption:

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

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

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

**Attrition rate:** Attrition rate has been determined by reference to past and expected future experience and includes all types of withdrawals other than death but including those due to disability.

During the year while considering the defined benefit obligation for the gratuity fund, the actuarial came across that special grade allowance is being considered in earlier years as part of service cost .Consequent to this, there is surplus in plan assets amounting to ₹243.07 crores, representing excess of fair value of plan assets over present value obligation. Corresponding amount of ₹243.07 Crores has been credited to payment to and provisions of employees during the year. Figures of previous year are not comparable to that extent.



# Schedule 18

## "Notes on Standalone Accounts"

The Jammu and Kashmir Bank Employees Pension Fund Trust transfers future liability of pension payments to pensioners and family pensioners by way of purchasing annuities from annuity service providers currently LIC of India. Annuity is purchased on return of purchase price i.e. upon death of the pensioner purchase price is being credited back to J K Bank employees' pension fund Trust. Since the stream of present pension payments has already been transferred to LIC of India thus actuarial valuation of pensioners and family pensioners has not been carried out.

\*The above information is based on the information certified by the actuary except para XI above.

### c) Accounting Standard - 17 "Segment Reporting"

- i) The Bank has recognized business segment as its primary reportable segment under AS-17 classified into treasury, Corporate/ Wholesale banking, Retail banking and other banking Business. The necessary disclosure is given below:  
(₹ in Crore)

STANDALONE SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2024	YEAR ENDED (₹ in Crore)	
	31.03.2024 (AUDITED)	31.03.2023 (AUDITED)
<b>PARTICULARS</b>		
<b>1) Segment Revenue (income)</b>		
i) Treasury Operations	2719.30	2406.11
ii) Corporate/Wholesale Banking	2477.36	1847.26
iii) Retail Banking	7931.88	7016.52
(a) Digital Banking	0.08	0.02
(b) Other Retail Banking	7931.80	7016.50
iv) Other Banking Business	106.77	73.93
v) Un-Allocated Business	0.00	0.00
<b>Total</b>	<b>13235.31</b>	<b>11343.82</b>
Less: Inter Segment Revenue	1197.46	1231.90
Net Income from Operations	12037.85	10111.92
<b>2) Segment Results</b>		
i) Treasury Operations	139.69	102.59
ii) Corporate/Wholesale Banking	1394.06	748.27
iii) Retail Banking	2062.31	2337.73
(a) Digital Banking	(0.77)	(0.38)
(b) Other Retail Banking	2063.08	2338.11
iv) Other Banking Business	105.34	72.51
v) Un-Allocated Business	(1316.83)	(1476.74)
Profit/(Loss) from Ordinary Activities (Before Tax)	2384.57	1784.36
Less: Tax Expenses/(credit)	617.30	586.98
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) After Tax	1767.27	1197.38
<b>3) Segment Assets</b>		
i) Treasury Operations	46444.45	43516.46
ii) Corporate/Wholesale Banking	29973.41	26183.85
iii) Retail Banking	78107.55	76258.85
(a) Digital Banking	0.47	0.60
(b) Other Retail Banking	78107.08	76258.25
iv) Other Banking Business	1.18	3.10
v) Un-Allocated Business	0.00	0.00
<b>Total:-</b>	<b>154526.59</b>	<b>145962.26</b>
4) Segment Liabilities		

# Schedule 18

## "Notes on Standalone Accounts"

STANDALONE SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2024	YEAR ENDED (₹ in Crore)	
	31.03.2024 (AUDITED)	31.03.2023 (AUDITED)
PARTICULARS		
i) Treasury Operations	405.35	145.18
ii) Corporate/Wholesale Banking	38309.90	35468.54
iii) Retail Banking	103573.19	100402.85
(a) Digital Banking	1.35	0.22
(b) Other Retail Banking	103571.84	100402.63
iv) Other Banking Business	2.47	2.45
v) Un-Allocated Business	0.00	0.00
<b>Total:-</b>	<b>142290.91</b>	<b>136019.02</b>
<b>5) Capital Employed</b>		
(Segment assets-Segment Liabilities)		
i) Treasury Operations	46039.10	43371.28
ii) Corporate/Wholesale Banking	(8336.49)	(9284.69)
iii) Retail Banking	(25465.64)	(24144.00)
(a) Digital Banking	(0.88)	0.38
(b) Other Retail Banking	(25464.76)	(24144.38)
iv) Other Banking Business	(1.29)	0.65
v) Un-Allocated Business	0.00	0.00
<b>Total :-</b>	<b>12235.68</b>	<b>9943.24</b>

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

d) Accounting Standard - 18 "Related Party Disclosures"

1. Related Parties

(Amount ₹ in Crore)

Items/Related Party		J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1731.94	11.66	The Jammu & Kashmir Asset Reconstruction Limited was incorporated jointly by Government of J&K and Jammu & Kashmir Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of ` 98 lakhs whereas Government of J&K has subscribed ₹102 lakh. In the meantime the promoters have decided to windup the company and the Bank in turn has approached the Registrar of Companies (ROC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is under consideration with ROC.
	Maximum Balance during the year	1731.94	23.91	
Advances	Balance as on date	11.67*	5.91	
	Maximum Balance during the year	48.67	14.33	
Investments	Balance as on date	206.31	40.00	
	Maximum Balance during the year	206.31	40.00	
Interest Paid		99.22	0.75	
Interest/Commission Received		0.21	0.47	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.41	
Deputation Staff Salary		0.00	0.48	
Transfer of Current Assets/Liabilities(Net)		NIL	0.00	
IT Support Services		1.03	0.00	
Outstanding with Associate/Subsidiary		NIL	0.12	

Advances is shown as borrowings from the sponsor bank in shape of SOD, LAD and Perpetual Bonds.  
\*Rs.11.67 crore is 50 % share of Sponsor Bank for implementation of CBS by JKGB in the form of Investment in Tier II perpetual bonds.

## Schedule 18

### "Notes on Standalone Accounts"

2. Salary to Key Managerial Person (KMP) (Amount in Lakhs)				
	Mr. Baldev Prakash (MD & CEO)*	Mr. Sudhir Gupta (Executive Director)	Mr. Pratik D Punjabi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2023-24	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024
<b>Salary</b>	<b>97.52</b>	<b>40.21</b>	<b>31.05</b>	<b>28.25</b>

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

e) Accounting Standard - 19 "Leases"

The properties taken on lease/rental basis are renewable / cancellable at the option of the Bank.

The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar months' notice in writing.

Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹ 83.51 crores (previous year being ₹83.57 crores)

f) Accounting Standard - 20 "Earnings per Share"

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

Particulars Standalone	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	1031479861	932886594
Number of Equity Shares issued during the year	69702602	98593267
Number of Equity Shares outstanding at the end of the year	1101182463	1031479861
Weighted average number of equity shares used in computing basic earnings per share	1052047842	963589450
Weighted average number of equity shares used in computing diluted earnings per share	1052047842	963589450
Net profit / (loss) (₹ in crore)	1767.27	1197.38
Basic earnings per share (₹)	16.80	12.43
Diluted earnings per share (₹)	16.80	12.43

g) Accounting Standard - 21 "Consolidated Financial Statements"

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

h) Accounting Standard - 22 "Accounting for Taxes on Income"

ii) Current Tax:

During the year, the Bank has debited to Profit & Loss Account ₹ 588.79 crore (Previous Year ₹ 530.55 crore) on account of current tax. The current tax has been calculated in accordance with the provisions of Income Tax Act, 1961.

The Bank has exercised the option of lower tax permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

iii) Deferred Tax:

During the year, ₹ 28.51 crore has been debited to Profit & Loss Account (Previous Year debit ₹ 56.43 crore) on account of deferred tax.

The major components of DTA and DTL are given below

(Amount ₹ in Crore)

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Depreciation on Assets	0.00	6.27	0.00	18.88
Leave Encashment/Gratuity/Pension/Bonus	128.59	0.00	126.20	0.00

## Schedule 18

### "Notes on Standalone Accounts"

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Special Reserve	0.00	37.16	0.00	31.00
Wage Revision	0.00	0.00	30.53	0.00
Bad & Doubtful Assets	69.96	0.00	76.00	0.00
<b>Total</b>	<b>198.55</b>	<b>43.43</b>	<b>232.73</b>	<b>49.88</b>

iv) During the year, Bank has transferred ₹ 24.50crores to Special Reserve created u/s 36 (1) (viii) of Income Tax Act, 1961, and consequential effect in Deferred Tax Liability amounts to ₹6.17crores has been created on this amount.

i) Accounting Standard - 23 "Accounting for Investments in Associates in CFS"

The Bank has a sponsored Bank "J&K Grameen Bank". The investment towards the capital of associate concern is ₹ 217.97crores (Previous Year ₹ 34.01crores).

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

Accounting Standard - 28 "Impairment of Assets"

Majority of fixed assets of the bank are considered as corporate assets and not cash generating assets and in the opinion of the management, there is no material impairment in the fixed assets regarding other fixed assets generating cash there is no material impairment. As such no provision is required as per AS-28.

j) Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

i) Description of Contingent Liabilities

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

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

ii) Movement of provisions against Contingent Liabilities

The movement of provisions against contingent liabilities given in the table below: (Amount ₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance	16.62	26.45
Additions during the year	5.89	0.68
Amount utilised/reversed during the year	0.13	10.51
Closing balance	22.38	16.62

# Schedule 18

## "Notes on Standalone Accounts"

### 16. Additional Disclosures

- a. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006  
There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.
- b. Office Accounts  
Reconciliation/adjustment of inter-bank/inter-branch transactions, branch suspense, Government Transactions, NOSTRO, System Suspense, Clearing, and Sundry Deposits is in progress on an ongoing basis. The impact, in the opinion of the management of the un-reconciled entries, if any, on the financial statements would not be material.
- c. Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):  
In terms of RBI letter no. DBR, No. BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of ₹ 126.55 crore (Aggregate provision of RBI List 1 and List 2 accounts) as on March 31, 2024 (100% of Gross NPA advances). (Previous year ₹ 129.35 crore (100% of total outstanding)
- d. During the year ended March 31, 2024, the Bank has made provision of ₹ 263 crore towards wage revision on account of 12<sup>th</sup> Bi-Partite Wage Settlement effective from November 01, 2022 on ad-hoc basis. The same has been accounted for as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses."
- e. Previous year figures have been regrouped/reclassified/Recasted, wherever necessary, to conform to current year classification.
- f. Miscellaneous Income:  
During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income: -  
(Amount ₹ In Crores)

S No	Income Category	Amount
1.	Recovery in Technically Written Off Accounts	134.17
2.	Income On Card Business	148.17

- g. Other Liabilities and provisions/ Other Assets:  
Following items under the head others in Schedule 11 - Other Assets exceeds 1% of the total assets  
(Amount ₹ In Crores)

S No	Particulars	Amount
1.	Dues From Government of J&K on account of Pension disbursed to retirees	3253.69
2.	Investment in NABARD Refinance	2476.78
3.	Investment in RIDF Refinance	2417.56
4.	Investment in SIDBI Refinance	3559.49

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

i. Fixed Assets

Documentation formalities are pending in respect of certain immovable properties held by the bank valued at 8.90 Crore (previous year 9.20 crores). In respect of immovable properties valued at 47.24 Crore (previous year 49.89 crores) as on 31.03.2024 Bank holds agreement to sell along with the possession of the properties.

- Properties not having clear title/lease deeds for freehold & lease lands of the Bank:-

S.No	Particulars	Category	Area.	Value of property as on 31.03.2024 (Crore)
1	Premises of Business Unit Vashi, Mumbai (1 <sup>st</sup> Floor)	NR-RCC	5400 Sq. ft.	7.57
2	Land at Currency Chest, Budgam	Own land	4 Kanals & 05 Marlas.	0.14
3	Ansal Plaza.	NR-RCC	17925 Sq. ft.	47.24
4	Land at Kargil.	Own land	1 Kanal 4 Marlas.	0.99
5	Land at Kulgam.	Own land	2 Kanals.	0.2
<b>TOTAL</b>				<b>56.14</b>

# Schedule 18

## "Notes on Standalone Accounts"

- The Bank during the Financial Year 2023-24 has revisited revaluation of its 51 freehold land and offices/buildings based on valuations as on 31.03.2023 made by the independent valuers of the Bank resulting into net appreciation of ₹ 17.92 Crores credited to the revaluation reserve and a net amount of ₹ 0.06 crores on account of revaluation has been drawn down from P/L account as it was earlier credited to P/L Account.
- Further, pursuant to the revised accounting standard-10 "Property, plant and equipment "applicable from 1<sup>st</sup> April 2017, depreciation of 30.09 Crores (previous year ₹ 20.54 Crores) on the revalued portion of the fixed assets (being Premises & Land) has been transferred from the Revaluation reserve to General/ Revenue reserve and an amount of 0.18 Crore has been transferred from Revaluation Reserve to General Reserve on account of disposal of a previously revalued asset.
- Further, Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹ 0.76 Crores (previous year ₹ 0.76 crores).

### j. Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act 2013, specified companies covered under section 135(1) of the Companies Act 2013 are required to spend at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank was required to spend an amount of ₹ 18.91 crores (Previous Year ₹ 1.18 crores) on CSR activities during FY 2023-24, against which the Bank has spent an amount of ₹ 18.91 crores (Previous year ₹ 1.18 crores).

### k. Provision Coverage Ratio (PCR)

Provision coverage ratio as on March 31, 2024 is 91.58% (previous year 86.20%) without taking into account the floating provision of Rs.124.48 Crores held by the Bank as on March 31, 2024 which is part of Tier-II Capital.

### l. Investor Complaints

The details of investor complaints for the year ended March 31, 2024 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	304
3	No. of complaints disposed during the financial year	304
4	No. of complaints pending at the end of the financial year	0

m. In accordance with the approved accounting policy in respect of intangible assets and in compliance with Section 15(1) of Banking Regulation Act 1951, The Bank has written off the entire amount of intangible assets amounting to Rs. 77.68 crores (Previous year Rs.35.72 crore)

### n. Proposed Dividend

The Board of Directors at its meeting held on May 04, 2024 proposed a dividend of ₹ 2.15 per share (previous year Re 0.50 per share), 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, 2024.

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUR9648

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZL2222

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

## Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

		YEAR ENDED 31.03.2024 (AUDITED) ₹'000' Omitted	YEAR ENDED 31.03.2023 (AUDITED) ₹'000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(8,514,863)	(4,205,132)
B	CASH FLOW FROM INVESTING ACTIVITIES	(2,571,263)	(1,234,655)
C	CASH FLOW FROM FINANCING ACTIVITIES	4,074,334	6,375,936
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,011,792)	936,149
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	88,786,621	87,850,472
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	81,774,829	88,786,621
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit after Taxes	17,672,682	11,973,800
	Add : Provision for Taxes	6,173,005	5,869,827
	<b>Net profit before taxes (i)</b>	<b>23,845,687</b>	<b>17,843,627</b>
	<b>Adjustment for :</b>		
	Depreciation charges	2,175,456	1,575,629
	Provision for NPA's	(736,088)	(125,132)
	Provision on Standard Assets	(1,146,839)	632,352
	Depreciation on investment	458,561	(125,277)
	Provision for Non-Performing investment	758,834	834,572
	Other provisions	47,193	(600,519)
	Interest paid on subordinate Bonds (Financing Activities)	2,849,975	2,217,163
	<b>Total Adjustment (ii)</b>	<b>4,407,092</b>	<b>4,408,788</b>
	<b>Operating profit before change in Operating assets &amp; liabilities ( i ) + ( ii )</b>	<b>28,252,779</b>	<b>22,252,415</b>
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	127,371,566	73,273,584
	Increase / (Decrease) in Borrowings	(73,043)	4,885
	Increase / (Decrease) in Other liabilities & provisions	(65,331,815)	55,919,298
	(Increase) / Decrease in investments	(2,077,287)	(10,650,933)
	(Increase) / Decrease in Advances	(114,034,510)	(118,440,228)
	(Increase) / Decrease in Other Assets	22,028,878	(22,013,866)
	<b>Net Cash flow from Operating activities ( iii )</b>	<b>(32,116,211)</b>	<b>(21,907,260)</b>
	<b>Cash generated from operation ( i + ii + iii )</b>	<b>(3,863,432)</b>	<b>345,155</b>
	Less : Tax paid	4,651,431	4,550,287
	<b>TOTAL : ( A )</b>	<b>(8,514,863)</b>	<b>(4,205,132)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	a) Fixed Assets	(1,855,585)	(1,234,655)
	b) Investment in Subsidiary/Sponsored Institution	(715,678)	-
	<b>TOTAL : ( B )</b>	<b>(2,571,263)</b>	<b>(1,234,655)</b>

## Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	a) Share Capital	69,703	98,593
	b) Share Application Money	-	(935,000)
	b) Share Premium	7,370,346	4,219,506
	c) Tier I & II Bonds	-	5,210,000
	d) Dividend Paid	(515,740)	-
	e) Interest paid on Bonds	(2,849,975)	(2,217,163)
	<b>TOTAL :( C )</b>	<b>4,074,334</b>	<b>6,375,936</b>
<b>D.</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)</b>		
	a) Cash in hand & Balance with R.B.I	77,940,577	77,502,028
	b) Balance with Banks & Money at Call & Short Notice	10,846,044	10,348,444
	<b>TOTAL :( D )</b>	<b>88,786,621</b>	<b>87,850,472</b>
<b>E.</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	a) Cash in hand & Balance with R.B.I	72,500,801	77,940,577
	b) Balance with Banks & Money at Call & Short Notice	9,274,028	10,846,044
	<b>TOTAL :( E )</b>	<b>81,774,829</b>	<b>88,786,621</b>

For and on behalf of the Board

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUR9648

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZL2222

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSIZ2889

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



# Independent Auditors Report

To  
The Members of  
Jammu & Kashmir Bank Limited.

## Report on Audit of the Consolidated Financial Statements.

### Opinion

1. We have audited the accompanying consolidated financial statements of Jammu and Kashmir Bank Limited ('the Bank') and its subsidiary & associate (together, 'the Group') comprising of the consolidated Balance Sheet as at 31st March 2024, the consolidated Profit and Loss Account, and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes to the consolidated financial statements (herein after referred to as 'the consolidated financial statements'). The consolidated financial statements included the Returns for the year ended on that date of:

- (i) 48 branches/offices audited by us;
- (ii) 980 branches/offices audited by Statutory Branch Auditors;
- (iii) One subsidiary audited by the subsidiary company auditor; and
- (iv) One associate audited by the associate appointed auditor. The branches/offices audited by us and those audited by the other Auditors have been selected by the Comptroller and Auditor General of India in accordance with the Guidelines issued to the bank by the Reserve Bank of India.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements / financial information of the subsidiary, associate and branches, as referred to in paragraphs 9 to 12 below, the aforesaid consolidated Financial Results:

(i) includes the annual financial results of the following entities:

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

(ii) given the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and:

a) the Balance Sheet read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true

and fair view of the state of affairs of the Bank as at 31st March, 2024;

- b) the Profit and Loss Account read with the notes thereon shows a true balance of profits; and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

- 3. We draw attention to
  - i. Note No 15(b)(vii) of Schedule 18 of the financial statements regarding excess in fair value of Plan Assets in Gratuity Benefits over present value of funded obligation amounting to Rs 243.07 crore credited to "Payments to and Provisions for Employees" with consequential impact on results for the year.
  - ii. Note no. 16(g) of Schedule 18 of the financial statements, which states that 'Other assets' of the Bank include dues of Rs 3253.69 crore from Government of UT of Jammu and Kashmir on account of disbursement of Pension to retired employees of UT of Jammu and Kashmir.

Our Opinion is not modified in respect of these matters.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i.	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements):</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 60.68% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provide guidelines related to classification of Advances into performing and non-performing Advances (NPA), classification of advances and provisioning thereof is made as per RBI guidelines. The Bank classifies these Advances based on IRAC norms as per its accounting policy No.3 of Schedule 17.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>The bank is in the continuous process to upgrade existing &amp; implement new IT applications in various areas of its business operations, including income recognition and asset classification in terms of RBI guidelines. These applications require detailed testing, verifications and User Acceptance Testing (UAT) before final implementation.</p> <p>The carrying value of the advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<p>Our audit approach towards advances with reference to the Income Recognition and asset classification (IRAC) norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis. Also performed other substantive procedures included and not limited to the following:</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms by way of various internal audits as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars/ Directions/ Guidelines;</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI SPARC, IRAR and RMP.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provisions;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol>
ii.	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements):</p> <p>Investments include investments made by the Bank in various Government Securities, other approved securities, Shares, Debentures &amp; Bonds, subsidiaries &amp; sponsored Institutions, and other approved securities.</p> <p>Investments constitute 22.59 % of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision thereof.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p>	<p>Our audit approach towards Investments with reference to the RBI Master directions included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with RBI guidelines.</li> </ol>



<p>iii.</p>	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations on Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 15 (k) of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Understanding the current status of the litigations/ tax assessments including the status upto the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/judicial forums and follow up action thereon;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>
<p>iv.</p>	<p>Information Technology ("IT") Systems and Controls impacting Financial Reporting</p> <p>The Bank's IT environment comprises a multitude of autonomous and interdependent IT systems that are utilized to process and record a substantial volume of transactions in the course of business operations.</p> <p>Consequently, the Bank's financial reporting process is highly critical and reliant on these information technology systems.</p> <p>Appropriate IT general controls and IT application controls are necessary to ensure that such IT systems can process the data in a consistent, comprehensive, and accurate manner, as required for dependable financial reporting.</p> <p>We have identified specific critical IT systems that significantly influence the financial reporting process and associated control testing. These systems are considered a critical audit matter due to several factors, including the Bank's extensive use of automation, the complex nature of its IT architecture, and the influence it has on the financial records and financial reporting process.</p>	<p>Our protocols pertaining to this issue comprised the following measures:</p> <p>Technology specialist assisted in the evaluation of the controls governing the Bank's IT systems by gaining knowledge of the IT infrastructure, IT environment, and IT systems. We assessed and examined the pertinent IT general controls on the critical IT systems and IT dependencies that were determined to be significant for our examination of the Bank's standalone financial statements and financial reporting process. Important general controls in information technology have been evaluated for the critical IT systems in the following domains:</p> <p>Programme change management, encompassing the transfer of programme modifications to the production environment in accordance with established protocols, while also ensuring the appropriate segregation of environments.</p> <p>User access management, encompassing activities such as provisioning and de-provisioning user access, conducting access reviews, managing passwords, overseeing sensitive access rights, and implementing segregation of duties, to guarantee that only authorised personnel were granted privilege access to applications, operating systems, and databases in the production environment.</p> <p>Programme development, encompassing the establishment of controls pertaining to the development or implementation of IT applications and the associated infrastructure, upon which financial reporting is dependent.</p> <p>IT operations, encompassing tasks such as backup and recovery, monitoring, and job scheduling.</p> <p>In addition, we assessed the operational efficiency and design of critical IT dependencies that are integral to the critical business process. This encompassed the testing of</p>
		<p>interfaces, automated controls, accounting procedures, calculations, segregation of duties, and system-generated reports, where applicable.</p> <p>We established communication with individuals responsible for governance and management, and when required, we implemented alternative audit procedures and/or tested a combination of compensating controls or remedied controls.</p>



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

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Results

7. The Bank's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial results that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- In preparing the consolidated financial results, respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intends to liquidate the 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 are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the audit of the consolidated Financial Results

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

Materiality is the magnitude of the misstatements in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the consolidated financial results.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 9. Other Matters

We did not audit the financial statements/information of 980 branches/ offices (of the Bank ) included in the consolidated financial results of the Group whose financial statements/ financial information reflect total assets of Rs. 70622.21 crores including total advances of Rs 90579.23 Crores and total revenue of Rs 8476.06 Crores as at 31st March 2024, as considered in the Consolidated Financial Statements. The financial statements / information of these branches has been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Our opinion on the financial statements does not cover the other information and the Basel-III disclosure and we do not express any form of assurance conclusion thereon.

10. The accompanying consolidated Financial Results include the audited financial results of 1 subsidiary whose financial statements/ results/ financial information reflects Group's share of total revenues of Rs 15.15 crores, and Group's share of total net profit after tax of Rs 2.64 crores for the year ended on that date, which has been audited by other auditor, which financial statements, other financial information and Auditor report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of such other auditor.
11. The consolidated financial results includes Bank's share of net profit after tax of Rs.1.32 crores for the year ended March 31, 2024, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other independent auditor whose report on financial statements has been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of such auditor.
12. We did not incorporate The Jammu & Kashmir Asset Reconstruction Limited which has been incorporated by Government of J&K and J&K Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of Rs 98 lakhs whereas Government of J&K has subscribed Rs 102 lakhs. The Bank has incurred Rs 7632730/- towards incorporation expenses for the company. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not released their respective shares towards the capital of the company. In the meantime, the promoters have decided to wind up the company and in turn the Bank has approached the Registrar of Companies (J&K) (ROC) for removal of the name of the company from the Register of Companies under Section 248 of the Companies Act, 2013. The application of the Bank is pending with ROC

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

13. The consolidated Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-A" to this Report.
15. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b) the transactions of the Bank , which have come to our notice, have been within the powers of the Bank;
  - c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
  - d) the consolidated profit and loss account shows a true balance of profit for the year then ended.
16. Further, as required by section 143(3) of the Act, we report that:
  - a) the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
  - c) the reports on the accounts of the branch offices of the Group audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us/ the other auditor whose report we have relied upon and have been properly dealt with by us in preparing this report;
  - d) the Consolidated Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - e) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - f) on the basis of written representations received from the directors as on 31st March 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - g) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - h) as per the Notification No. GSR 463(E) dated 05.06.2015 Section 197 of Companies Act, 2013 is not applicable to Jammu & Kashmir Bank Limited, being a Government Company;
  - i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - in Schedule 12., to the financial statements;
    - ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;



- iv)
- (a) The respective Managements of the Bank, its subsidiary and associate, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary and associate, respectively, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or any of such subsidiary or associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or any of such subsidiary or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b) The respective Managements of the Bank and its subsidiary and associate, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Bank or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary and associate, whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under subclause (i) and of Rule 11(e) contain any material misstatement.
- v) The dividend declared and paid during the year by the Bank, is in compliance with Section 123 of the Companies Act 2013.
- vi) As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), the bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUS9046

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZM9295

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



**Annexure-A to Para 14 of Independent Auditor's Report of even date on the consolidated Financial Results of Jammu and Kashmir Bank Limited.**  
**Directions/sub-directions of Comptroller and Auditor General of India under Section 143(5) of Companies Act 2013 for the Financial Year 2023-2024**

S. No.	Directions/Sub directions	Auditor's comments including action taken wherever required	Impact on accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any may be stated.	As per information and explanation given to us the bank has system in place to process all the accounting transactions through IT.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender (Jammu and Kashmir bank Ltd) to the company (all Borrowers) due to the company's (borrower's) inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the restructuring of loan was done as per the provisions of the Reserve Bank of India and Bank's own Restructuring of loan Policy.	Refer Schedule 18 Note 4(b) and 4(g)
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There are no deviations. The loans received are utilized for the intended purpose. However, during the FY 2023-24 grants/subsidy received has been utilized in accordance with the stipulated guidelines.	Nil

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FRN: 001728N/N500321

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**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



**Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Jammu and Kashmir Bank Limited**  
**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of The Jammu & Kashmir Bank Limited ('the Bank') and its subsidiary audited by other auditor (together referred to as 'the Group') as at 31 March 2024 in conjunction with our audit of the Consolidated Financial Statements of the group for the year ended on that date. Reporting under clause (i) of sub section 3 of section 143 of the act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to J & K Grameen Bank ('the Associate').
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

**Management's Responsibility for Internal Financial Controls over Financial Reporting**

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

**Auditor's Responsibility**

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over consolidated financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
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**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUS9046

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZM9295

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

	Schedule	As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	1,101,326	1,031,623
Reserves and Surplus	2	120,825,934	97,931,629
Minority Interest	2A	-	-
Deposits	3	1,347,632,358	1,220,271,791
Borrowings	4	28,850,015	28,923,058
Other Liabilities and Provisions	5	46,636,179	110,967,815
<b>TOTAL</b>		<b>1,545,045,812</b>	<b>1,459,125,916</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	72,500,801	77,940,577
Balance with Banks & Money at Call & Short Notice	7	9,463,996	11,048,018
Investments	8	349,002,224	347,804,013
Advances	9	937,565,965	822,776,113
Fixed Assets	10	22,577,497	22,717,523
Other Assets	11	153,935,329	176,839,672
<b>TOTAL</b>		<b>1,545,045,812</b>	<b>1,459,125,916</b>
Contingent Liabilities	12	48,448,743	52,337,681
Bills for Collection		15,132,708	17,054,071
Principal Accounting Policies	17		
Notes on Accounts	18		

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

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

In terms of our report of even date annexed

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
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UDIN: 24089562BKCMZM9295

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 1 - CAPITAL</b>			
	<b>Authorised Capital</b>		
	1,850,000,000 (P.Y. 1,850,000,000 )		
	Equity Shares of Rs.1/- each	1,850,000	1,850,000
	<b>Issued</b>		
	1,101,400,463 (P.Y. 1,031,697,861) Equity Shares of Rs.1/= each	1,101,400	1,031,698
	<b>Subscribed and Paid-up Capital</b>		
	1,101,182,463 (P.Y. 1,031,479,861 )		
	Equity Shares of Rs. 1/- each	1,101,182	1,031,479
	Add Forfeited Equity Shares (218,000 ) ( P.Y. 218,000)	144	144
	<b>TOTAL</b>	<b>1,101,326</b>	<b>1,031,623</b>
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS</b>			
<b>I.</b>	<b>Statutory Reserves</b>		
	Opening Balance	27,030,883	24,037,433
	Additions during the year	4,418,171	2,993,450
	Deductions during the year	-	-
	Closing Balance	31,449,054	27,030,883
<b>II.</b>	<b>Capital Reserves</b>		
a)	<b>Revaluation Reserve Fixed Assets</b>		
	Opening Balance	12,812,625	9,498,454
	Additions during the year on account of Revaluation Reserve	179,256	3,519,560
	Deduction during the year (depreciation)	(302,758)	(205,389)
	Closing Balance	12,689,123	12,812,625
b)	<b>Others</b>		
	Opening Balance	2,888,472	2,888,472
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing Balance	2,888,472	2,888,472
<b>III.</b>	<b>Share Premium</b>		
	Opening Balance	21,824,157	17,604,651
	Additions during the year	7,370,346	4,219,506
	Deductions during the year	-	-
	Closing Balance	29,194,503	21,824,157

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>IV)</b>	<b>Revenue and other Reserves</b>		
<b>a)</b>	<b>Investment Fluctuation Reserve</b>		
	Opening Balance	2,095,800	377,800
	Additions during the year	-	1,718,000
	Deductions during the year	-	-
	Closing Balance	2,095,800	2,095,800
<b>b)</b>	<b>Special Reserve (u/s 36 (i) (viii) of i.tax act, 1961</b>		
	Opening Balance	1,231,600	1,231,600
	Additions during the year	245,000	-
	Deductions during the year	-	-
	Closing Balance	1,476,600	1,231,600
<b>c)</b>	<b>Other Reserve</b>		
	Opening Balance	30,048,092	23,264,722
	Additions during the year	10,984,290	8,501,370
	Deductions during the year	-	(1,718,000)
	Closing Balance	41,032,382	30,048,092
	<b>TOTAL ( I,II,III &amp; IV)</b>	<b>120,825,934</b>	<b>97,931,629</b>
<b>SCHEDULE 3 - DEPOSITS</b>			
<b>A I.</b>	<b>Demand Deposits</b>		
	i) From Banks	1,114,430	1,331,995
	ii) From Others	147,116,556	138,594,708
	<b>TOTAL (I &amp; ii)</b>	<b>148,230,986</b>	<b>139,926,703</b>
<b>II.</b>	<b>Saving Bank Deposits</b>	<b>532,488,529</b>	<b>520,247,496</b>
<b>III.</b>	<b>Term Deposits</b>		
	i) From Banks	28,280,883	21,387,369
	ii) From Others	638,631,960	538,710,223
	<b>TOTAL (i &amp; ii)</b>	<b>666,912,843</b>	<b>560,097,592</b>
	<b>TOTAL A (I+II+III)</b>	<b>1,347,632,358</b>	<b>1,220,271,791</b>
<b>B. I.</b>	<b>Deposits of branches in India</b>	<b>1,347,632,358</b>	<b>1,220,271,791</b>
<b>II.</b>	<b>Deposits of branches outside India</b>	-	-
	<b>TOTAL B (I+II)</b>	<b>1,347,632,358</b>	<b>1,220,271,791</b>

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 4 - BORROWINGS</b>			
<b>I.</b>	<b>Borrowings in India</b>		
	i) Reserve Bank of India	-	-
	ii) Other Banks	-	-
	iii) Unsecured Redeemable Debentures/Bonds (BASEL III for Tier I & Tier II Capital)	28,810,000	28,810,000
	iv) Other Institutions & Agencies	40,015	113,058
	<b>TOTAL ( i to iv )</b>	<b>28,850,015</b>	<b>28,923,058</b>
<b>II.</b>	<b>Borrowings outside India</b>	-	-
	<b>GRAND TOTAL ( I &amp; II )</b>	<b>28,850,015</b>	<b>28,923,058</b>
	Secured borrowings included in I & II above	NIL	Nil
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>			
i)	Bills Payable	3,826,531	2,985,297
ii)	Inter Office Adjustments (Net)	-	-
iii)	Interest Accrued on Non-cumulative deposits	237,195	289,481
iv)	Deferred Tax Liability (Net)	-	-
v)	Provision Against Standard Assets	4,313,990	5,460,829
vi)	Other (Including Provisions)	38,258,463	102,232,208
	<b>TOTAL ( i to vi )</b>	<b>46,636,179</b>	<b>110,967,815</b>
<b>SCHEDULE 6 - CASH &amp; BALANCES WITH RESERVE BANK OF INDIA</b>			
<b>I.</b>	Cash in Hand (Including Foreign Currency Notes)	6,156,011	6,373,076
<b>II.</b>	Balance with Reserve Bank of India		
	i) In Current Account	58,344,790	54,567,501
	ii) In Other Accounts	8,000,000	17,000,000
	<b>TOTAL ( I &amp; II )</b>	<b>72,500,801</b>	<b>77,940,577</b>
<b>SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>			
<b>I.</b>	<b>In India</b>		
	i) Balance with Banks		
	a) In Current Accounts	196,648	429,769
	b) In Other Deposit Accounts	157,885	188,885
	<b>TOTAL (i) of (a &amp; b)</b>	<b>354,533</b>	<b>618,654</b>
	ii) Money At Call and Short Notice		
	a) With Banks	-	1,000,000
	b) With Other Institutions	7,995,576	8,708,708
	<b>TOTAL (ii) of (a &amp; b)</b>	<b>7,995,576</b>	<b>9,708,708</b>
	<b>TOTAL ( i &amp; ii )</b>	<b>8,350,109</b>	<b>10,327,362</b>

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>II.</b>	<b>Outside India</b>		
	i) In Current Accounts	530,052	227,636
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	583,835	493,020
	<b>TOTAL II of (i, ii &amp; iii)</b>	<b>1,113,887</b>	<b>720,656</b>
	<b>GRAND TOTAL (I&amp;II)</b>	<b>9,463,996</b>	<b>11,048,018</b>
<b>SCHEDULE 8 - INVESTMENTS</b>			
<b>I.</b>	<b>Investments in India</b>		
	i) Government Securities	299,205,666	291,558,271
	ii) Other Approved Securities	-	-
	iii) Shares (Pref. + Equity)	1,005,292	1,018,560
	iv) Debentures and Bonds	7,566,743	7,145,437
	v) Subsidiaries and/or Joint Ventures	-	-
	vi) Sponsored Institutions	1,714,859	-
	vii) Others :		
	a) Certificate of Deposit	39,260,750	47,754,843
	b) Suitfile	-	-
	c) Venture Capital	239	239
	d) Commercial Paper	-	-
	e) Security Receipts	248,675	326,663
	<b>TOTAL ( I )</b>	<b>349,002,224</b>	<b>347,804,013</b>
<b>II.</b>	<b>Investments Outside India in</b>	-	-
	i) Government Securities	Nil	Nil
	ii) Subsidiaries and/or Joint Ventures abroad	Nil	Nil
	iii) Others investments	Nil	Nil
	<b>TOTAL II of (i-iii)</b>	-	-
	<b>TOTAL ( I &amp; II )</b>	<b>349,002,224</b>	<b>347,804,013</b>
<b>III.</b>	<b>Investments Category-Wise</b>		
	i) Held to Maturity	289,830,796	267,522,866
	ii) Held for Trading	6,421	11,726
	iii) Available for Sale	59,165,007	80,269,421
	<b>TOTAL III of (i-iii)</b>	<b>349,002,224</b>	<b>347,804,013</b>

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
<b>SCHEDULE 9 - ADVANCES</b>			
<b>A</b>	i) Bills Purchased and Discounted	1,861,700	2,123,234
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	267,194,553	252,219,885
	iii) Term Loans	668,509,712	568,432,994
	<b>TOTAL (i to iii)</b>	<b>937,565,965</b>	<b>822,776,113</b>
<b>B</b>	i) Secured by Tangible Assets (includes advances against book debts)	648,958,882	566,072,549
	ii) Covered by Bank/Govt. Guarantees	3,140,303	3,602,502
	iii) Unsecured	285,466,780	253,101,062
	<b>TOTAL (i to iii)</b>	<b>937,565,965</b>	<b>822,776,113</b>
<b>C</b>	<b>I. Advances in India</b>		
	i) Priority Sector	352,044,234	253,934,033
	ii) Public Sector	11,006,994	6,416,170
	iii) Banks	3,414	39
	iv) Others	574,511,323	562,425,871
	<b>TOTAL (i to iv)</b>	<b>937,565,965</b>	<b>822,776,113</b>
	<b>II. Advances Outside India</b>		
	i) Due from Banks	NIL	NIL
	ii) Due from Others (a) Bills purchased and discounted (b) Syndicated Loans (c) Others	NIL	NIL
	<b>GRAND TOTAL ( I &amp; II )</b>	<b>937,565,965</b>	<b>822,776,113</b>
<b>SCHEDULE 10 - FIXED ASSETS</b>			
<b>I.</b>	<b>Premises</b>		
	a) At cost as at 31st March of the preceding year	21,449,425	17,807,006
	Additions during the year	432,942	3,759,443
		<b>21,882,367</b>	<b>21,566,449</b>
	Deductions during the year	194,125	117,024
		<b>21,688,242</b>	<b>21,449,425</b>
	Depreciation to date	3,297,120	2,934,324
	<b>Total (a)</b>	<b>18,391,122</b>	<b>18,515,101</b>

# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

		As at 31.03.2024 ₹ '000' Omitted	As at 31.03.2023 ₹ '000' Omitted
	b) Constructions work in progress	407,100	441,257
	<b>TOTAL (I) [ a+b ]</b>	<b>18,798,222</b>	<b>18,956,358</b>
<b>II.</b>	<b>Other Fixed Assets (Including Furniture &amp; Fixtures)</b>		
	a) At cost as at 31st March of the preceding year	11,027,488	11,924,863
	Additions during the year	1,864,544	(881,020)
		<b>12,892,032</b>	<b>11,043,843</b>
	Deductions during the year	92,031	16,330
		<b>12,800,001</b>	<b>11,027,513</b>
	Depreciation to date	14,033,082	12,327,568
	<b>TOTAL (II)</b>	<b>(1,233,081)</b>	<b>(1,300,055)</b>
<b>IIA.</b>	<b>Leased Assets</b>		
	a) At cost as at 31st March of the preceding year	5,281,128	3,297,956
	Additions during the year	-	1,983,172
		<b>5,281,128</b>	<b>5,281,128</b>
	Deductions during the year	7,812	-
		<b>5,273,316</b>	<b>5,281,128</b>
	Depreciation to date	348,857	251,872
	<b>TOTAL (IIA)</b>	<b>4,924,458</b>	<b>5,029,256</b>
<b>III.</b>	Capital Work in progress (Including Leased Assets) net of Provisions	87,898	31,964
	<b>GRAND TOTAL (I,II, IIA &amp; III)</b>	<b>22,577,497</b>	<b>22,717,523</b>
<b>SCHEDULE 11 - OTHER ASSETS</b>			
I.	Interest Accrued	7,948,147	6,992,882
II.	Inter Office Adjustment (Net)	700,609	702,481
III.	Tax paid in Advance/Tax Deducted at Source (Net of Provisions)	636,736	1,870,514
IV.	Stationery and Stamps	51,679	42,769
V.	Deferred Tax Asset (Net)	1,552,595	1,828,971
VI.	Non-Banking Assets acquired in satisfaction of claims	-	-
VII.	Others *	143,045,563	165,402,055
	<b>TOTAL ( I to VII )</b>	<b>153,935,329</b>	<b>176,839,672</b>
* Includes deposits placed with NABARD/SIDBI/NHB/RIDF/MUDRA amounting to Rs. 97258125 thousand (Previous year Rs. 68072650 thousand)			



# Schedules to Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>			
I.	Claims against the Bank not acknowledged as debts	3,592,693	2,446,709
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts	13,980,447	19,013,257
IV.	Guarantees given on behalf of constituents:-		
	a) In India	22,754,491	21,964,418
	b) Outside India	263,457	247,358
V.	Acceptances, Endorsements & Other Obligations	5,056,171	5,926,586
VI.	Other items for which the Bank is Contingently liable	2,801,484	2,739,353
	<b>TOTAL ( I to VI )</b>	<b>48,448,743</b>	<b>52,337,681</b>

# Consolidated Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

	Schedule	YEAR ENDED 31.03.2024 ₹ '000' Omitted	YEAR ENDED 31.03.2023 ₹ '000' Omitted
<b>I INCOME</b>			
Interest Earned	13	112,132,032	93,552,281
Other Income	14	8,376,732	7,652,417
<b>TOTAL</b>		<b>120,508,764</b>	<b>101,204,698</b>
<b>II EXPENDITURE</b>			
Interest Expended	15	60,079,311	46,094,380
Operating Expenses	16	37,625,563	36,508,699
Provisions and Contingencies		5,104,807	6,615,753
<b>TOTAL</b>		<b>102,809,681</b>	<b>89,218,832</b>
<b>III PROFIT</b>			
Consolidated Net Profit for the year		17,699,083	11,985,866
Share of earnings/loss in Associates (net)		13,162	(180,696)
Consolidated Net profit/(loss) for the year before deducting Minorities Interest		17,712,245	11,805,170
Less: Minorities Interest		-	-
Consolidated Net profit/(loss) for the year attributable to the group		17,712,245	11,805,170
Add: Brought forward consolidated profit/(loss) attributable to the group		-	-
Profit available for Appropriation		17,712,245	11,805,170
<b>IV APPROPRIATIONS</b>			
<b>TRANSFERED TO</b>			
i) Statutory Reserve		4,418,170	2,993,450
ii) Capital Reserve		-	-
iii) Revenue and Other Reserve		10,681,533	8,295,980
iv) Investment Fluctuation Reserve		-	-
v) Special Reserve		245,000	-
vi) Proposed Dividend		2,367,542	515,740
<b>TOTAL</b>		<b>17,712,245</b>	<b>11,805,170</b>
Principal Accounting Policies	17		
Notes on Accounts	18		
Earnings per Share (Basic/Diluted)		16.84	12.25

The schedules referred to above form an integral part of the Profit & Loss Account.

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

In terms of our report of even annexed

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUS9046

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZM9295

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

## Schedules to Consolidated Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

		YEAR ENDED 31.03.2024 ` ₹000' Omitted	YEAR ENDED 31.03.2023 ` ₹000' Omitted
<b>SCHEDULE 13 - INTEREST EARNED</b>			
I.	Interest/Discount on Advances/Bills	86,086,671	69,975,540
II.	Income on Investments (Net of Amortization)	22,654,302	20,709,235
III.	Interest on Balances with R.B.I and other Inter Bank Funds	367,187	941,712
IV.	Others	3,023,872	1,925,794
	<b>TOTAL (I to IV)</b>	<b>112,132,032</b>	<b>93,552,281</b>
<b>SCHEDULE 14 - OTHER INCOME</b>			
I.	Commission, Exchange & Brokerage	2,464,271	1,590,919
II.	Profit /(Loss) on Sale of Investments (Net)	575,221	516,668
	Profit on Sale of Investments	575,221	562,506
	Less: Loss on sale of investments	-	(45,838)
III.	Profit /(Loss) on revaluation of Investments (Net)	458,561	(125,277)
	Profit on revaluation of Investments	514,705	-
	Less: loss on revaluation of investments	(56,144)	(125,277)
IV.	Profit/( Loss) on Sale of Land, Buildings & Other Assets (Net)	10,670	11,932
	Profit on Sale of Land, Buildings & Other Assets	10,838	12,721
	Less: Loss on Sale of Land, Buildings & Other Assets	(168)	(789)
V.	Profit /(Loss) on Exchange Transactions (Net)	122,264	142,024
	Profit on Exchange Transactions	123,645	143,195
	Less: Loss on E/Transactions	(1,381)	(1,171)
VI.	Income earned by way of Dividends etc. from Subsidiaries, Companies and/ or Joint Venture abroad/in India	-	-
VII	a) Lease finance Income b) Lease management fee c) Overdue charges d) Interest on lease rent receivables	-	-
VIII.	Miscellaneous Income	4,745,745	5,516,151
	<b>TOTAL (I to VIII)</b>	<b>8,376,732</b>	<b>7,652,417</b>
<b>SCHEDULE 15 - INTEREST EXPENDED</b>			
I.	Interest on Deposits	56,853,664	43,512,422
II.	Interest on RBI/Inter-Bank Borrowings	375,672	364,795
III.	Others	2,849,975	2,217,163
	<b>TOTAL (I to III)</b>	<b>60,079,311</b>	<b>46,094,380</b>

## Schedules to Consolidated Profit & Loss Account

for the year ended at 31<sup>st</sup> March, 2024

<b>SCHEDULE 16 - OPERATING EXPENSES</b>			
I.	Payments to and provisions for Employees	25,789,798	27,085,632
II.	Rent, Taxes and Lighting	1,129,500	1,046,554
III.	Printing and Stationery	125,194	97,822
IV.	Advertisement and Publicity	115,760	51,323
V.	(a) Depreciation on Bank's Property other than Leased Assets	2,079,245	1,324,684
	(b) Depreciation on Leased Assets	96,986	251,872
VI.	Directors Fees, Allowances and Expenses	32,982	27,392
VII.	Auditors Fees & Expenses (Including Branch Auditor's fees & Expenses)	171,260	131,354
VIII.	Law Charges	174,209	187,193
IX.	Postage, Telegrams, Telephones etc.	53,646	49,637
X.	Repairs and Maintenance	393,178	308,336
XI.	Insurance	1,636,025	1,441,450
XII.	Amortisation of Goodwill, if any	-	-
XII.	Other Expenditure	5,827,780	4,505,450
	<b>TOTAL (I to XII)</b>	<b>37,625,563</b>	<b>36,508,699</b>

# Schedule 17

## "Principal Accounting Policies"

### A. Overview

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

### B. Basis of preparation of Financial Statements

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

### C. Use of Estimates

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

### D. Significant Accounting Policies

#### 1. Revenue Recognition

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

#### 2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

##### 2.1 Classification:

Investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, in accordance with the guidelines issued by Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Bonds and Debentures
- v. Subsidiaries and Joint Ventures
- vi. Others

##### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorized as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorized as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".

## Schedule 17

### "Principal Accounting Policies"

- iv. An investment is classified as HTM, HFT or AFS at the time of its acquisition. Subsequent shifting amongst categories is done with the approval of the Board normally once in a year and in conformity with regulatory guidelines.
- v. Investments in subsidiaries and associates are classified as HTM.

#### 2.3 Valuation:

- i. Investments classified as "Held-to-Maturity" (HTM) category are carried at acquisition cost unless such costs are higher than the face value, in which case, the premium is amortized over the term to maturity using straight line method.
- ii. The individual scrip's in the "Available-for-Sale" category are marked to market at quarterly intervals. The net depreciation under each of six classifications under which investments are presented in the balance sheet is fully provided for, whereas the net appreciation under any of the aforesaid classifications is ignored.
- iii. The individual scrip in the "held-for-trading" category is marked to market at weekly intervals and the net depreciation under each of the six classifications under which investments are presented in the Balance Sheet is accounted for in the Profit and Loss account and appreciation is ignored.
- iv. The market value for the purpose of periodical valuation of investments, in case of quoted securities included in "Available for Sale" and "Held for trading" categories is based on the prices declared by the Financial Benchmarks India Pvt. Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. For securities whose prices are not published by FBIL, securities are revalued at market prices available from the trades/quotes on the stock exchanges and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

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

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

2.4 The depreciation in value of investments where interest/principal is in arrears is not set-off against the appreciation

## Schedule 17

### "Principal Accounting Policies"

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

### 3. Advances

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

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

'with effect from the quarter ended 31<sup>st</sup> December 2023 the bank shall maintain additional provisions @10% each in respect of NPA BOS in sub-standard category (both secured/unsecured) and Doubtful -1 and Doubtful - 2 (secured portion only) over and above the minimum provisions required as per the current IRAC norms.'

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

### 4. Floating Provisions

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

# Schedule 17

## "Principal Accounting Policies"

### 5. Fixed Assets and Depreciation

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

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

Depreciation on computers (including ATMs/CDMs) along with software, forming integral part of the computers is computed at 33.33% on straight line method in terms of RBI guidelines issued vide letter no BP.1660/21.04.018/2001 dated 01.02.2001, taking residual value as Nil.

In compliance with Section 15(1) of Banking Regulation Act, 1949, the Bank write off the entire amount of intangible assets.

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

- 5.3 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 5.4 Premium paid for leasehold properties is amortized over the period of lease.
- 5.5 The Bank revalues freehold immovable assets every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. However, where such an increase is a reversal of any previous decrease arising on revaluation which has been charged to profit and loss account, such increase is credited to profit and loss account to the extent that it offsets the previously recorded decrease. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss account except that, to the extent such a decrease is related to a previous increase on revaluation that is included in Revaluation Reserve, it is charged against that earlier increase. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.
- 5.6 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

### 6. Employee Benefits

- 6.1 Short Term Employee Benefits:  
The undiscounted amounts of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.
- 6.2 Long Term Employee Benefits:  
i. Defined Contribution Plan:  
Provident Fund: Provident Fund is a defined contribution scheme as the bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to profit and loss account. The Bank is paying matching contribution towards those employees who have not opted for the pension.



# Schedule 17

## "Principal Accounting Policies"

### ii. Defined Benefit Plan

#### **Gratuity**

The Bank pays gratuity, a defined benefit plan, to vested employees on retirement or resignation or on death while in employment or on termination of employment. The Bank makes contribution to recognized trust which administers the funds on its own account or through insurance companies. Actuarial valuation of the gratuity liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account.

#### **Pension**

The Bank provides for pension to all eligible employees. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees based on the respective employee's years of service with the Bank and applicable salary. Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of pension liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in the profit and loss account. Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The Bank also operates a New Pension Scheme (NPS) for all employees joining the Bank on or after 1<sup>st</sup> August, 2010 (Such new joinees not being entitled to become members of the existing pension scheme). As per the scheme, these employees contribute 10% of their salary and the Bank contributes 14% of the employee's salary. The amount contributed by the Bank to NPS during the year is recognized in the profit and loss account.

#### **Leave Salary**

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary, appointed by the Bank.

### 7. Transactions involving Foreign Exchange

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

### 8. Segment Reporting

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

### 9. Taxes on Income

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

# Schedule 17

## "Principal Accounting Policies"

### 10. Provisions, Contingent Liabilities and Contingent Assets

- 10.1 In conformity with AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- 10.2 No provision is recognized for
- I. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
  - II. Any present obligation that arises from past events but is not recognized because:
    - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - A reliable estimate of the amount of obligation cannot be made.Such obligations are recorded as Contingent Liabilities.
- 10.3 The Bank has made 100% provision for redemption against the accumulated reward points in respect of standard credit card holders.
- 10.4 Contingent Assets are not recognized in the financial statements.

### 11. Impairment of Assets

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

### 12. Share Issue Expenses

Share issue expenses are charged to the Share Premium account.

### 13. Earnings per Share

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

# Schedule 18

## "Notes on Consolidated Accounts"

Jammu and Kashmir Bank Limited along with its Subsidiary and an Associate constitute the group which has been considered in the preparation of consolidated financial statements as under:

Name of the Entity	Relationship	Country of Incorporation	% voting power held as at	
			31.03.2024	31.03.2023
JKB Financial Services Ltd.	Subsidiary	India	100%	100%
J&K Grameen Bank	Associate	India	35%	35%

### Disclosures made by Parent Company

#### 1. Regulatory Capital

##### 1.1 a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	11177.63	8542.47
ii)	Additional Tier 1 capital	1000.00	1000.00
iii)	Tier 1 capital (i + ii)	12177.63	9542.47
iv)	Tier 2 capital	2096.46	2361.15
v)	Total capital (Tier 1+Tier 2)	14274.09	11903.61
vi)	Total Risk Weighted Assets (RWAs)	92578.18	77222.80
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.07%	11.06%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.15%	12.36%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.26%	3.06%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.42%	15.41%
xi)	Leverage Ratio	7.60%	6.34%
xii)	Percentage of the shareholding of a) Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year	6.97	9.85
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	Nil
xv)	Amount of non-equity Tier 2 capital raised during the year	Nil	1021

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

##### b) Drawdown from Reserves

(Amount in ₹ crore)

S No.	Reserves	Amount Drawn	Purpose
1	Revaluation Reserve	30.27	Depreciation on revalued portion of fixed assets amounting to ₹ 30.09 crore has been transferred to General Reserve. Further an amount of ₹ 0.18 crore has been transferred to general reserve on account of disposal of a previously revalued asset.

1.2 During the FY 2022-23, the Bank raised equity capital through Employee Stock Purchase Scheme (JKBESPS-2023) by allotting 7,00, 00,000 (Seven Crores) equity shares to the eligible employees. Statutory Central Auditors for FY 2022-23 issued a Qualified Opinion stating that the JKBESPS-2023 was not implemented in conformity with Para 2.3.1.7 of 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 1,2015 and Clause 21 of JKBESPS-2023. The Bank, however has maintained that the JKBESPS-2023 was in conformity with the applicable laws/regulations. The Bank received the listing approval in respect of the shares issued under JKBESPS 2023 from BSE and NSE on May 03, 2023 and October 20, 2023 respectively and trading approval from both the exchanges on November 9, 2023. The Bank has, therefore, reckoned the amount of Rs.338.31 crores for computation of financial ratios/prudential limits concerning net worth/capital

# Schedule 18

## "Notes on Consolidated Accounts"

funds with effect from 31st December, 2023 in terms of independent examination and approval of the matter by the Audit committee of the Board.

- 1.3 During financial year 2023-24, Bank has raised Equity Share Capital (including Share Premium) of ₹750 Crores through Qualified Institutional Placement on 15 December, 2023. The Bank issued and allotted 6,97,02,602 fully paid-up equity shares of Re. 1 each (face value) at a premium of ₹106.60 per share to the investors on discount of 4.49% (i.e. ₹5.06 per share) on floor price of ₹112.66 per Equity Share determined, as per the formula prescribed under Regulations 176(1) of the SEBI ICDR Regulations. Due to change in accounting policy, para D(12) of schedule 17 the share issue expenses amounting to Rs. 6.00crores have been charged to share premium account.

### 2. Asset Liability Management:

#### a) Maturity pattern of certain items of assets and liabilities

Maturity Pattern of Assets and Liabilities as on 31032024 (Consolidated)												(Amount in ₹ crore)	
	Next Day	2 to 7 Days	8 to 14 Days	15 to 30 Days	31 days upto 2 Months	More than 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 yr	Over 1 yr upto 3 yrs	Over 3 yrs upto 5 yrs	Over 5 yrs	TOTAL	
Deposits	695.47	4410.92	2440.79	3279.68	2570.57	3226.61	7362.24	13343.56	48854.52	32402.10	16176.78	134763.24	
Borrowings	0.00	0.00	0.00	0.00	0.00	1000.00	0.00	500.00	0.00	1385.00	0	2885.00	
Investments	4508.15	2.19	9.75	9.79	759.28	1670.91	744.34	4035.17	5762.14	4622.30	12776.20	34900.22	
Advances	509.79	1137.53	1248.47	1810.30	1185.02	1788.04	3784.51	6690.74	45427.35	16292.16	13882.70	93756.60	
Foreign Currency Assets	26.24	169.04	7.00	158.56	0.00	175.19	104.10	154.00	20.85	0.00	0.00	814.98	
Foreign Currency Liabilities	50.72	192.68	5.67	171.91	0.00	111.15	106.48	161.20	7.01	0.00	6.17	812.99	

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

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

#### b) Liquidity Coverage Ratio (LCR)

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

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

HQLA comprise of liquid assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The Total Net Cash Outflows are the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

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## "Notes on Consolidated Accounts"

		Quarter March 2024		Quarter December 2023		Quarter September 2023		Quarter June 2023		Quarter March 2023	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)	29743.37	29724.46	29729.80	29710.44	28984.35	28967.23	29414.04	30055.91	30280.73	30259.92
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which	92434.94	6981.69	89832.29	6595.51	88376.11	6489.80	88154.61	6613.96	85082.06	6267.89
(i)	Stable deposits	45235.86	2261.78	47698.84	2382.16	46956.28	2347.81	46848.67	2391.84	46278.27	2313.95
(ii)	Less stable deposits	47199.08	4719.91	42133.45	4213.35	41419.82	4141.98	41305.94	4222.12	38803.78	3953.95
3	Unsecured wholesale funding, of which	21135.25	11447.50	18060.50	10124.42	19436.75	10621.40	20897.89	10183.47	19758.50	9495.77
(i)	Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non Operational deposits (all counterparties)	21135.25	11447.50	18060.50	10124.42	19436.75	10621.40	20897.89	10183.47	19758.50	9495.77
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	0	0	0.00	0.00	0.00	0.00	0.00	0.00	11.19	0.00
5	Additional requirements of which	79.11	79.11	100.01	100.01	66.12	66.12	76.00	79.73	0.86	0.86
(i)	Outflows related to derivative exposure and other collateral requirements	79.11	79.11	100.01	100.01	66.12	66.12	76.00	79.73	0.86	0.86
(ii)	outflows related to loss of funding on debt products	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	credit and liquidity facilities	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	7332.07	562.68	6879.07	517.31	9153.76	785.45	7379.02	678.13	6957.00	598.56
7	Other contingent funding Obligations	5221.12	204.72	5230.64	205.00	5276.94	206.39	4527.55	175.18	3628.74	137.65

# Schedule 18

## "Notes on Consolidated Accounts"

		Quarter March 2024		Quarter December 2023		Quarter September 2023		Quarter June 2023		Quarter March 2023	
		Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)	Total Unweighted value (Average)	Total Weighted value (Average)
8	Total cash outflows	126284.49	19357.70	120102.51	17542.25	122309.69	18169.16	121035.07	17730.47	115439.59	16501.99
	Cash Inflows										
9	secured Lending (e.g. reverse repo)	0.00	0.00	0.00	0.00	0.00	0.00	5346.43	0.00	0.00	0.00
10	Inflows from fully performing exposure	692.85	355.95	665.48	351.53	634.09	359.97	1662.75	867.88	2397.04	1227.17
11	Other cash inflows	190.19	95.09	455.33	227.67	126.50	63.94	675.75	346.75	655.49	326.66
12	Total cash inflows	883.04	451.04	1120.81	579.20	62.59	423.91	7684.94	1214.63	3052.52	1553.83
	TOTAL HQLA	29743.37	29724.46	29729.80	29710.44	28984.35	28967.23	29414.04	30055.91	30280.73	30259.92
	Total Net Cash Outflows	126284.49	19357.70	118981.70	16963.05	122247.10	17745.25	113350.14	16515.84	112387.07	14948.17
	Liquidity Coverage ratio (%)		157.80%		175.15%		163.24%		181.98%		202.43%

In accordance with RBI guidelines vide circular no. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. We have considered 48 data points for the quarter March 2024.

Bank's LCR was at 157.80% based on daily average of past three months (Q4 FY23-24). The position remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was Rs 29743.37 Cr which were mostly in the form of level 1 assets. The weighted average total net cash outflows were to the tune of Rs 18824.66 Cr.

Liquidity Management in the Bank is driven by RBI guidelines and Bank's ALM Policy. ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. In addition to daily / monthly LCR reporting, Bank also prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis.

### c) Net Stable Funding Ratio (NSFR)

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

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

Bank's NSFR comes to 169% as at the end of the quarter Q4 (FY 2023-24) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.03.2024 stood at Rs. 136076.41 crores and amount for Required Stable Funding (RSF) as on 31.03.2024 was Rs 80335 crores.

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the deposits from retail customers, small business customers and non-financial corporate customers.

Under the Required Stable Funding (RSF) the primary drivers are unencumbered performing loans with residual maturities of one year or more.

## Schedule 18

### "Notes on Consolidated Accounts"

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

Statement of NSFR		BLR 7		
Name of the Bank		Jammu & Kashmir Bank		
Statement for the Quarter Ending		Mar-24		
S.No.	Items	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
<b>A.</b>	<b>Components of ASF category (Liability Categories)</b>			
I	Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year)	1.00	14755.86	14755.86
II	Other capital instruments with effective residual maturity of one year or more	1.00	0.00	0.00
III	Other liabilities with effective residual maturity of one year or more	1.00	12233.41	12233.41
IV	Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	0.95	41337.38	39270.51
V	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	0.90	73568.37	66211.54
VI	Funding with residual maturity of less than one year provided by non-financial corporate customers	0.50	816.86	408.43
VII	Operational deposits	0.50	0.00	0.00
VIII	Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks	0.50	6613.34	3306.67
IX	Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	0.50	502.00	251.00
X	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests)	0.00	562.06	0.00
XI	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	0.00	0.00	0.00
XII	"Trade date" payables arising from purchases of financial instruments, foreign currencies	0.00	0.00	0.00
<b>B.</b>	<b>Total Available Stable Funding</b>		<b>150429.24</b>	<b>136477.38</b>
<b>C.</b>	<b>Components of RSF category</b>	<b>Associated RSF Factor</b>	<b>Un-weighted Amount (Rs. Crore)</b>	<b>Weighted Amount (Rs. Crore)</b>
I	Coins and banknotes	0.00	615.60	0.00
II	Cash Reserve Ratio (CRR) including excess CRR	0.00	5034.92	0.00
III	All claims on RBI with residual maturities of less than six months	0.00	800.00	0.00
IV	"Trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.	0.00	0.00	0.00
V	Unencumbered Level 1 assets, excluding coins, banknotes, CRR and SLR Securities	0.05	0.00	0.00
VI	Unencumbered SLR Securities	0.05	29816.11	1490.81

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## "Notes on Consolidated Accounts"

VII	Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets as defined in LCR circular dated June 9, 2014 and various amendments as indicated in the text of the circular, and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan	0.10	0.00	0.00
VIII	All other 'standard' unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories	0.15	799.56	119.93
IX	Unencumbered Level 2A assets	0.15	169.28	25.39
X	Unencumbered Level 2B assets	0.50	1.60	0.80
XI	HQLA encumbered for a period of six months or more and less than one year	0.50	0.00	0.00
XII	'Standard' Loans to financial institutions and central banks with residual maturities between six months and less than one year	0.50	0.00	0.00
XIII	Deposits held at other financial institutions for operational purposes	0.50	68.67	34.33
XIV	All other assets not included in the above categories with residual maturity of less than one year, including 'standard' loans to non-financial corporate clients, to retail and small business customers, and 'standard' loans to sovereigns and PSEs	0.50	44762.94	22381.47
XV	Unencumbered 'standard' residential mortgages with a residual maturity of one year or more and assigned the minimum risk weight under the Standardised Approach	0.65	6828.73	4438.67
XVI	Other unencumbered 'standard' loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under the Standardised Approach	0.65	10969.87	7130.42
XVII	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP	0.85	133.68	113.62
XVIII	Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions	0.85	32836.16	27910.74
XIX	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	0.85	546.21	464.28
XX	Physical traded commodities, including gold	0.85	0.00	0.00
XXI	All assets that are encumbered for a period of one year or more	1.00	0.00	0.00
XXII	NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities	1.00	10.41	10.41
XXIII	5% of derivative liabilities	1.00	0.22	0.22
XXIV	All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities	1.00	14386.96	14386.96
XXV	All restructured 'standard' loans which attract higher risk weight and additional provision	1.00	591.63	591.63
<b>D.</b>	<b>Required Stable Funding - On Balance Sheet Assets [I to xxv]</b>		148370.97	79098.90



## Schedule 18

### "Notes on Consolidated Accounts"

<b>E.</b>	<b>Off-Balance Sheet Assets</b>			
I	Irrevocable and conditionally revocable credit and liquidity facilities to any client	5% of the currently undrawn portion	8937.19	446.86
II	Other contingent funding obligations, including products and instruments (a) + (b) + (c)	5% of the currently undrawn portion	5198.14	259.91
(a)	Unconditionally revocable credit and liquidity facilities	5% of the currently undrawn portion	5198.14	259.91
(b)	Trade finance-related obligations (including guarantees and letters of credit)	3% of the currently undrawn portion	0.00	0.00
(c)	Guarantees and letters of credit unrelated to trade finance obligations	3% of the currently undrawn portion	0.00	0.00
III	Non-contractual obligations (a) + (b) + (c)	-	-	0.00
(a)	potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities	0.05	<u>0.00</u>	0.00
(b)	structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs)	0.05	<u>0.00</u>	0.00
(c)	managed funds that are marketed with the objective of maintaining a stable value	0.05	<u>0.00</u>	0.00
F.	Required Stable Funding - Off Balance Sheet Items (I)+(II)+(III)			605.88
G.	Total Required Stable Funding (D+F)			79805.66
H.	NSFR (B / G)			171.01%

As per the extant RBI Guidelines, the banks are required to make Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio and Net Stable funding ratio under the BASEL III Framework. Accordingly, these disclosures are being made available on the Bank's website i.e. [www.jkbank.com](http://www.jkbank.com). These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.

# Schedule 18

## "Notes on Consolidated Accounts"

### 3. Investments

#### a) Composition of Investment Portfolio

As at 31<sup>st</sup> March, 2024

(Amount in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	28811.5937	0	0	0	0	0	28811.5937	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0.0000	0	0	0	0	0
Net	28811.5937	0	0	0	0	0	28811.5937	0	0	0	0	0
Available for Sale								0	0	0	0	0
Gross	1108.9729	0	0	1141.8730	0	4127.5777	6933.6195	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	455.3192	385.1987	0	176.6113	1017.1292	0	0	0	0	0
Net	1108.9729	0	99.8767	756.6743	0	3950.9664	5916.4903	0	0	0	0	0
Held for Trading		0			0			0	0	0	0	0
Gross	0	0	0.6525	0	0	0	0.6525	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0.0104	0	0	0	0.0104	0	0	0	0	0
Net	0	0	0.6421	0	0	0	0.6421	0	0	0	0	0
Total Investments	29920.5666	0	555.8484	1141.8730	0	4127.5777	35745.8657	0	0	0	0	0
Less: Provision for non-performing investments	0	0	453.4902	384.4227	0	52.7887	890.7016	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	455.3192	385.1987	0	176.6113	1017.1292	0	0	0	0	0
Net	29920.5666	0.0000	100.5292	756.6743	0.0000	3950.9664	34728.7365	0	0	0	0	0

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## "Notes on Consolidated Accounts"

As at 31<sup>st</sup> March, 2023

(Amount in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	26752.29	0	0	0	0	0	26752.29	0	0	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0
Net	26752.29	0	0	0	0	0	26752.29	0	0	0	0	0
Available for Sale												
Gross	2403.54	0	573.46	1013.96	0	4986.13	8977.09	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.78	299.42	0	177.95	950.15	0	0	0	0	0
Net	2403.54	0	100.68	714.54	0	4808.18	8026.94	0	0	0	0	0
Held for Trading												
Gross	0	0	1.20	0	0	0	1.20	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0.03	0	0	0	0.03	0	0	0	0	0
Net	0	0	1.17	0	0	0	1.17	0	0	0	0	0
Total Investments	29155.83	0	574.66	1013.96	0	4986.13	35730.58	0	0	0	0	0
Less: Provision for non-performing investments	0	0	467.05	294.98	0	48.24	810.27	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	472.81	299.42	0	177.95	950.18	0	0	0	0	0
Net	29155.83	0	101.85	714.54	0	4808.18	34780.40	0	0	0	0	0

### b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance		84.12
b) Add: Provisions made during the year	176.83	97.63
c) Less: Write off / write back of excess provisions during the year	4.67	4.92
d) Closing balance	55.07	176.83
	126.43	
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance		37.78
b) Add: Amount transferred during the year	209.58	171.80
c) Less: Drawdown	0.00	0.00
d) Closing balance	0.00	209.58
	209.58	
iii) Closing balance in IFR as a percentage of closing balance of investments in Available for Sale (AFS) and Held for Trade (HFT)/Current category	3.54	2.61

# Schedule 18

## "Notes on Consolidated Accounts"

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

The value of sale and transfer of securities to/from HTM Category (excluding permitted transfers) has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR Investment Portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sn.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade securities*		Extent of unrated Securities*		Extent of unlisted Securities*	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	2	3		4		5		6		7	
	Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
a)	PSUs	119.32	69.31	119.32	69.31	-	-	-	-	-	-
b)	Fis (incl. NBFC's AIFI'S)	1447.30	1423.84	652.49	712.95	114.33	115.00	-	-	-	-
c)	Banks (incl. CD's)	3211.93	4094.34	0.00	0.00	0.00	0.00	-	-	-	-
d)	Private Corporates (incl. CP's)	893.51	824.89	318.34	279.93	216.47	177.44	23.03	23.03	23.03	23.03
e)	Subsidiaries/Joint Ventures	0	0	-	-	-	-	-	-	-	-
f)	Others (SRs)	153.24	162.38	-	-	-	-	-	-	-	-
<b>Total (A)</b>		<b>5825.29</b>	<b>6574.76</b>	<b>1090.15</b>	<b>1062.19</b>	<b>330.80</b>	<b>292.44</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>
g)	Less: Provision held towards depreciation/NPI/ Interest Capitalized (B)	1017.13	950.18	-	-	-	-	-	-	-	-
<b>Total (A-B)</b>		<b>4808.17</b>	<b>5624.58</b>	<b>1090.15</b>	<b>1062.19</b>	<b>330.80</b>	<b>292.44</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>	<b>23.03</b>

\*Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\*Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

\*\*\* Excludes floating provision of ₹2.76 Crores

e) Repo transactions (in face value terms)

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	500.00	500.00	4.11	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1200	1700.00	51.50	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

# Schedule 18

## "Notes on Consolidated Accounts"

### f) Government Security Lending (GSL) transactions (in market value terms)

FY 2023-24				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March,2024
a) Securities lent through GSL transactions	0.00	0.00	0.00	0.00
b) Securities borrowed through GSL transactions	0.00	0.00	0.00	0.00
c) Securities placed as collateral under GSL transactions	0.00	0.00	0.00	0.00
d) Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00

FY 2022-23				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March,2023
a) Securities lent through GSL transactions	0.00	0.00	0.00	0.00
b) Securities borrowed through GSL transactions	0.00	0.00	0.00	0.00
c) Securities placed as collateral under GSL transactions	0.00	0.00	0.00	0.00
d) Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00

g) Investments include ₹217.97crores in J&K Grameen Bank, Sponsored institution of the Bank. The Bank had made a prudential provision of ₹36.92crores in financial year 2020-21 as net worth of J&K Grameen Bank had eroded due to continuing losses and there was a permanent diminution in carrying cost of investment. However, to bring the investment valuation inline with the provision of RBI Master Direction on classification, valuation and operation of Investment Portfolio of Commercial Banks dated August 25, 2021 (updated as on December 8<sup>th</sup> 2022), the bank has reversed the provision in the current year.

The Bank has made investments of Rs. 71.56 crore on 18.09.2023 in J&K Grameen Bank as application money for which shares were allotted and taken in share account on 18.03.2024. The Bank had made additional investment of Rs. 100.73 crores on 28.04.2022 in J&K Grameen Bank as application money for which shares were allotted and taken in account on 09.06.2023.

### h) Floating Provisions (Investments)

(Amount In Crores)

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

# Schedule 18

## "Notes on Consolidated Accounts"

### 4. Asset Quality

Classification of advances and provisions held

PARTICULARS	FY 2023-24 (01.04.2023-31.03.2024)						PREVIOUS YEAR (01.04.2022-31.03.2023)					
	Standard		Non-Performing			Total	Standard		Non-Performing			Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances		Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs												
Opening Balance	80951.21	787.82	3434.83	981.78	5204.43	86155.64	68721.92	879.77	4206.68	1434.08	6520.54	75242.46
Add: Additions during the year					1111.62						7446.61	
Less: Reductions during the year*					2359.86						8762.72	
Closing balance	93025.66	426.74	2750.82	778.64	3956.19	96981.86	80951.21	787.82	3434.83	981.78	5204.43	86155.64
*Reductions in Gross NPAs due to:		882.45	1263.05	214.35	2359.86			6126.96	2065.89	569.86	8762.72	
i) Upgradation					903.23						6448.58	
ii) Recoveries (excluding recoveries from upgraded accounts)					843.95						1276.98	
iii) Technical/ Prudential <sup>16</sup> Write-offs					506.86						329.61	
iv) Write-offs other than those under (iii) above					22.60						475.81	
e) Due to Compromise/ settlement					83.23						231.72	
e) Interest Reversal					0.00						0.02	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	424.78*	134.15	2642.06	981.78	3757.99	4304.07	482.85	142.40	3108.85	1434.08	4685.33	5168.18
Add: Fresh provisions made during the year					-72.73						-12.52	
Less: Excess provision reversed/ Write-off loans					528.90						914.82	
Closing balance of provisions held	431.40	115.04	2262.68	778.64	3156.36		424.78*	134.15	2642.06	981.78	3757.99	
	*Recasted											
Net NPAs <sup>17</sup>												
Opening Balance		641.93	692.31	0.00	1334.24			733.32	1016.78	0.00	1750.10	
Add: Fresh additions during the year					1184.35						7459.13	
Less: Reductions during the year					1830.96						7847.90	
Closing Balance ***		311.33	425.52	0.00	736.84			641.93	692.31	0.00	1334.24	
*** Closing Balance has been arrived after subtracting ICAP of Rs 3.52 Cr (Rs 43.79 as on 31.12.2023 and Rs 40.27 cr on 31.03.2024) and adding ECGC/CGTMS of Rs 1.92 cr (Rs 20.79 Cr as on 31.12.2023 and Rs 22.72 Cr as on 31.03.2024)												
Floating Provisions												
Opening Balance						124.48						13.11
Add: Additional provisions made during the year						0.00						111.37
Less: Amount drawn down during the year ****						0.00						0.00
Closing balance of floating provisions						124.48						124.48
Technical write-offs and the recoveries made thereon												
Opening balance of Technical/ Prudential written-off accounts						4461.84						4596.59
Add: Technical/ Prudential write-offs during the year						506.86						329.61
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						173.74						464.37
Closing balance						4794.96						4461.84

# Schedule 18

## "Notes on Consolidated Accounts"

Ratios (BST)	Current Year	Previous Year
Gross NPA to Gross Advances	4.08%	6.04%
Net NPA to Net Advances	0.79%	1.62%
Provision coverage ratio	91.58%	86.20%

a) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

S.No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
<b>i)</b>	<b>Priority Sector</b>						
1	Agriculture & Allied Activities	9133.80	426.55	4.67	9183.74	672.39	7.32
2	Advances to Industries sector eligible as priority sector lending	3918.68	249.79	6.37	2769.80	265.26	9.58
2.a	Manufacturing	3866.73	248.42	6.42	2723.03	263.01	9.66
3	Services	17346.96	668.81	3.86	9001.79	366.91	4.08
3.a	Services	7485.44	263.92	3.53	3289.44	223.66	6.80
3.b	Trade	9438.58	404.89	4.29	5412.31	143.25	2.65
4	Personal Loans	5673.58	44.98	0.79	5070.84	40.76	0.80
4.a	Personal	5056.39	38.66	0.76	4618.74	34.16	0.74
4.b	Micro-credit	617.19	6.32	1.02	452.10	6.60	1.46
	<b>Sub-Total (i)</b>	<b>36073.02</b>	<b>1390.13</b>	<b>3.85</b>	<b>26026.17</b>	<b>1345.32</b>	<b>5.17</b>
<b>ii)</b>	<b>Non-Priority Sector</b>						
1	Agriculture & Allied Activities	287.03	0.05	0.02	686.81	0.03	0.00
2	Industry	11460.98	656.47	5.73	11206.84	1162.25	10.37
2.a	Manufacturing	3697.25	442.58	11.97	5097.37	721.64	14.16
2.b	Infrastructure	7760.60	211.75	2.73	6095.06	437.27	7.17
3	Services	15661.45	1641.89	10.48	19925.56	2416.48	12.13
3.a	Trade	2091.41	417.09	19.94	5362.31	764.74	14.26
3.b	Financial Market	10867.30	625.24	5.75	8478.11	684.94	8.08
4	Personal loans	33499.38	267.66	0.80	28310.34	280.35	0.99
4.a	personal	31952.92	267.00	0.84	27055.51	279.14	1.03
	<b>Sub-Total (ii)</b>	<b>60908.85</b>	<b>2566.07</b>	<b>4.21</b>	<b>60129.54</b>	<b>3859.11</b>	<b>6.42</b>
	<b>Total (i + ii)</b>	<b>96981.86</b>	<b>3956.19</b>	<b>4.08</b>	<b>86155.72</b>	<b>5204.43</b>	<b>6.04</b>

Sub sectors have been disclosed where the outstanding advances exceeds 10% of the outstanding total advances to that sector.

- b) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019. In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Bank has not made additional provisions for the quarter ended March 31 2024 as the existing provisions are adequate to take care of the NPAs as detailed below (Total provision as on March 31, 2024 is Rs. 27.24 Crores):

# Schedule 18

## "Notes on Consolidated Accounts"

(Amounts in ₹ crore)

Amount of loans impacted by RBI Circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2024 out of (b) classified as NPA (c)	Provisions held as on 31.03.2023 (d)	Additional provision made during the year ended 31.03.2024 (e)	Provision held as on 31.03.2024 (f)
27.24	27.24	27.24	27.24	0.00	27.24

- c) Divergence in asset classification and provisioning:  
No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2023, based on the conditions mentioned in RBI circular No. DBR. BP.BC.No.31/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019.
- e) Disclosure of transfer of loan accounts (SMAs & NPAs) in terms of RBI Circular No.DOR.STR.REC.51/21.04.048/2021-22 dated 24<sup>th</sup> September 2021, the details of loans transferred/acquired (Loan not in default) during the year Period 01-04-2023 to 31-03-2024:
- i) NPA accounts transferred during the period 01.04.2023 to 31.03.2024:  
The details of the Non-Performing Assets transferred during the period 01.04.2023 to 31.03.2024 are given below:

(Amount in ₹ crore)

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

No Excess Provision on sale of NPAs to Securitization Company (SC)/reconstruction Company (RC) has been accounted for in the Profit & Loss Account during the current financial year.

- ii. The Bank has not acquired any stressed loan or NPA during the year.
- iii. The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
- iv. Bank has not acquired any "Loan not in default" through assignment of loans.
- v. Bank has not acquired any stressed loans and not transferred any loan not in default/Special Mention Account (SMA).
- vi. Bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- vii. Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2024:

(Amount in ₹ crore)

Recovery Rating Band	Book Value as on 31.03.2024	Book Value as on 31.03.2023
RR1+	13.39	13.39
RR1	80.18	0.00
RR3	0.00	0.00
RR4	38.27	64.26
NA*	21.40	4.55
Rating not assigned**	0.00	80.18
<b>Total</b>	<b>153.24</b>	<b>162.38</b>

\*100% provisions made against the SRs

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



# Schedule 18

## "Notes on Consolidated Accounts"

### f) Fraud accounts

(Amount ₹ in crore)

Particulars	Current year	Previous Year
Number of frauds reported	35	20
Amount involved in fraud (₹ Crore)	241.76	380.04
Amount of provision made for such frauds	237.72	375.32
Amount of Unamortised provision debited from 'other reserves' as at the end of the year)	Nil	Nil
*During the FY 2023-24, the total number of fresh fraud cases declared/reported is 32 and reclassified 3 fraud cases with aggregate total amount involved being ₹ 241.76 crores out of which an amount of ₹ 4.04 Crores being recovered.		

### g) Resolution Framework for COVID-19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID 19 related stress as per RBI Circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:

(Amount ₹ in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	56.94	2.72	0.00	6.55	47.67
Corporate persons*	339.26	18.84	0.00	56.50	263.92
Of which MSMEs	51.69	9.01	0.00	8.20	34.48
Others	174.51	8.76	0.00	20.00	145.76
<b>Total</b>	<b>570.71</b>	<b>30.31</b>	<b>0.00</b>	<b>83.05</b>	<b>457.35</b>
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

## 5. Exposures

### a) Exposure to real estate sector

S.No	Particulars	Current Year	Previous Year
1.	Direct Exposure		
	(i) Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	14169.49	11650.95
	Of which individual housing loans eligible for inclusion in priority sector advances	4579.99	4541.64
	(ii) Commercial Real Estate	1792.79	2177.29
	Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0	0
	(iii) Investment in Mortgage-Backed Securities (MBS) and other securitized exposures:	0	0
	(a) Residential	0	0
(b) Commercial real estate	0	0	
2.	Indirect Exposure		
Fund based and non-fund-based exposures on National housing Bank and Housing Finance Corporation	3468.69	3025.03	
<b>Total Exposure to Real Estate Sector</b>	<b>19430.97</b>	<b>16853.27</b>	

## Schedule 18

### "Notes on Consolidated Accounts"

#### b) Exposure to capital market

Particulars	(Amount ₹ in Crores)	
	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	75.50	74.42
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.05	0.04
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	15.00	15.00
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.02
<b>Total exposure to capital market</b>	<b>90.55</b>	<b>89.48</b>

#### c) Risk category-wise country exposure

(Amount ₹ in Crores)

Risk Category	Exposure (net) as at	Provisions held as at	Exposure (net) as at	Provisions held as at
	Mar-24	Mar-23	Mar-23	Mar-22
Insignificant	615.32	0.00	118.98	0.00
Low	76.12	0.00	18.03	0.00
Moderately Low	4.98	0.00	1.98	0.00
Moderate	0.00	0.00	0.00	0.00
Moderately High	1.53	0.00	0.10	0.00
High	2.03	0.00	0.00	0.00
Very high	0.00	0.00	0.00	0.00
<b>Total</b>	<b>699.97</b>	<b>0.00</b>	<b>139.09</b>	<b>0.00</b>

#### d) Unsecured Advances

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	28546.68	25310.11
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	NA	NA

## Schedule 18

### "Notes on Consolidated Accounts"

- e) Factoring exposures  
The Banks factoring exposure as at 31.03.2024 is Nil (Previous Year - Nil)
- f) Intra-group exposures

(Amount in ₹ crore)

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

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

(Amount in ₹ crore)

Particulars	Provision Held	
	Current Year 31.03.2024	Previous Year 31.03.2023
Opening balance	3.76	2.70
Additions during the Year	6.14	1.16
Deductions during the Year	5.35	0.10
Closing balance	4.54	3.76

The incremental capital held by the Bank towards the foreign currency exposure amounts to ₹ 0.12 crores (previous year ₹ 1.13 crores)

#### 6. Concentration of deposits, advances, exposures and NPAs

- a) Concentration of Deposits

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total Deposits of 20 largest depositors	13164.34	10984.00
Percentage of 20 largest deposits to total Deposits of the Bank	9.77%	9.00%

- b) Concentration of Advances

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total Advances to the twenty largest borrowers	17692.73	11819.29
Percentage of advances to twenty largest borrowers to total advances of the bank	13.79%	13.28%

- c) Concentration of Exposures

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	16071.68	12440.52
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers/customers	15.19%	11.89%

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## "Notes on Consolidated Accounts"

### d) Concentration of NPAs

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	1811.70	2400.18
Percentage of Exposure to the twenty largest NPA exposure to total Gross NPAs.	45.79%	46.12%

## 7. Derivatives

### a) Forward rate agreement/Interest rate swap

(Amount in ₹ crore)

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

### b) Exchange traded interest rate derivatives

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	0.00	0.00
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March (instrument wise)	0.00	0.00
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	0.00	0.00

### c) Disclosures on risk exposures in derivatives

#### i) Qualitative disclosures

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

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

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

#### ii) Quantitative Disclosures

(Amount in ₹ crore)

Sr. No	Particulars	Current Year		Previous Year	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	a)	For Hedging	NIL	NIL	NIL
	b)	For Trading	NIL	NIL	NIL
(ii)	Marked to Market Position				
	a)	Asset (+)	NIL	NIL	NIL
	b)	Liability (-)	NIL	NIL	NIL
(iii)	Credit Exposure (2)		NIL	NIL	NIL

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## "Notes on Consolidated Accounts"

		Current Year		Previous Year		
(iv)	Likely Impact of 1% change in interest rate (100*PV01)					
	a)	On hedging derivatives	NIL	NIL	NIL	NIL
	b)	On Trading derivatives	NIL	NIL	NIL	NIL
(v)	Maximum & minimum of 100*PV01 observed during the year					
	a)	On hedging	NIL	NIL	NIL	NIL
	b)	On Trading	NIL	NIL	NIL	NIL

- d) Credit default swaps  
Bank did not enter in any credit default swap.

### 8. Disclosures relating to securitisation

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

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## "Notes on Consolidated Accounts"

S.no	Particulars	Mar 31 (Current Year)	Mar 31 (Previous Year)
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

### 9. Off balance sheet SPVs sponsored

The bank has not floated any off Balance Sheet SPV.

### 10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	273.93	244.30
Add: Amounts transferred to DEA Fund during the year	34.98	34.28
Less: Amounts reimbursed by DEA Fund towards claims	28.77	4.65
Closing balance of amounts transferred to DEA Fund	280.14	273.93
The Closing balance of amounts transferred to DEA Fund as disclosed above are also included under schedule 12 - Contingent Liabilities - other items for which the bank is contingently liable.		

### 11. Disclosure of complaints

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

Sr. No	Particulars	Previous year (FY 2022-23)	Current year (FY 2023-24)
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	1116	2324
2.	Number of complaints received during the year	52608	54686
3.	Number of complaints disposed during the year	51400	55465
3.1	Of which, number of complaints rejected by the bank	582	8273
4.	Number of complaints pending at the end of the year	2324	1545
Maintainable complaints received by the bank from OBOs			
	Number of maintainable complaints received by the bank from OBOs	530	616
5.	5.1. Of 5, number of complaints resolved in favour of the bank by BOs	514	589
	5.2. Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	10	29
	5.3. Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
<p>Note : 1. Maintainable complaints refer to complaints on the grounds specifically mentioned in <u>BO Scheme 2006</u> and covered within the ambit of the Scheme.</p> <p>2. Till the Financial Year 2022-23, the Bank was disclosing only the non-digital complaints in the summary information. For the current year, the number of complaints pending at the beginning of the year, received and disposed during the year and pending at the end of the year include digital and non-digital complaints. The figures for the previous year have been regrouped accordingly.</p>			
<p>Note:</p> <ul style="list-style-type: none"> <li>• Number of BO complaints pending at the beginning of FY2022-23 ----- 9</li> <li>• Number of BO complaints pending at the end of FY2022-23 ----- 15</li> <li>• Number of BO complaints pending at the end of FY2023-24 ----- 13</li> </ul>			

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### "Notes on Consolidated Accounts"

a) Top five grounds of complaints received by the bank from customers					
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1 (Internet/Mobile/Electronic Banking)	2291	51332	0.2	1221	0
Ground - 2 (Loans and Advances)	8	1401	129	135	0
Ground - 3 (ATM/Debit Cards)	1	172	161	30	0
Ground - 4 (Credit Cards)	1	157	59	12	0
Ground - 5 (Account opening/difficulty in operation of accounts)	1	151	26	21	0
Other Grounds • Staff Misbehaviour • Deficiency of services • Insurance • Leakage of Account Info • Non-Linkage of Aadhaar • Unauthorised Debits • Pension and facilities for senior citizens/ differently abled • Others	22	1473	110	126	1
<b>Total Complaints</b>	<b>2324</b>	<b>54686</b>	<b>3</b>	<b>1545</b>	<b>1</b>
Previous Year					
Ground - 1 (Internet/Mobile/Electronic Banking)	1105	50982	48	2291	0
Ground - 2 (Loans and Advances)	2	612	353	8	1
Ground - 3 (Account opening/difficulty in operation of accounts)	2	120	2900	1	0
Ground - 4 (Credit Cards)	0	99	27	1	0
Ground - 5 (Staff Behavior)	1	95	313	5	0
Other Grounds • ATM/Debit Cards • Deficiency of services • Insurance • Leakage of Account Info • Non-Linkage of Aadhaar • Unauthorised Debits • Pension and facilities for senior citizens/ differently abled • Others	6	700	57	18	0
<b>Total Complaints</b>	<b>1116</b>	<b>52608</b>	<b>50</b>	<b>2324</b>	<b>1</b>

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## "Notes on Consolidated Accounts"

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

During the year ended March 31, 2024, 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	39	2.14*
2.***	Penalty imposed by RBI on ATM Cash Outs	10	1.00*
3.	Penalty imposed on non-compliances with RBI directions	1	250.00
4.	Penalty imposed on branch office(s)	1	0.20
<b>Total</b>		<b>51</b>	<b>253.34</b>

\*This amount has been recovered from the concerned employees.

\*\*₹ 0.50 Lacs (one instance) out of penalty at S. No. 1 &

\*\*\*₹ 0.50 Lacs (five instances) out of penalty at S. No. 2 have been waived-off and reversed by RBI.

### 13. Disclosure on remuneration

Type of disclosure	Information
Qualitative	<p>a) Information relating to the composition and mandate of the Remuneration Committee.</p> <p>Bank has constituted the Nomination and Remuneration Committee of the Board pursuant to the requirement of the Reserve Bank of India and the Companies Act, 2013, which constituted of following members of the Board as on 31.03.2024. Mr. Anand Kumar (Chairman N&amp;RC) Dr. Rajeev Lochan Bishnoi Mr. Naba Kishore Sahoo Ms. Shahla Ayoub</p>
	<p>b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.</p> <p>The major objective of Banks' Compensation Policy are:</p> <ul style="list-style-type: none"> <li>• To ensure effective governance of compensation. <ul style="list-style-type: none"> <li>i. Actively oversee the compensation systems design and operation.</li> <li>ii. Monitor and review the compensation system to ensure the system operates as intended.</li> <li>iii. Employees engaged in financial system and control must be independent, have necessary authority and must be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank.</li> </ul> </li> <li>• To ensure effective alignment of compensation with prudent risk taking: <ul style="list-style-type: none"> <li>i. Compensation must be adjusted for all types of risks.</li> <li>ii. Compensation outcome must be symmetric with risk outcomes.</li> <li>iii. Compensation pay out schedules must be sensitive to the time horizon of risks.</li> <li>iv. The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.</li> </ul> </li> <li>• To comply with the regulatory directives whereby all private sector banks are required to formulate and adopt a comprehensive Compensation Policy covering all their employees and conduct annual review thereof.</li> <li>• To attract, develop and retain high-performing and motivated employees</li> </ul> <p>The Compensation Policy of the Bank is in line with the regulatory guidelines, however as per Board directions, the policy shall be considered for implementation once the Bank reaches a cost to income ratio of 50% or below, in-line with the peer banks. The Bank being a member bank of Indian Banks' Association (IBA), as such the compensation structure of the Banks' employees is currently guided by the IBA stipulated pay structure. However, in the case of Contractual Senior Employees viz. MD &amp; CEO, ED and the CFO, the compensation structure (for the FY 2023-24) is aligned as per the compensation policy, wherein performance linked Variable pay is included within the remuneration.</p>
	<p>c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.</p> <p>The Compensation Policy of the Bank is in line with the regulatory guidelines, however as per Board directions, the policy shall be considered for implementation once the Bank reaches a cost to income ratio of 50% or below, in-line with the peer banks. The Bank being a member bank of Indian Banks' Association (IBA), as such the compensation structure of the Banks' employees is currently guided by the IBA stipulated pay structure, without any performance linked variable components. However, in the case of Contractual Senior Employees viz. MD &amp; CEO, ED and the CFO, the compensation structure (for the FY 2023-24) is aligned as per the compensation policy, wherein performance linked Variable pay is included within the remuneration.</p> <p>As per the Compensation Policy, various types of risks are to be taken into account by the Bank in its remuneration process. A wide variety of measures of credit, market, liquidity and various other risks shall be used by the bank in implementation of risk adjustment which shall involve both quantitative and judgmental elements.</p> <p>In order to manage current and future risks, the compensation policy stipulates variable pay as a component of the compensation structure of Whole Time Directors, Material Risk Takers (MRTs) and Control function staff. The variable portion of the compensation comprises of cash and non-cash (share linked instruments) components which is deferred over a period of 3 years so that the compensation is adjusted for all types of risks that the Bank may be exposed to.</p> <p>The compensation policy also stipulates 'malus' and 'clawback' options to take into account specific crystallised risk, adverse performance outcomes including those related to misconduct and deterioration in financial performance of the Bank.</p>





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## "Notes on Consolidated Accounts"

	d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	As per the compensation policy, the variable component of remuneration (wherever applicable) is assessed by the Bank based on the individual performance in relation to KRAs for a reference performance year. KRAs take into consideration both the quantitative (financial aspects) and qualitative (nonfinancial aspects) parameters. The quantum of Variable Pay is a function of the Bank's and the individual's performance with due adjustment for risks involved.
	e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	<p>As per the bank's compensation policy, deferral and vesting of variable remuneration shall apply to the MD &amp; CEO /Whole Time Directors (WTDs), Material Risk Takers (MRTs) and control Function staff. The Material Risk Takers (MRTs) and Control Function Staff designated by the Bank within the policy include the following:</p> <p>a) Material Risk Takers (MRTs)</p> <p>The following officials have been identified as MRTs based on the RBI stipulated qualitative and quantitative criteria for identification of MRTs.</p> <p>General Managers within the following domains.</p> <ol style="list-style-type: none"> <li>1. Consumer &amp; Commercial Banking (CCB)/Corporate Banking (including Divisional Heads in business line function)</li> <li>2. Central Banking Operations (CBO)</li> <li>3. Govt. Banking &amp; Treasury Ops.</li> <li>4. Strategy &amp; IT</li> <li>5. BSD, Insurance</li> <li>6. Human Resources</li> <li>7. IAPM</li> <li>8. Law</li> </ol> <p>b) Control Function Staff</p> <p>The following officials have been identified as the Control Function Staff:</p> <ol style="list-style-type: none"> <li>1. Chief Compliance Officer (CCO)/GCO</li> <li>2. Head of Internal Audit (HIA)</li> <li>3. Chief Risk Officer (CRO)</li> <li>4. CIV/CVO</li> <li>5. Company Secretary</li> <li>6. Finance/CFO</li> </ol> <p>In line with the RBI guidelines, the Bank's compensation policy stipulates the following principles for Deferral / vesting of variable remuneration for WTDs/CEO, MRTs:</p> <ul style="list-style-type: none"> <li>• At least 50% of Total Pay, should be variable.</li> <li>• The variable pay can be in the form of share-linked instruments or a mix of cash and share-linked instruments. There should be proper balance between the cash and share-linked components in the variable pay. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash.</li> <li>• A minimum of 50% of the Total Variable Pay shall be paid via non-cash instruments.</li> <li>• The compensation policy stipulates that the total variable pay of the MD &amp; CEO to be limited to a maximum of 100% of the fixed pay (as against the maximum permissible regulatory ceiling of 300% of the fixed pay), to be allocated equally (50%) between the cash component and non-cash component. The said ceiling being the minimum would apply to the MRTs and Control Function staff as well.</li> <li>• Cash Component:             <ol style="list-style-type: none"> <li>(a) Upfront payment shall be 50% of cash component of Variable Pay</li> <li>(b) Deferred payment shall be 50% of cash component of Variable Pay</li> </ol> </li> <li>• Non-cash Components (share-linked instruments):             <ol style="list-style-type: none"> <li>(a) ESOP/ESOS: The monetary value, of grant of share-linked instruments shall not exceed 50% of Variable Pay</li> <li>• Period of Deferral Arrangement:                     <p>The deferral period shall be a minimum of three years. This would be applicable to both the cash and non-cash components of the variable pay. However, in cases where the cash component of variable pay is under INR 25 lakhs, deferral requirements for cash component will not apply.</p> <p>Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation, as such the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.</p> <p>The Compensation policy stipulates Malus and Clawback clauses for adjusting deferred remuneration before &amp; after vesting (applicable for WTDs, CEO, MRTs and Control function Staff):</p> <p>Malus: Payment of all or part of amount of deferred variable pay can be prevented</p> <p>Clawback: Previously paid or already vested deferred variable pay can also be recovered under this clause.</p> <p><b>FRAMEWORK TO INVOKE MALUS / CLAWBACK CLAUSES:</b></p> <p>The variable pay shall be subject to ex-post risk adjustment measures to take into account specific crystallised risk or adverse performance outcome including those relating to misconduct. It shall include reduction of current year awards (in-year adjustment), the application of malus (reducing or cancelling deferred pay that have not yet vested), and clawback (recouping already vested awards).</p> <p>The 'malus' and 'clawback' clause will be invoked when the employee demonstrates fraudulent behavior, moral turpitude, lack of integrity, flagrant breach of company policies and statutory norms resulting in financial or non-financial losses.</p> <p>Malus and clawback will be applied basis informed judgment of NRC for following conduct/risk related circumstances:</p> <ol style="list-style-type: none"> <li>a. Any act which exposes the bank to substantial risk.</li> <li>b. Non-disclosure of material conflict of interest by the employee or any misuse of official powers. Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature.</li> <li>d. Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates.</li> <li>e. Wilful misinterpretation / misreporting of financial performance of the bank.</li> <li>f. Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly.</li> </ol> </li> </ol></li></ul>



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## "Notes on Consolidated Accounts"

			<p>g. An act of wilful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise.</p> <p>h. Material breach of:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Any Non-Disclosure Agreement</li> <li>• Regulatory procedures</li> <li>• Internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or / and clawback provisions.</li> </ul> <p>i. Violation of guidelines for Anti Hedging and guidelines for Prevention of Insider Trading. The occurrence of any/some/all of the above conditions/events shall trigger a review by the Nomination and Remuneration Committee for the application of the Malus or the Clawback arrangement. Malus may be applied to the following additional circumstances:</p> <p>i. In the event of deterioration in financial performance in form of drop in Profit After Tax (PAT) from one financial year to the next by 30% or more, the NRC shall evaluate and decide if Malus needs to be applied on none, part or all of the unvested deferred variable compensation. For the evaluation, the NRC may take into consideration conditions leading to the deterioration in financial performance, including changes in regulations, industry performance and others.</p> <p>ii. In the event when there is a deterioration of more than 5% in the operating profit and/or net Non-Performing Asset (NPA)/to net Advances exceeds 0.75%, and deterioration in any other specific performance criteria that may be laid down by the Nomination and Remuneration Committee (NRC). The NRC will review the performance taking into consideration the macroeconomic environment as well as the internal performance indicators and accordingly decide whether any part of the deferred tranche belonging to a financial year merits a withdrawal.</p> <p>iii. In the event where the assessed divergence in Bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure, the Bank shall not pay the unvested portion of the variable compensation for the assessment year under 'Malus' clause. Such a scenario can also lead to the invoking of the 'Clawback' clause. Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the Bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning or both provisioning and asset classification. Final decision to invoke malus and/or clawback shall be approved by NRC. In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation / withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors that may have been beyond the control of the concerned employee. Prior to yearly pay out of the deferred components of Total Variable Pay, NRC shall review the release of the pay-out. In the event where the clawback clause is invoked, the employee will agree to return the previously received Total Variable Pay back to the Bank, taking into account relevant regulatory/ statutory stipulations. In case the vested stock options have already been exercised, the employee shall return fair value of options at the time of grant, using Black-Scholes model</p>
	f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	<p>The compensation policy of the Bank stipulates the following components of performance linked variable pay:</p> <ul style="list-style-type: none"> <li>• Cash component</li> <li>• Non-cash component (share linked instruments). This shall be granted to employees, in the form of Employee Stock Options (ESOPs). The Bank shall have in place an Employee Stock Option Scheme (ESOS), formulated in accordance with the SEBI-SBEBSE (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. ESOS shall have an inbuilt deferral design; grant immediately following the reference performance year with no immediate vesting, 30% vesting after end of first year following the reference performance year, next 30% vesting after end of second year &amp; balance 40% vesting after the end of third year, which is intended to spread and manage risk.</li> <li>• Employee stock options shall be fair valued on the date of grant by the Bank using Black-Scholes model.</li> </ul>

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	Particulars	Current Year	Previous Year	
Quantitative Disclosures (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Material Risk Takers)	g) Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	The Committee met ten times during the year and total sitting fee of ₹12,00,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit).	The Committee met ten times during the year and total sitting fee of ₹15,60,000.00* was paid to the Members of the Committee. (*It is pertinent to mention that in addition to the above fee, GST @ 18% has been paid, out of which 9% has been claimed as input credit)	
	i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL	
	ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL	
	h) i) Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL	
		ii) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
	i) i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Cash (Deferred): ₹ 0.12 Cr *Non-Cash/ ESOP (Deferred): ₹ 0.35 Cr *pertains to the assessment of variable pay for the reference performance year (FY 2021-22 & 2022-23).	Deferred Cash: ₹ 0.18 Cr Deferred Non-Cash (ESOP): ₹ 0.46	
		ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Total Fixed Salary: ₹ 4.86 Cr Total Variable Pay: Nil* *Variable Pay assessment for MD & CEO/ WTD/MRT for FY 2023-24 is pending.	Total Fixed Salary: ₹ 4.22 Cr Total Variable Pay : ₹ 1.03 Cr Deferred variable pay: ₹ 0.64 Cr Non-deferred variable Pay: ₹ 0.39 Cr	
	k) i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL	
		ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
		iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l) Number of MRTs identified	10* *Identified as per the Compensation Policy of the Bank	11* *Identified as per the Compensation Policy of the Bank	
	m) i) Number of cases where malus has been exercised	NIL	NIL	
ii) Number of cases where clawback has been exercised		NIL	NIL	
iii) Number of cases where both malus and clawback have been exercised.		NIL	NIL	
General Quantitative Disclosure	(n) The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	<ul style="list-style-type: none"> <li>Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2023-24 was ₹ 14.44 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2023-24): 9.53X</li> <li>Mean pay for the Bank as a whole for all employees (excluding sub-staff) who were in employment for FY2022-23 was ₹ 11.08 lacs Ratio of pay of WTD to the mean pay for the bank as a whole (for FY 2022-23): 6.07X</li> </ul>		

### Details of Remuneration paid to Non - Executive Directors during FY 2023-24

Name	Sitting Fee	Profit related Compensation (FY 2022-23)	Total
Dr. Rajeev Lochan Bishnoi	2160000	1000000	3160000
Mr. Naba Kishore Sahoo	2280000	1000000	3280000
Dr. Mohmad Ishaq Wani	0	400000	400000
Mr. R K Chhibber	2160000	1000000	3160000
Mr. Umesh Chandra Pandey	2120000	1000000	3120000
Mr. Anil Kumar Goel	2080000	1000000	3080000
Mrs. Sushmita Chadha	0	493151	493151
Mr. Anand Kumar	2400000	1000000	3400000
<b>Total</b>	<b>13200000</b>	<b>6893151</b>	<b>20093151</b>

# Schedule 18

## "Notes on Consolidated Accounts"

### 14. Other Disclosures

#### a) Business ratios

Particulars	Current Year	Previous Year
Interest Income as a percentage to Working Funds	7.76%	6.92%
Non-Interest Income as a percentage to Working Funds	0.57%	0.56%
Cost of Deposits	4.57%	3.79%
Net Interest Margin	3.92%	3.89%
Operating Profit as a percentage to Working Funds	1.58%	1.37%
Return on Assets	1.22%	0.89%
Business (deposits plus advances) per employee(in ₹ crore)	17.81	15.57
Profit per employee (in ₹ crore)	0.14	0.09

#### b) Bancassurance business

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business  
(Amount in ₹ crore)

Name of the Company	Current Year FY2023-24	Previous Year FY2022-23
PNB MetLife	55.69	47.36
Life Insurance Corporation of India	1.67	0
Bajaj Allianz Life Insurance Company Limited	22.17	0
Bajaj Allianz General Insurance Company Limited	22.73	20
IFFCO TOKIO General Insurance Company	3.51	3.33
<b>Total</b>	<b>105.77</b>	<b>70.69</b>

#### c) Marketing and distribution

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

(Amount in ₹ crore)

S.No	Nature of income	Current Year	Previous Year
1	Commission from JKBFSL on opening DEMAT Accounts	0.16	0.03
2	Commission from JKBFSL on mobilizing Mutual Funds	0.12	0.07
3	Service Charges from PMFBY	0.42	0.13
<b>Total</b>		<b>0.70</b>	<b>0.23</b>

#### d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has purchased the following PSLCs during the year:

(Amount in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	1708.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>

The Bank has sold the following PSLCs during the year:

(Amount in ₹ crore)

Category	Current Year (Currency Face Value)	Previous Year (Currency Face Value)
PSLC Small and Marginal Farmers	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## Schedule 18

### "Notes on Consolidated Accounts"

e) Provisions and contingencies

(Amount in ₹ crore)

CONSOLIDATED DETAILS OF PROVISIONS		YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
1	Provision for Taxes (A+B)	618.17	587.45
	A. Income Tax	589.75	531.01
	B. Deferred Tax	28.42	56.44
2	Provision for Bad & Doubtful Debts	(73.61)	-12.51
3	Provision for Standard Assets	(114.68)	63.24
4	Provision for Non Performing Investment	75.88	83.46
5	Provision for diminution in the fair value of restructured/rescheduled advances	0.00	-28.24
6	Provision for Contingent Liabilities	0.10	-2.33
7	Provision for Contingencies		-27.74
8	Provision for Frauds/ Embezzlements (other than Advances)	4.62	-1.74
	<b>Total :-</b>	<b>510.48</b>	<b>661.58</b>

- f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)  
RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year.

The bank hired a consultant for implementation of Ind AS in the Financial Year 2023-2024 and consultant has started the process of parallel conversion to IND AS. The base year for Ind As conversion is Financial Year 2023-2024 with transition date as at April 1, 2023.

It is pertinent to mention that the Bank had previously availed the services of a consultant for implementation of Ind AS but the contract was terminated due to non-performance by the previous Consultant.

- g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S.no	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	143.24	140.81
ii)	Arrears in payment of DICGC premium	Nil	Nil

- h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of 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 of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹3.625 crores and ₹ 14.50 crores to the Profit & Loss account for the quarter & Year ended 31st March 2024 respectively and the balance unamortized expense of ₹29.00 Crores has been carried forward. Had the bank charged the entire additional liability to the Profit and loss account, the consequential net profit for the year ended march 31, 2024 would have been ₹ 1738.27crores

- i) Disclosure of Letters of Comfort (LoCs) issued by banks (CCB / Forex)

The Bank has not issued any letter of comfort on behalf of the customers or on its behalf in respect of trade credits during the FY 2023-24.

- j) Portfolio-level information on the use of funds raised from green deposits

# Schedule 18

## "Notes on Consolidated Accounts"

(Amount in ₹ crore)

Particulars	Current Financial Year	Previous Financial Year	Cumulative*
Total green deposits raised (A)			
Use of green deposit funds**			
(1) Renewable Energy			No such scheme is available for the reference period. However, the Bank is in process to roll out the Green Deposit scheme.
(2) Energy Efficiency			
(3) Clean Transportation			
(4) Climate Change Adaptation			
(5) Sustainable Water and Waste Management			
(6) Pollution Prevention and Control			
(7) Green Buildings			
(8) Sustainable Management of Living Natural Resources and Land Use			
(9) Terrestrial and Aquatic Biodiversity Conservation			
Total Green Deposit funds allocated (B = Sum of 1 to 9)			
Amount of Green Deposit funds not allocated (C = A - B)			
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects.			
<p>* This shall contain the cumulative amount since the RE started offering green deposits. For example, if a bank has commenced raising green deposits from June 1, 2023, then the annual financial statement for the period ending March 31, 2025, would contain particulars of deposits raised and allocated from June 1, 2023, till March 31, 2025. Further, the actual amount of green deposits raised during the year and use of such funds shall be given under this disclosure.</p> <p>**Under each category, REs may provide sub-categories based on the funds allocated to each sub-sector. For example, REs may provide sub-categories like solar energy, wind energy, etc. under "Renewable Energy".</p>			

### 15. Disclosure Requirements as per the Accounting Standards

#### a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies

- During the year, there were no material prior period income/expenditure items.
- There are following changes in the Significant Accounting Policies adopted during the Financial Year 2023-24 as compared to those followed in the previous Financial Year 2022-2023:
  - To be more prudent the Bank has made additional provision of Rs. 135.67crore on its secured portion at the rate of 10% on its non-performing assets held in sub-standard, D-1, & D-2 Category over and above the prescribed norms.
  - Due to change in accounting policy, para D(12) of schedule 17 the share issue expenses amounting to Rs. 6.00crores have been charged to share premium account..

#### b) Accounting Standard - 15 "Employee Benefits"

The bank has recognized in its books of accounts the liability arising out of employee benefits as the sum of the present value of obligation as reduced by fair value of plan assets on the balance sheet date, as under:

I - Principal Actuarial Assumptions as the Balance Sheet date:

Actuarial Assumptions	PENSION		GRATUITY		LEAVE ENCASHMENT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.20%	7.45%	7.20%	7.45%	7.20%	7.45%
Expected Return on Plan Assets	7.20%	7.45%	7.20%	7.0%	NA	NA
Rate of Escalation in salary	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition Rate	1%	1%	1%	1%	1%	1%

## Schedule 18

### "Notes on Consolidated Accounts"

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of Obligation 01.04.2023	2646.48	1120.08	501.41
Interest Cost	185.09	81.30	36.18
Current Service Cost	74.54	70.12	29.61
Benefits paid	(324.03)	(57.48)	(31.44)
Actuarial (loss)/ gain on obligations (Balancing figure)	858.58	(307.64)	(24.84)
Present Value of Obligations, 31.03.2024	3440.66	906.38	510.92

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Fair Value of Plan Assets 01.04.2023	2560.00	1119.92	0.00
Expected return on Plan assets	109.18	81.30	0.00
Contributions by Bank	1001.69	0.16	40.95
Benefits paid	(324.03)	(57.48)	(31.44)
Actuarial (loss)/ gain on Plan Assets (Balancing figure)	93.70	5.56	0.00
Fair Value of Plan Assets, 31.03.2024	3440.55	1149.46	0.00

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Expected return on Plan Assets	109.18	81.30	0.00
Actuarial (loss)/ gain on Plan Assets	93.71	5.56	0.00
Actual Return on Plan Assets	202.89	86.86	0.00

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Actuarial (Gain)/loss for the period - Obligation	858.57	(307.64)	(24.84)
Actuarial (Gain)/ loss for the period - Plan Assets	(93.71)	(5.56)	0.00
Total (Gain)/Loss for the period	764.86	(313.20)	(24.84)
Actuarial (Gain ) or loss recognized in the period	764.86	(313.20)	(24.84)
Unrecognized Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00

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

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value obligation, 31.03.2024	3440.67	906.39	510.93
Fair Value of Plan Assets, 31.03.2024	(3440.55)	(1149.46)	0.00
Difference	0.12	(243.07)	510.93
Unrecognized Transitional Liability	0.00	0.00	0.00
Unrecognized Past Service cost-vested benefits-Carried Forward	0.00	0.00	0.00
Liability Recognized in the Balance Sheet	0.12	*(243.07)	510.93
Negative amount determined under Paragraph 55 of AS-15(R)	-	-	-

## Schedule 18

### "Notes on Consolidated Accounts"

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Present value of available refunds and reductions in future contributions	-	-	-
Resulting asset as per Paragraph 59 (b) of AS-15 (R)	-	*243.07	-

#### VII-Expense recognized in Profit and Loss Statement

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Current Service Cost	74.55	70.12	29.61
Interest Cost	185.09	81.31	36.18
Expected return on Plan assets	(109.18)	(81.30)	0.00
Net Actuarial (Gain)/loss recognized in the year	764.87	(313.20)	(24.84)
Past Service Cost-Recognized	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	915.33	(243.07)	40.95

During the year while considering the defined benefit obligation for the gratuity fund, the actuarial came across that Special Grade Allowance was being considered in earlier years as part of service cost. Consequent to this, there is surplus in Plan Assets amounting to Rs.243.07 crores, representing excess of fair value of Plan Assets over Present Value Obligation. Correspondingly, an amount of Rs.243.07 crores has been credited to 'payment to and provision for employees' during the year. Figures of previous year are not comparable to that extent.

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

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Opening Net Liability	86.48	0.16	501.41
Expenses	915.33	(243.07)	40.95
Contributions/ Benefits paid	(1001.69)	(0.16)	(31.44)
Closing Net Liability /(Asset) (Liability recognized in B/S in current period)	0.12	(243.07)	510.93

#### IX - Amount for the Current Period

(Amount ₹ in Crore)

Particulars	PENSION	GRATUITY	LEAVE ENCASHMENT
Defined Benefit Obligation	3440.67	906.39	510.93
Plan Assets	3440.55	1149.46	0.00
Surplus/(Deficit)	(0.12)	243.07	510.93
Experience adjustments on plan liabilities	494.69	(328.51)	(36.69)
Actuarial loss/(gain) due to change in financial assumptions	363.88	20.87	11.85
Experience adjustments on plan assets	(93.71)	(5.56)	0.00
Net actuarial loss/ (gain) for the year	764.86	(313.20)	(24.84)

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

Particulars	PENSION (%)	GRATUITY (%)
Government of India Securities	1%	6.04%
State Government Securities	0	41.86%
High Quality Corporate Bonds	0	39.80%
Equity Shares of listed companies	0	2.89%
Funds managed by Insurer	99%	0.74%



## Schedule 18

### "Notes on Consolidated Accounts"

Other- Bank Deposits and CD's	0	8.67%
Treasury Bills	0	0
<b>Total</b>	<b>100</b>	<b>100.00</b>

#### XI - Best Estimate of contribution during next year

(Amount ₹ in Crore)

Particulars	PENSION (Funded)	GRATUITY (Funded)
Bank's best estimate of Contribution during next year	700.00	150.00

#### Particular Basis of assumption:

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

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

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

**Attrition rate:** Attrition rate has been determined by reference to past and expected future experience and includes all types of withdrawals other than death but including those due to disability.

During the year while considering the defined benefit obligation for the gratuity fund, the actuarial came across that special grade allowance is being considered in earlier years as part of service cost .Consequent to this, there is surplus in plan assets amounting to Rs 243.07 crores, representing excess of fair value of plan assets over present value obligation. Corresponding amount of Rs 243.07 Crores has been credited to payment to and provisions of employees during the year. Figures of previous year are not comparable to that extent.

The Jammu and Kashmir Bank Employees Pension Fund Trust transfers future liability of pension payments to pensioners and family pensioners by way of purchasing annuities from annuity service providers currently LIC of India. Annuity is purchased on return of purchase price i.e. upon death of the pensioner purchase price is being credited back to J K Bank employees' pension fund Trust. Since the stream of present pension payments has already been transferred to LIC of India thus actuarial valuation of pensioners and family pensioners has not been carried out.

\*The above information is based on the information certified by the actuary except para XI above.

#### c) Accounting Standard - 17 "Segment Reporting"

- i) The Bank has recognized business segment as its primary reportable segment under AS-17 classified into treasury, Corporate/ Wholesale banking, Retail banking and other banking Business. The necessary disclosure is given below:  
(Amount ₹ in Crore)

CONSOLIDATED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31 <sup>ST</sup> MARCH, 2024	YEAR ENDED	
	31.03.2024	31.03.2023
PARTICULARS	(AUDITED)	(AUDITED)
<b>1) SEGMENT REVENUE (INCOME)</b>		
i) Treasury Operations	2719.30	2406.11
ii) Corporate/Wholesale Banking	2478.21	1847.41
iii) Retail Banking	7944.05	7024.92
(a) Digital Banking	0.08	0.02
(b) Other Retail Banking	7943.97	7024.90
iv) Other Banking Business	106.77	73.93
v) Un-Allocated Business	0.00	0.00
<b>Total</b>	<b>13248.33</b>	<b>11352.37</b>
Less: Inter Segment Revenue	1197.46	1231.90

# Schedule 18

## "Notes on Consolidated Accounts"

CONSOLIDATED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31 <sup>ST</sup> MARCH, 2024	YEAR ENDED	
	31.03.2024	31.03.2023
PARTICULARS	(AUDITED)	(AUDITED)
Net Income from Operations	12050.87	10120.47
<b>2) Segment Results</b>		
i) Treasury Operations	139.69	102.59
ii) Corporate/Wholesale Banking	1394.89	748.18
iii) Retail Banking	2072.40	2344.41
(a) Digital Banking	(0.77)	(0.38)
(b) Other Retail Banking	2073.17	2344.79
iv) Other Banking Business	105.34	72.51
v) Un-Allocated Business	(1324.25)	(1481.65)
Profit/(Loss) from Ordinary Activities (Before Tax)	2388.07	1786.04
Less: Tax Expenses/(credit)	618.17	587.45
Less: Extraordinary Profit/(Loss)	0.00	0.00
Net Profit/(Loss) before share in profit/(loss) of Associates	1769.90	1198.59
Add/(Less): Share in Profit/(Loss) of Associates	1.32	(18.07)
Net Profit/(Loss) After Tax	1771.22	1180.52
<b>3) Segment Assets</b>		
i) Treasury Operations	46357.97	43428.66
ii) Corporate/Wholesale Banking	29992.53	26204.19
iii) Retail Banking	78152.90	76276.64
(a) Digital Banking	0.47	0.60
(b) Other Retail Banking	78152.43	76276.04
iv) Other Banking Business	1.18	3.10
v) Un-Allocated Business	0.00	0.00
<b>Total</b>	<b>154504.58</b>	<b>145912.59</b>
<b>4) Segment Liabilities</b>		
i) Treasury Operations	405.35	145.18
ii) Corporate/Wholesale Banking	38318.90	35470.86
iii) Retail Banking	103585.14	100397.78
(a) Digital Banking	1.35	0.22
(b) Other Retail Banking	103583.79	100397.56
iv) Other Banking Business	2.47	2.45
v) Un-Allocated Business	0.00	0.00
<b>Total:-</b>	<b>142311.86</b>	<b>136016.27</b>
<b>5) Capital Employed</b>		
(Segment assets-Segment Liabilities)		
i) Treasury Operations	45952.62	43283.48
ii) Corporate/Wholesale Banking	(8326.37)	(9266.67)
iii) Retail Banking	(25432.24)	(24121.14)
(a) Digital Banking	(0.88)	0.38

# Schedule 18

## "Notes on Consolidated Accounts"

CONSOLIDATED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31 <sup>ST</sup> MARCH, 2024	YEAR ENDED	
	31.03.2024	31.03.2023
PARTICULARS	(AUDITED)	(AUDITED)
(b) Other Retail Banking	(25431.36)	(24121.52)
iv) Other Banking Business	(1.29)	0.65
v) Un-Allocated Business	0.00	0.00
<b>Total :-</b>	<b>12192.72</b>	<b>9896.32</b>

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

d) **Accounting Standard - 18 "Related Party Disclosures"**

1. **Related Parties**

(Amount ₹ in Crore)

Items/Related Party		J&K Grameen Bank (Associate)	JKB Financial Services Ltd. (Subsidiary)	Jammu & Kashmir Asset Reconstruction Limited
Deposits	Balance as on date	1731.94	11.66	The Jammu & Kashmir Asset Reconstruction Limited was incorporated jointly by Government of J&K and Jammu & Kashmir Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of ₹ 98 lakhs whereas Government of J&K has subscribed ₹102 lakh. In the meantime the promoters have decided to windup the company and the Bank in turn has approached the Registrar of Companies (ROC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is under consideration with ROC.
	Maximum Balance during the year	1731.94	23.91	
Advances	Balance as on date	11.67*	5.91	
	Maximum Balance during the year	48.67	14.33	
Investments	Balance as on date	206.31	40.00	
	Maximum Balance during the year	206.31	40.00	
Interest Paid		99.22	0.75	
Interest/Commission Received		0.21	0.47	
Sale of Fixed Assets		NIL	0.00	
Reimbursement on behalf of Associate/Subsidiary		NIL	0.41	
Deputation Staff Salary		0.00	0.48	
Transfer of Current Assets/ Liabilities(Net)		NIL	0.00	
IT Support Services		1.03	0.00	
Outstanding with Associate/Subsidiary		NIL	0.12	

Advances is shown as borrowings from the sponsor bank in shape of SOD, LAD and Perpetual Bonds.  
\*Rs.11.67 crore is 50 % share of Sponsor Bank for implementation of CBS by JKGB in the form of Investment in Tier II perpetual bonds.

# Schedule 18

## "Notes on Consolidated Accounts"

(Amount in Lakhs)

<b>2. Salary to Key Managerial Person (KMP)</b>				
	Mr. Baldev Prakash (MD & CEO)*	Mr. Sudhir Gupta (Executive Director)	Mr. Pratik D Punjabi (CFO)	Mr. Mohammad Shafi Mir (Company Secretary)
Period for which post held during FY 2023-24	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024	From 01.04.2023 to 31.03.2024
Salary	97.52	40.21	31.05	28.25

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

**e) Accounting Standard - 19 "Leases"**

The properties taken on lease/rental basis are renewable / cancellable at the option of the Bank. The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar months' notice in writing. Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹ 83.51 crores (previous year being ₹ 83.57 crores)

**f) Accounting Standard - 20 "Earnings per Share"**

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

Particulars	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	1031479861	932886594
Number of Equity Shares issued during the year	69702602	98593267
Number of Equity Shares outstanding at the end of the year	1101182463	1031479861
Weighted average number of equity shares used in computing basic earnings per share	1052047842	963589450
Weighted average number of equity shares used in computing diluted earnings per share	1052047842	963589450
Net profit / (loss) (₹ in crore)	1771.22	1180.50
Basic earnings per share (₹)	16.84	12.25
Diluted earnings per share (₹)	16.84	12.25

**g) Accounting Standard - 21 "Consolidated Financial Statements"**

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

**h) Accounting Standard - 22 "Accounting for Taxes on Income"**

During the year, the Bank has debited to Profit & Loss Account ₹ 589.75 crore (Previous Year ₹ 531.01 crore) on account of current tax. The current tax has been calculated in accordance with the provisions of Income Tax Act, 1961.

The Bank has exercised the option of lower tax permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards

**ii) Deferred Tax:**

During the year, ₹ 28.42 crore has been debited to Profit & Loss Account (Previous Year debit ₹ 56.44 crore) on account of deferred tax.

## Schedule 18

### "Notes on Consolidated Accounts"

The major components of DTA and DTL are given below

(Amount ₹ in Crore)

	Current Year		Previous Year	
	Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
Timing Difference				
Depreciation on Assets	0.05	6.27	0.05	18.88
Leave Encashment/Gratuity/Pension/Bonus	128.68	0.00	126.20	0.00
Special Reserve	0.00	37.16	0.00	31.00
Wage Revision	0.00	0.00	30.53	0.00
Bad & Doubtful Assets	69.96	0.00	76.00	0.00
<b>Total</b>	<b>198.69</b>	<b>43.43</b>	<b>232.78</b>	<b>49.88</b>

iii) During the year, Bank has transferred ₹ 24.50crores to Special Reserve created u/s 36 (1) (viii) of Income Tax Act, 1961, and consequential effect in Deferred Tax Liability amounts to ₹ 6.17crores has been created on this amount.

**i) Accounting Standard - 23 "Accounting for Investments in Associates in CFS"**

The Bank has a sponsored Bank "J&K Grameen Bank". The investment towards the capital of associate concern is ₹ 217.97crores (Previous Year ₹ 34.01crores).

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

**j) Accounting Standard - 28 "Impairment of Assets"**

Majority of fixed assets of the bank are considered as corporate assets and not cash generating assets and in the opinion of the management, there is no material impairment in the fixed assets regarding other fixed assets generating cash there is no material impairment. As such no provision is required as per AS-28.

**k) Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"**

**i) Description of Contingent Liabilities**

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

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

# Schedule 18

## "Notes on Consolidated Accounts"

### ii) Movement of provisions against Contingent Liabilities

The movement of provisions against contingent liabilities given in the table below:

(Amount ₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance	16.62	26.45
Additions during the year	5.89	0.68
Amount utilised/reversed during the year	0.13	10.51
Closing balance	22.38	16.62

### 16. Additional Disclosures

- a. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006

There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

- b. Office Accounts  
Reconciliation/adjustment of inter-bank/inter-branch transactions, branch suspense, Government Transactions, NOSTRO, System Suspense, Clearing, and Sundry Deposits is in progress on an ongoing basis. The impact, in the opinion of the management of the un-reconciled entries, if any, on the financial statements would not be material.

- c. Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):  
In terms of RBI letter no. DBR, No. BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter no. DBR. BP.1908/21.04.048/2017-18 dated August 28, 2017 for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of ₹ 126.55 crore (Aggregate provision of RBI List 1 and List 2 accounts) as on March 31, 2024 (100% of Gross NPA advances). (Previous year ₹ 129.35 crore {100% of total outstanding})

- d. During the year ended March 31, 2024, the Bank has made provision of ₹ 263 crore towards wage revision on account of 12<sup>th</sup> Bi-Partite Wage Settlement effective from November 01, 2022 on ad-hoc basis. The same has been accounted for as 'Payments to and provisions for employees' under "Schedule 16: Operating Expenses."

- e. Previous year figures have been regrouped/reclassified/ recasted, wherever necessary, to conform to current year classification.

- f. Miscellaneous Income:  
During the year the following incomes earned (under the head Miscellaneous Income) were more than 1% of the Total Income:  
(Amount ₹ in Crore)

S No	Income Category	Amount
1.	Recovery in Technically Written Off Accounts	134.17
2.	Income On Card Business	148.17

- g. Other Liabilities and provisions/ Other Assets:  
Following items under the head others in Schedule 11 - Other Assets exceeds 1% of the total assets  
(Amount ₹ In Crores)

S No	Particulars	Amount
1.	Dues From Government of J&K on account of Pension disbursed to retirees	3253.69
2.	Investment in NABARD Refinance	2476.78
3.	Investment in RIDF Refinance	2417.56
4.	Investment in SIDBI Refinance	3559.49

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

## Schedule 18

### "Notes on Consolidated Accounts"

i. Fixed Assets

- Documentation formalities are pending in respect of certain immovable properties held by the bank valued at 8.90 Crore (previous year 9.20 crores). In respect of immovable properties valued at 47.24 Crore (previous year 49.89 crores) as on 31.03.2024 Bank holds agreement to sell along with the possession of the properties.
- Properties not having clear title/lease deeds for freehold & lease lands of the Bank:-

S.No	Particulars	Category	Area.	Value of property as on 31.03.2024 (Crore)
1	Premises of Business Unit Vashi, Mumbai (1 <sup>st</sup> Floor)	NR-RCC	5400 Sq. ft.	7.57
2	Land at Currency Chest, Budgam	Own land	4 Kanals & 05 Marlas.	0.14
3	Ansal Plaza.	NR-RCC	17925 Sq. ft.	47.24
4	Land at Kargil.	Own land	1 Kanal 4 Marlas.	0.99
5	Land at Kulgam.	Own land	2 Kanals.	0.2
<b>TOTAL</b>				<b>56.14</b>

- The Bank during the Financial Year 2023-24 has revisited revaluation of its 51 freehold land and offices/buildings based on valuations as on 31.03.2023 made by the independent valuers of the Bank resulting into net appreciation of ₹ 17.92 Crores credited to the revaluation reserve and a net amount of ₹ 0.06 crores on account of revaluation has been drawn down from P/L account as it was earlier credited to P/L Account.
  - Further, pursuant to the revised accounting standard-10 "Property, plant and equipment "applicable from 1<sup>st</sup> April 2017, depreciation of 30.09 Crores (previous year ₹ 20.54 Crores) on the revalued portion of the fixed assets (being Premises & Land) has been transferred from the Revaluation reserve to General/Revenue reserve and an amount of 0.18 Crore has been transferred from Revaluation Reserve to General Reserve on account of disposal of a previously revalued asset.
  - Further, Depreciation on Bank's property includes amortization in respect of leased properties amounting to ₹ 0.76 Crores (previous year ₹ 0.76 crores).
- j. Corporate Social Responsibility (CSR)  
Pursuant to Section 135 of the Companies Act 2013, specified companies covered under section 135(1) of the Companies Act 2013 are required to spend at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank was required to spend an amount of ₹ 18.91 crores (Previous Year ₹ 1.18 crores) on CSR activities during FY 2023-24, against which the Bank has spent an amount of ₹ 18.91 crores (Previous year ₹ 1.18 crores).
- k. Provision Coverage Ratio (PCR)  
Provision coverage ratio as on March 31, 2024 is 91.58% (previous year 86.20%) without taking into account the floating provision of Rs.124.48 Crores held by the Bank as on March 31, 2024 which is part of Tier-II Capital.
- l. Investor Complaints  
The details of investor complaints for the year ended March 31, 2024 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	304
3	No. of complaints disposed during the financial year	304
4	No. of complaints pending at the end of the financial year	0

- m. In accordance with the approved accounting policy in respect of intangible assets and in compliance with Section 15(1) of Banking Regulation Act 1951, The Bank has written off the entire amount of intangible assets amounting to Rs. 77.68 crores (Previous year Rs.35.72 crore)

# Schedule 18

## "Notes on Consolidated Accounts"

n. Proposed Dividend

The Board of Directors at its meeting held on May 04, 2024 proposed a dividend of ₹ 2.15 per share (previous year Re 0.50 per share), 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, 2024.

For and on behalf of the Board

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
Director  
DIN: 01185085

**Anil Kumar Goel**  
Director  
DIN: 00672755

**Anand Kumar**  
Director  
DIN: 03041018

**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024

In terms of our report of even date annexed

**FOR GUPTA GUPTA &  
ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
FRN: 105270W/W100846

**FOR LUNAWAT & CO**  
Chartered Accountants  
FRN: 000629N

**CA. Nakul Saraf**  
Partner  
M.No. 541550  
UDIN: 24541550BKAEUS9046

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZM9295

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar  
Dated: 4<sup>th</sup> May, 2024



## Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

		YEAR ENDED 31.03.2024 (AUDITED) ₹ '000' Omitted	YEAR ENDED 31.03.2023 (AUDITED) ₹ '000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	(8,525,535)	(4,071,273)
B	CASH FLOW FROM INVESTING ACTIVITIES	(2,572,597)	(1,235,136)
C	CASH FLOW FROM FINANCING ACTIVITIES	4,074,334	6,375,936
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,023,798)	1,069,527
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	88,988,595	87,919,068
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	81,964,797	88,988,595
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit after Taxes	17,712,245	11,805,170
	Add : Provision for Taxes	6,181,707	5,874,477
	<b>Net profit before taxes (i)</b>	<b>23,893,952</b>	<b>17,679,647</b>
	<b>Adjustment for :</b>		
	Depreciation charges	2,176,231	1,576,556
	Provision for NPA's	(736,088)	(125,131)
	Provision on Standard Assets	(1,146,839)	632,352
	Depreciation on investment	458,561	(125,277)
	Provision for Non-Performing investment	758,834	834,572
	Other provisions	47,193	(600,518)
	Interest paid on subordinate Bonds (Financing Activities)	2,849,975	2,217,163
	<b>Total Adjustment (ii)</b>	<b>4,407,867</b>	<b>4,409,717</b>
	<b>Operating profit before change in Operating assets &amp; liabilities (i) + (ii)</b>	<b>28,301,819</b>	<b>22,089,364</b>
	<b>Adjustment for changes in Operating Assets &amp; Liabilities</b>		
	Increase / (Decrease) in Deposits	127,360,567	73,244,132
	Increase / (Decrease) in Borrowings	(73,043)	4,885
	Increase / (Decrease) in Other liabilities & provisions	(65,083,812)	55,884,501
	(Increase) / Decrease in investments	(1,699,928)	(10,660,759)
	(Increase) / Decrease in Advances	(114,053,764)	(118,437,829)
	(Increase) / Decrease in Other Assets	21,386,379	(21,644,620)
	<b>Net Cash flow from Operating activities (iii)</b>	<b>(32,163,601)</b>	<b>(21,609,690)</b>
	<b>Cash generated from operation (i + ii + iii)</b>	<b>(3,861,782)</b>	<b>479,674</b>
	Less : Tax paid	4,663,753	4,550,947
	<b>TOTAL : ( A )</b>	<b>(8,525,535)</b>	<b>(4,071,273)</b>

## Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	a) Fixed Assets	(1,856,919)	(1,235,136)
	b) Investment in Subsidiary/Sponsored Institution	(715,678)	-
	<b>TOTAL : ( B )</b>	<b>(2,572,597)</b>	<b>(1,235,136)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	a) Share Capital	69,703	98,593
	b) Share Application Money	-	(935,000)
	b) Share Premium	7,370,346	4,219,506
	c) Tier I & II Bonds	-	5,210,000
	d) Dividend Paid	(515,740)	-
	e) Interest Paid on Subordinate Debt	(2,849,975)	(2,217,163)
	<b>TOTAL : (C)</b>	<b>4,074,334</b>	<b>6,375,936</b>
<b>D.</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)</b>		
	a) Cash in hand & Balance with R.B.I	77,940,577	77,502,028
	b) Balance with Banks & Money at Call & Short Notice	11,048,018	10,417,040
	<b>TOTAL : (D)</b>	<b>88,988,595</b>	<b>87,919,068</b>
<b>E.</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	a) Cash in hand & Balance with R.B.I	72,500,801	77,940,577
	b) Balance with Banks & Money at Call & Short Notice	9,463,996	11,048,018
	<b>TOTAL : (E)</b>	<b>81,964,797</b>	<b>88,988,595</b>

For and on behalf of the Board

**Baldev Prakash**  
Managing Director & CEO  
DIN: 09421701

**R. K. Chhibber**  
Director  
DIN: 08190084

**Naba Kishore Sahoo**  
Director  
DIN: 07654279

**Umesh Chandra Pandey**  
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**Sudhir Gupta**  
Executive Director  
DIN: 09614492

**Shahla Ayoub**  
Director  
DIN: 09834993

**Fayaz Ahmad Ganai**  
Chief Financial Officer

**Mohammad Shafi Mir**  
Company Secretary

Place : Srinagar

Dated: 4<sup>th</sup> May, 2024

In terms of our report of even date annexed

**FOR GUPTA GUPTA & ASSOCIATES LLP**  
Chartered Accountants  
FRN: 001728N/N500321

**FOR J C R & CO LLP**  
Chartered Accountants  
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**FOR LUNAWAT & CO**  
Chartered Accountants  
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**CA. Nakul Saraf**  
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M.No. 541550  
UDIN: 24541550BKAEUS9046

**CA. Rakesh Kaushik**  
Partner  
M.No. 089562  
UDIN: 24089562BKCMZM9295

**CA. Ramesh K Bhatia**  
Partner  
M.No. 080160  
UDIN: 24080160BKCSJA6004

Place : Srinagar

Dated: 4<sup>th</sup> May, 2024

# Basel III - Pillar 3 Disclosures

as at March 31, 2024

“The Reserve Bank of India (RBI) vide its circular under reference DOR.CAP.REC.15/21.06.201/2023-24 Dated May 12, 2023 on ‘Basel-III Capital Regulations’ (‘Basel III circular’) requires banks to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on J&K Bank’s website under the ‘Regulatory Disclosures’ section. The link to the Basel III Pillar 3 Disclosures as on March 31, 2024 is given below:

[https://www.jkbank.com/pdfs/basel/Basel-III\\_Disclosure%20quarterly%20Mar\\_24.pdf](https://www.jkbank.com/pdfs/basel/Basel-III_Disclosure%20quarterly%20Mar_24.pdf)

The Regulatory Disclosures contain the following:

## Qualitative and quantitative Pillar 3 disclosures:

- Scope of application
- Capital adequacy
- Credit risk
- Disclosure for portfolio subject to Standardised Approach
- Credit risk mitigation
- Asset Securitisation
- Market risk in trading book
- Operational Risk
- Interest Rate risk in the banking book (IRRBB)
- General Disclosure for Exposures Related to Counterparty Credit Risk
- Composition of Capital
- Composition of Capital -Reconciliation of Regulatory Capital
- Main features of regulatory capital Instrument
- Leverage Ratio.



# Report on Corporate Governance

## Bank's philosophy on Corporate Governance

J&K Bank has been committed to all the basic tenets of good Corporate Governance well before the Securities and Exchange Board of India and the Stock Exchanges mandated these. It is our endeavor to go beyond the letter of Corporate Governance codes and apply it innovatively in a more meaningful manner, thereby making it relevant to the organization that is operating in a specific environment.

In line with its vision, Bank wants to use Corporate Governance innovatively in a transitional economy like Jammu and Kashmir. The Bank wants to use Corporate Governance as an instrument of economic and social transformation. Given the fact that J&K Bank is seen as a great success of "public-private partnership", our Bank as a business is expected to play a pivotal role in social transformation of the economy. This lends urgency to implementation of good governance practices which go beyond the Corporate Governance code.

We, as the prime corporation of Jammu and Kashmir and Ladakh, have a focused interest in making the Union Territories a safe place for business. Bank has a key role to play in providing public and private services, financial infrastructure and employment. As such, the efficiency and accountability of the corporation is a matter of both private and public interest and governance, therefore, comes at the top of the agenda. The fact that the Bank is majorly owned by the Government of UT of J&K and UT of Ladakh but professionally managed to take care of interests of all stake holders which include sizable number of other investors, makes governance critical. For us, Corporate Governance is concerned with the systems of laws, regulations and practices, which will promote enterprise, ensure accountability and trigger performance. The Bank, for one, stands for being more accountable, practice self-policing and make financial transactions transparent and constitutional.

## VISION

"Pioneering the economic and social transformation"

To become a committed partner in fostering economic and social transformation across the country through a deep commitment to value creation for all our stakeholders, while continuing to build on our historic business relationship with Jammu & Kashmir and Ladakh.

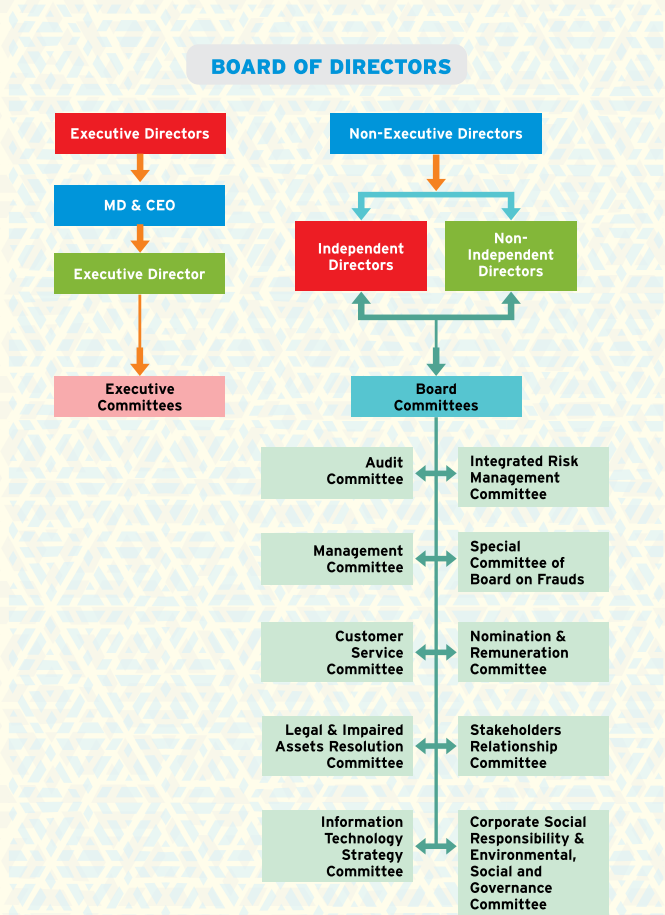
## MISSION

- To acquire an enhanced business footprint across geographies and emerge as a prominent national brand in the financial sector.
- To position the Bank as the "Most Preferred Bank" for Customer focus, Operational Excellence and High Integrity towards one and all stakeholders.
- To be the best-in-class financial intermediary, leveraging our digital and physical banking channels;
- To observe customer centricity through service excellence, integrity and transparency, and a comprehensive range of innovative products and services responsive to customer needs.
- To be a lean, learning and efficient banking organization focusing on prudent, sustainable, profitable growth and value creation.

- To adopt the best standards for corporate governance, business ethics and risk management.
- To vigorously promote financial inclusion as a business proposition to harness the potential at the bottom of the pyramid.

## GOVERNANCE STRUCTURE OF BANK

The Board oversees /supervises the standards of corporate governance of the Bank. The respective vertical heads report to the Executive Director and who in turn reports to the Managing Director & CEO (MD & CEO) of the Bank. The MD & CEO reports to the Board of the Bank. The Bank has in place various Board Level Committees to carry out the object oriented review of specific matters. The Bank has also constituted various executive committees to inter alia deal with routine, operational and administrative matters, and review various matters before its submission to the Board / Committees.



## BOARD OF DIRECTORS

The responsibility for good governance rests on the Corporate Board which has the primary duty of ensuring that principles of Corporate Governance, both as imbibed in law and regulations and those expected by stakeholders, are religiously and voluntarily complied with and the stakeholder's interests are kept at utmost high level.

Independent Directors possess requisite qualifications and

experience which enables them to contribute effectively to the Bank. The Board confirms that in its opinion, the independent directors fulfill conditions specified in relevant regulations and are independent of the management.

As on date of this report, the Board consists of twelve (12) Directors as detailed hereunder:

S. No.	Category	Name of Director
1	Executive Directors	Mr. Baldev Prakash (M D and CEO) and Mr. Sudhir Gupta (Executive Director)
2	Non-Executive Non-Independent Directors	Dr. Pawan Kotwal, IAS, Mr. Santosh Dattatraya Vaidya, IAS, Dr. Mandeep K Bhandari, IAS and Mr. R K Chhibber
3	Non-Executive Independent Directors	Dr. Rajeev Lochan Bishnoi, Mr. Naba Kishore Sahoo, Mr. Umesh Chandra Pandey, Mr. Anil Kumar Goel, Mr. Anand Kumar and Ms. Shahla Ayoub

None of the above Directors are related to each other. During the FY 2023-24, there were following changes in the composition of the Board:

- Dr. Pawan Kotwal, IAS (DIN: 02455728) was appointed as a Rotational Director on the Board of the Bank w.e.f. July 24, 2023.
- Mr. Santosh Dattatraya Vaidya, IAS (DIN: 05340193) was appointed as Govt. Nominee Director w.e.f August 22, 2023.
- Dr. Mandeep K Bhandari, IAS (DIN: 02455728) was appointed as a Rotational Director on the Board of the Bank w.e.f. October 20, 2023.

### FUNCTIONS OF THE BOARD

Your Bank's Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have complete freedom to express their opinions and decisions are taken on the basis of a consensus arrived at after detailed discussions. The Members are also free to bring up any matter for discussion at Board Meetings.

The day-to-day management of the Bank is conducted by the Managing Director & CEO, subject to the supervision and control of the Board of Directors. The functions performed by the Board of the Bank for efficient and effective utilisation of resources at their disposal to achieve the goals visualized, inter-alia, include setting Corporate Missions, laying down Corporate Philosophy, formulation of Strategic and other Business Plans, laying down of control measures and compliance with Laws and Regulations.

### BOARD PROCEDURE

All the major issues included in the agenda for discussion in the Board are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated among the Members seven working days prior to the meeting of the Board. Also, the Board agenda contains the Action Taken Report (ATR) of all the decisions taken and directions given at the previous Board Meeting. The Members of the Board exercise due diligence in performance of the functions as Directors

of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment.

### SELECTION AND APPOINTMENT OF DIRECTORS.

The process of selection and appointment of directors of the Bank is carried out in accordance with applicable legal framework and in line with Bank's Board approved Policy on "Appointment of Directors".

### FIT AND PROPER CRITERIA FOR DIRECTORS OF THE BANK

The Nomination and Remuneration Committee (NRC) of the Bank evaluates and recommends to the Board the 'fit and proper' status of the director as per applicable laws, before considering his / her candidature for appointment / re-appointment as a director of the Bank and annually i.e. as at 31<sup>st</sup> March every fiscal year. The fit and proper criteria of the members of NRC is carried out by the Board.

The directors of the Bank severally sign a deed of covenant, which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a director. The Bank also obtains a declaration and undertaking on the 'fit and proper' criteria as per regulatory requirements, from all the directors, annually.

### ROLE OF INDEPENDENT DIRECTORS

The independent director is saddled with the responsibility to bring in an independent assessment on the Board's deliberations, specifically on the matters relating to Bank's Business strategy, its performance, risk analysis, human resources management, governance, key appointments, and standards of conduct. The Independent directors bring an impartial view in evaluating performance of the Board and the management and review management's performance in meeting their goals and objectives. Independent directors protect the interests of all the stakeholders, especially the minority shareholders.

At present Bank has Dr. Rajeev Lochan Bishnoi, Mr. Naba Kishore Sahoo, Mr. Umesh Chandra Pandey, Mr. Anil Kumar Goel, Mr. Anand Kumar and Ms. Shahla Ayoub as its Independent Directors.

### DATABASE OF INDEPENDENT DIRECTORS

The independent directors of the Bank are fully compliant to the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registering their name in the online database of independent directors and qualifying the online proficiency self-assessment test for independent directors, wherever applicable.

### ROLE OF MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO)

Mr. Baldev Prakash is the MD & CEO of the Bank. He reports to the Board and is conferred with powers of managing the affairs of the Bank, under the overall superintendence, control, guidance, and direction of the Board. As the MD & CEO of the Bank, he has the authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance



of the business of the Bank.

Mr. Baldev Prakash is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **ROLE OF EXECUTIVE DIRECTOR (ED)**

Mr. Sudhir Gupta is the Executive Director (ED) of the Bank and reports to the MD & CEO. He is, inter alia, responsible for overseeing the functions of Board Secretariat, Central Banking Operations, Consumer & Commercial Banking and Corporate Banking, Finance, Strategy and IT (Excluding Business Process Re-Engineering), Treasury Operations and Government Banking & Subsidiary Management.

Mr. Sudhir Gupta is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) of the Companies Act, 2013 read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **MEETINGS OF THE BOARD / COMMITTEES**

##### **Framework for Conduct of Meetings of the Board / Committees**

The Bank has formulated and adopted a framework for conduct of meetings of the Board and its Committees. The said framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda item list, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

##### **Agenda for the Meetings**

The agenda notes / presentations are presented in a manner, so as to facilitate informed decision making. Members of the Board / committees are free to recommend inclusion of any matter as part of the agenda for the meetings.

##### **Post Meeting Follow Up Mechanism**

Important decisions taken and suggestions given by the Board and its committees are communicated to the relevant departments for their information and necessary action.

The actionable arising out of the meetings of the Board / committees are thereafter dealt with in accordance with the Bank's framework for monitoring and implementation of directions of the Board / committees.

##### **Framework for Monitoring and Implementation of the Directions of the Board.**

The Bank has formulated and adopted a "framework for monitoring and implementation of directions of the Board / committees". In terms of this framework, actionables emanating from the deliberations at the meetings and actionables emanating from the agenda notes are periodically monitored and reviewed by means of Action Taken Reports (ATR), until their closure/compliance.

##### **Minutes of the Meetings**

The draft minutes are circulated to the members of the Board / committee, for their comments within the prescribed timelines. The minutes, after incorporating the comments, if any received from the Members of the Board / Committees, are again circulated to the Members for confirmation and are placed at the next meeting for noting and signing by the chairperson of the respective/previous Meeting. In case of business exigencies or urgency of matters, resolutions are also passed by the Board / Committees through circulation with the approval of the respective chairperson. The resolution passed by circulation is noted at the next meeting of the Board / committee.

##### **FREQUENCY OF BOARD MEETINGS**

During the year under review, Sixteen (16) Board Meetings were held, in due compliance with statutory provisions, on the following dates:

27.04.2023, 04&05.05.2023, 30.05.2023, 20.06.2023, 15.07.2023, 24.07.2023, 16.08.2023, 25.08.2023, 26.09.2023, 20.10.2023, 20.11.2023, 15.12.2023, 20.01.2024, 08.02.2024, 09.03.2024, 23.03.2024.

##### **ATTENDANCE AT BOARD MEETINGS**

The names of Directors, their attendance at Board Meetings during the year, attendance at the last AGM and details of other Directorships & Board Committee memberships held by them as on March 31, 2024 are set out in the following table:

Name of Director	Board Meetings attended during the year/ tenure  Indian Public Companies	Whether Attended AGM held on 24.08.2023 Other Companies	No. of Directorships		Name of other listed entities where a person is a Director and category of Directorships	No. of other Committee Memberships
			Indian Public Companies	Other Companies		
<b>Govt./RBI Nominee Directors</b>						
Mr. Baldev Prakash (DIN: 09421701)	16/16	Y	01	--	--	--
Mr. Santosh Dattatraya Vaidya, IAS (DIN: 05340193) (From 22.08.2023)	08/09	Y	NA <sup>1</sup>	--	--	--
<b>Non-Executive Non-Independent Directors</b>						
Dr. Pawan Kotwal, IAS (DIN: 02455728) (From 24.07.2023)	05/10	Y	NA <sup>1</sup>	--	--	--
Dr. Mandeep K Bhandari, IAS (DIN: 02455728) (From 20.10.2023)	03/06	NA <sup>2</sup>	--	--	--	--
Mr. R. K. Chhibber (DIN: 08190084)	15/16	Y	--	--	--	--
<b>Executive Director</b>						
Mr. Sudhir Gupta (DIN: 09614492)	16/16	Y	--	--	--	--
<b>Non-Executive Independent Directors</b>						
Dr. Rajeev Lochan Bishnoi (DIN: 00130335)	16/16	Y	--	--	--	--
Mr. Naba Kishore Sahoo (DIN: 07654279)	16/16	Y	--	--	--	--
Mr. Umesh Chandra Pandey (DIN: 01185085)	16/16	Y	--	03	--	--
Mr. Anil Kumar Goel (DIN: 00672755)	16/16	Y	--	02	--	--
Mr. Anand Kumar (DIN: 03041018)	16/16	Y	--	--	--	--
Ms. Shahla Ayoub (DIN: 09834993)	15/16	Y	--	--	--	--

1. Mr. Santosh Dattatraya Vaidya, IAS and Dr. Pawan Kotwal, IAS are Directors who are in full time employment of Govt. of UT of J&K & Ladakh and are also on the Board of various PSU's of UT of J&K and Ladakh.
2. On the date of the AGM, the concerned Director was not on the Board of the Bank.

### BRIEF PROFILE OF DIRECTORS

J&K Bank's diverse and rich culture is abundantly evident in its Board Members, who provide direction to the Bank in order to achieve its vision. A brief profile of our eminent Board Members is as under:

#### **Mr. Baldev Prakash (MD & CEO)**

**DIN: 09421701**

Subsequent to splitting of the post of Chairman & Managing Director, Mr. Baldev Prakash assumed charge as the first Managing Director and Chief Executive Officer (MD & CEO) of the Bank. Having completed graduation in economics and post-graduation in history, Mr. Prakash continued pursuit of professional excellence during his service career with State Bank of India by accomplishing multiple degrees and diplomas offered by the Indian Institute of Banking and Finance like CAIIB, Diploma in Treasury, Investment and Risk Management, Diploma in International Banking and Finance, thus bringing a diverse wealth of experience and expertise spanning over three decades with the country's largest bank to the J&K Bank's maiden position of Managing Director & CEO.

Prior to his appointment as MD & CEO of J&K Bank Ltd., he was the Chief General Manager, Digital & Transaction Banking Marketing at State Bank of India (SBI), Corporate Centre, Mumbai. Having joined SBI in the year 1991 as a Probationary Officer, Mr. Prakash has effectively spearheaded multifarious and pivotal functions as Regional Manager responsible for over 50 branches, DGM (Business & Operations) responsible for over 200 branches, General Manager (Network) in Maharashtra Circle responsible for over 400 branches and finally as Chief General Manager (Digital & Transaction Banking Marketing) responsible for framing policy and strategy for developing and providing digital and transaction banking services to all corporate clients of the Bank.

Besides, the national level knowledge and experience of policy making and strategizing in critical areas of banking at SBI, Mr. Prakash has international exposure of successfully handling remittances business including treasury operations at Muscat (Sultanate of Oman).

Mr. Prakash took over as Managing Director and Chief Executive Officer (MD & CEO) of J&K Bank Limited w.e.f 30th December, 2021. During his incumbency as Managing Director and Chief Executive Officer (MD & CEO) of J&K Bank Limited, Mr. Prakash was elevated to the position of Deputy Managing Director (DMD) in his parent organization (State Bank of India) on 13th June, 2023.

He is also on the Board of JKB Financial Services Limited.

#### **Dr. Pawan Kotwal, IAS**

**DIN: 02455728**

Dr. Pawan Kotwal, a 1994 Batch IAS officer (of erstwhile Arunachal Pradesh-Goa-Mizoram and Union Territory (AGMUT) cadre of Indian Administrative Service) is at present serving as Advisor to Lieutenant Governor of Ladakh.

He brings to the fore a wealth of Administrative acumen and proficiency having previously served as Principal Secretary for Health and Medical Education, Forest, Ecology

and Environment, and Revenue, Planning & Monitoring Department in UT of Ladakh.

During his term as Principal Secretary, Dr. Kotwal played a crucial part in bringing out crucial reforms and initiatives in health and medical education sector. He spearheaded the efforts to improve health care infrastructure, enhance medical education facilities, and promote the wellbeing of the people of Ladakh.

His accomplishments in the fields of forest, ecology, environment, and revenue are equally admirable, portraying his unflinching commitment to sustainable development and good governance.

#### **Mr. Santosh Dattatraya Vaidya, IAS**

**DIN: 05340193**

Santosh D. Vaidya has a rich experience in public service at the state, federal, and international settings. During his undergrad studies at Indian Institute of Technology at Kharagpur, he earned the Silver Medal for his academic performance. He has completed Masters programmes in Economics from IGNOU - Delhi and in International Public Policy from the Johns Hopkins University, USA.

He transitioned from the IPS to the IAS in 1998 and then served in varied assignments in Arunachal Pradesh, Goa, Delhi, Andaman & Nicobar islands, and Jammu and Kashmir. After his district postings, Santosh contributed to policy formulation in education and social welfare sectors in Goa. While serving in the water utility and the municipal council in Delhi, he gained rich experience of project development in infrastructure.

As the staff officer to CM - Delhi, he supported judicious decision-making and coordination of flagship initiatives. During his stint in the Prime Minister's Office, Santosh contributed to policy formulation and project monitoring in the energy and infrastructure sectors. He was instrumental in rolling out the rooftop solar program of Renewable Energy Ministry.

While serving as a Senior Advisor of the World Bank at Washington DC, Santosh gained insights into multilateral finance and the Bank's fiduciary policies on financing, environmental, social, and governance aspects. He also played a key role in coordinating India's strategic initiative in Andaman & Nicobar islands.

During his current assignment in Jammu and Kashmir, Santosh focusses on public finance and fiscal policies for enhancing efficiency and development impact. He has received the national award for his work in the disability sector and the Election Commission's certificate for his work in Delhi.

Santosh keenly follows political economy in China and Central Asia and has written articles on the challenges in renewable energy and water management. Beyond his professional pursuits, he is passionate about jogging and trekking.



**Dr. Mandeep K Bhandhari, IAS**

**DIN: 07310347**

Dr. Mandeep K Bhandhari, IAS is 2001 AGMUT (Arunachal Pradesh-Goa-Mizoram-Union Territory) cadre IAS officer. He completed his MBBS with Gold Medal from Dayanand Medical College, Ludhiana, Punjab University and Chandigarh.

Dr. Bhandari at present is Principal Secretary to Hon'ble Lieutenant Governor of UT of J&K and is also holding charge of CEO Amarnathji Shrine Board. He has to his credit an administrative and professional expertise of more than two decades.

During his illustrious career, he has served on diversely significant and responsible positions like Sub Divisional Magistrate Baderwah, Additional District Development Commissioner Kathua, Deputy Commissioner Leh, and Deputy Commissioner Jammu. Dr. Bhandari has also discharged his duties as Chief Executive Officer, Shri Mata Vaishno Devi Shrine Board and Commissioner/ Secretary to Government of J&K, Health & Medical Education. In the year 2017, Dr. Bhandari was appointed as Divisional Commissioner, Jammu. From 18.01.2018 to 17.09.2018, he served as Private Secretary to Hon'ble Human Resource Minister, Ministry of Human Resource Development, Government of India and then from 18.09.2018 as Joint Secretary to the Government of India, Ministry of Health & Family Welfare.

In every sphere of administration wherever Dr. Bhandari has worked, he has made outstanding contributions in tough and challenging circumstances. Dr. Bhandari brings to fray a treasure of competence, reliability, perspicacity and aptitude.

**Mr. R. K. Chhibber**

**DIN: 08190084**

Mr. Rajesh Kumar Chhibber joined the services of Jammu and Kashmir Bank as Probationary Officer in the year 1982 and has led the Bank in different capacities from managing business operations at Branch and Zonal offices to the Corporate Level across the operational geography of the Bank, bringing a treasure of experience to the chair that spans around thirty nine years. His areas of expertise include Credit, Finance, IT, Corporate & Retail Banking, Risk management, Trade Finance, Foreign exchange, Business continuity planning, HR, Bancassurance.

He headed the Bank as Chairman and Managing Director from June 2019 to December 2021.

Elevated as Executive President of J&K Bank on June 1, 2018, he was the Bank's Chief Compliance Officer besides heading Business Support division, HRD, Insurance, Government Banking, Lead Bank, CSC, FID, Subsidiary Management, Culture & Sports functions of the Bank.

As Vice-President in 2009, he headed the technology department of J&K Bank and made remarkable contributions in creating the technology infrastructure of the bank besides instituting the process of providing relevant expertise to the staff.

He has also served as Chairman J&K Grameen Bank for two years and nine months and brought great laurels to the bank by accomplishing its key strategic goals.

**Dr. Rajeev Lochan Bishnoi**

**DIN: 00130335**

Dr. Rajeev Lochan Bishnoi, 64, is a Finance, Banking, and Governance practitioner specialising in governance and risk processes for improving the overall financial health.

Having rich experience in public life and concern for improving governance in the country, he was made a member of the 10th Audit Advisory Board of the Comptroller & Auditor General of India, which ended on 5th April, 2023. Now, he is reappointed to the 11th Audit Advisory Board of CAG, effective 13th April, 2023, for the next two years.

He has been an Independent Director in J&K Bank since 21st January, 2022 and is a member of several critical board-level committees. He was also on the Board of the Bank from 11th January, 2020 to 10th January, 2022. Previously, he was Chairman of the Audit Committee and led the transformative journey of the Bank; in addition, he was a member of various Board committees, including Stakeholders Relationship Committee, Integrated Risk Management Committee, Investment Committee, Human Resources Development Committee and Nomination & Remuneration Committee. He earlier served as NOD (appointed by GoI) on the Board of the Bank of India, where he served up to October 2016. He served as the Chairman of the Audit Committee besides being a member of its Board Committees on Credit, Human Resources, Wilful Defaulters, Risk Management, Customer Service, and Nomination & Remuneration. He was an independent director on the Board and in various Board level committees of BOI Merchant Bankers Limited until March 2021.

He is an advisor to the J.P. Mathur Charitable Trust, New Delhi where research is carried out in fields of economic policy and governance with an emphasis on banking, finance and economy and several other aspects of concern. He is a life member of Non-Executive Directors in Conversation Trust (NEDICT) promoted by Mr. M. Damodaran, former UTI Chairman & SEBI Chairman, working to establish the best practices for Boards & NEDs. He was one of the main organisers of two national level conclaves i.e. Economic Conclave in 2017 and Banking Conclave in 2018 under aegis of India Policy Foundation and Centre for Economic Research.

He is a Fellow Member of the Institute of Chartered Accountants of India. He has a deep interest in Education and is a member of the Board of Management of Shobhit University, Meerut, a NAAC "A" grade accredited university.

He is a former Advisor to the UP-Export Corporation Limited. He was invited by the Government of Kazakhstan to deliver the Keynote Address at a seminar on 'The Role of Small & Medium Enterprises in the National Economy' held at Kazakhstan.

A firm believer in the philosophy that economic activity at the bottom of the pyramid is the backbone of the eco-system of an emerging nation, he completed doctoral research work on "Vision and Strategy for Development of Entrepreneurship through Micro Finance and Micro Enterprises in Developing World". He researches Ancient Indian Economy and History to find lessons for today's economic conundrums. This is another field of research and study for him.

He is a hobby poet and has written a book of poetry and 'dohas' in Hindi titled 'Man Laago Mero Yaar Fakiri Mein'. This is published by Sahitya Bhandar, Prayagraj.

**Mr. Naba Kishore Sahoo**  
**DIN: 07654279**

Mr. Naba Kishore Sahoo, aged 65 years has been a banker throughout his life. Starting his career as scale I officer in Canara Bank, he has moved up to scale VII level during a span of 32 years and finally as Executive Director in Allahabad Bank for 4 years. He has thus to his credit a very rich and diverse experience in banking industry with expertise in Credit, Risk Management & HR. During his career he has been highly successful in driving business and achieving all round performance under very critical and challenging circumstances. His exposure in banking covers a wide spectrum of areas ranging from Urban, semi urban and rural areas in addition to overseas exposure as Chief Executive of Canara Bank in London. He led his teams as a Circle Head of Bhubaneswar and Pune and has been awarded and recognized within the organization as a STAR PERFORMER. He has emerged as a leader by putting efforts in positioning the organisation in the right place by adopting proper strategy, planning, guidance and execution. In addition to being an Agricultural Science graduate which has been instrumental to his success in Rural banking, he has done CAIIB from Indian Institute of Bankers. Besides he has also attended numerous advanced level programs, both in India and abroad.

Mr. Sahoo lives in Bhubhaneshwar where in addition to his flair for reading, he is now actively engaged in social work and helping people wherever his acquired skills and knowledge can be put to use.

**Mr. Umesh Chandra Pandey**  
**DIN: 01185085**

Mr. Umesh Chandra Pandey is a Fellow Chartered Accountant with Bachelor's degree in Commerce. He is a Senior Partner at M/s B.M. Chatrath & Co. LLP since 1991.

Mr. Umesh Chandra Pandey has a considerable and great deal of working experience in the field of Statutory Audit of Listed & Public Ltd. Companies, Corporate Law, Taxation - Domestic & Transfer Pricing, Project Report Preparation, M & A Transactions, Statutory Compliance Audit - Direct Tax/ Indirect Tax & Labour Laws. He has conducted Central Statutory Audit of Banks like Bank of Baroda, Central Bank of India, State Bank of India, Canara Bank, Union Bank of India and Government Company Audits of South Eastern Coal Fields Ltd, Indian Oil Ltd, Oil India Ltd, Steel Authority of India Ltd. & Power Grid Ltd. Mr. Umesh Chandra Pandey is specialized in conducting due diligence of MSME and Heavy Industries on behalf of Scheduled Commercial Banks and is empanelled by IBA for conducting ASM Audit.

Mr. Umesh Chandra Pandey has been an Independent Director on the Board of Tourism Finance Corporation of India Ltd from 2005 to 2010 and has also served as Chairman of Audit Committee. He has also been the Chairman of Audit Committee of M/s Engineers India Limited from 2015 to 2019. He is on the Board of Jammu & Kashmir Bank since January 21, 2022.

He has served as Member of CII North India Committee,

entrusted with the affairs of Micro Small Medium Enterprises, Economic Affairs & Taxation, Industrial Relation, Corporate Social Responsibility, Foreign Trade Policy and Guide to Export & Import.

He has also served as Special Invitee & Committee Member of the Institute of Chartered Accountants of India on the following Committees:

1. Direct Tax & Indirect Tax Committee.
2. Research Committee.

**Mr. Anil Kumar Goel**  
**DIN: 00672755**

Mr. Anil Kumar Goel is a Fellow Chartered Accountant with Bachelor's degree in Commerce (H) and Master's degree in Social Work. He is a qualified Arbitrator & Mediator, Information Systems Auditor (DISA), Forensic Auditor & Fraud Detector (FAFD), qualified as Peer Review Board of ICAI, Formerly Member of various Research Groups of ICAI & NIRC, Formerly MEC & Joint Secretary cum Treasurer of Sales Tax Bar Association, New Delhi. Moreover, he has been an Independent Director on the Board of RITES Ltd (a Mini Ratna CPSU) from 01.04.2016 to 31.03.2020.

Mr. Anil Kumar Goel has 35 years of extensive experience and substantial expertise in Corporate & Tax Laws, Consultancy, Statutory & other Audits for Corporates and Non-Corporates Business and NPO/Trust and Banks etc. His diverse clientele includes Manufacturers, Traders, Service Providers, Importers, Exporters, Societies, NGO, and Trusts etc. He has delivered many lectures at reputed Professional Forums like ICAI, Bar Association etc. and has published many articles in renowned Professional & Social magazines, Newsletters etc. on various professional & social issues.

Mr. Anil Kumar Goel is the General Secretary of "Prakash Bandhu Sewa Samiti," Managing Trustee and Vice-President of "Jammu Kashmir Study Centre" (JKSC), Vice President of Prachin Shiv Mandir Committee, Ashoka Niketan, Director of "Vibrant Motivation and Development Foundation" (a Company Registered u/s 8 of Companies Act) and Governing Council Member of "Asian Eurasian Human Rights Forum", an NGO - Working for Global Human Rights. Besides, he is Past President of Rotary Club at Rotary Intl Dist. 3012.

**Mr. Anand Kumar**  
**DIN: 03041018**

Mr. Anand Kumar is an information technology (IT) specialist who has experience of more than three decades in IT development and management. Mr. Kumar completed his Bachelors of Technology (Electrical Engineering) from the Indian Institute of Technology, Banaras Hindu University, and his Post-Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Lucknow.

Mr. Anand Kumar has worked in various multinational banking and financial services organisations such as Citigroup, HSBC, Barclays, Fiserv, etc. He has also served as a Director on the board of Fiserv India Pvt. Ltd. As Vice President - IT Delivery at Fiserv India, he managed pan-India IT Delivery teams spread across Noida, Pune, and Bengaluru. In this role, he carried responsibility for application development, maintenance, implementation, and support activities for Fiserv products in areas such as core banking, lending, cards, payments, and risk.

Mr. Kumar specializes in helping organisations build scale with maturity, thereby significantly improving organisational credentials, revenue growth, and business confidence. He has led the design and execution of innovative programs such as Target Zero Defects in delivery, as well as improvement initiatives focused on achieving sustained business success through the institutionalization of effective processes and tools.

Mr. Kumar has made significant contributions to the rapid growth and consolidation of four companies in India - i-flex solutions Ltd., HSBC Global Technology Centre, Barclays Technology Centre, and Fiserv Global Services. He also had a stint in the Ministry of Communications, Govt. of India from 2017 to 2019.

**Mr. Sudhir Gupta**  
**DIN: 09614492**

Mr. Sudhir Gupta joined the services of the Bank as Probationary Officer in the year 1989 and has served the Bank in different capacities across the operational topography of the Bank ranging from business operations at Branch, having headed three different Zones of Bank as Zonal Head and in leading important departments i.e Customer Care, Credit Audit, BSD /CCM at Corporate Headquarters.

Mr. Gupta has also demonstrated his leadership skills in J&K Grameen Bank where he was deputed as chairman for a period two years. During his tenure as Chairman of J&K Grameen Bank, he accomplished the strategic targets within the defined timelines.

Carrying a paragon of capability, expertise and professionalism to the chair that extends over thirty years, his areas of expertise include Credit, Finance, Corporate & Retail Banking, Customer Service, Trade Finance, Business continuity planning, etc.

**Ms. Shahla Ayoub**  
**DIN: 09834993**

Ms. Shahla Ayoub is a young Economist of J&K. She presently works as Assistant Professor in Department of Higher Education, Government of J&K. Having worked as Assistant Director in Economics and Statistics, Department of Planning, Monitoring and Development Department, Government of J&K before joining the Department of Higher Education, she brings to Board an affluence of Economic expertise and perspicacity.

She has a yearning and yawning interest in the field of economic research, especially in the areas of Conflict Economics, Financial Inclusion and Developmental Economics. She has to her credit a number of publications, on subjects like Governance, Conflict & Economic Warfare and Economic Welfare.

Apart from supervising a number of Post Graduate Research Dissertations at the Department of Economics, Cluster University Srinagar, she has also participated in National and International Conferences and has made presentations on subjects like Response of Households to Conflict, Financial Inclusion of Handicraftsmen in District Srinagar, Rural Households of Kashmir & Financial Inclusion under PMJDY and Healthcare Infrastructure in Kashmir Valley.

**DETAILS OF NUMBER OF SHARES/CONVERTIBLE DEBENTURES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31-03-2024**

As on 31-03-2024, except Mr. R K Chhibber holding 500 shares of the Bank, none of the other Non-Executive Directors held any Shares / Convertible Debentures.

**CHART/MATRIX SETTING OUT SKILL, EXPERTISE AND COMPETENCIES AT BOARD LEVEL**

S.No.	Name	Designation	Core Skill / Expertise / Competencies
1.	Mr. Baldev Prakash	MD & CEO	Banking, Accountancy, Economics, Finance, Treasury & Investment Management, SSI, Information Technology, Human Resource, Payment & Settlement, Risk Management and Business Management
2.	Dr. Pawan Kotwal, IAS	Rotational Director	Administration, Finance and SSI
3.	Mr. Santosh Dattatraya Vaidya, IAS	Nominee Director	Administration, Finance, Economics, Risk Management, Human Resource and Law
4.	Dr. Mandeep K Bhandari, IAS	Rotational Director	Administration and Human Resource
5.	Mr. R K Chhibber	Rotational Director	Banking, Finance, Accountancy, Treasury & Investment Management, Agriculture & Rural Economy
6.	Dr. Rajeev Lochan Bishnoi	Independent Director	Banking, Finance, Accountancy, SSI
7.	Mr. Naba Kishore Sahoo	Independent Director	Banking, Agriculture, Rural economy, Human Resources and Risk Management
8.	Mr. Umesh Chandra Pandey	Independent Director	Accountancy, Finance, Agriculture & Rural Economy, Information Technology, Risk Management
9.	Mr. Anil Kumar Goel	Independent Director	Banking, Finance, Accountancy, Economics, SSI, Information Technology
10.	Mr. Anand Kumar	Independent Director	Information Technology and Business Management
11.	Mr. Sudhir Gupta	Executive Director	Banking, Finance, Law, Human Resource, Agriculture & Rural Economy and Business Management
12.	Ms. Shahla Ayoub	Independent Director	Economics

### DIRECTORS E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, necessitated the registration of KYC of all the directors through e-form DIR-3 KYC. Said requirement stands complied.

### REMUNERATION OF DIRECTORS MANAGING DIRECTOR & CEO

Remuneration of the MD & CEO is subject to the approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949. During the period under report Mr. Baldev Prakash was MD & CEO of the Bank. The details of remuneration paid to him in the financial year 2023-24 are as under:

(Amount in Rs.)

Particulars	Mr. Baldev Prakash (MD & CEO)
Basic salary	3000000
Allowances and perquisites	5474716
Provident Fund (Employer Contribution)	309408
Pension Fund (Employer Contribution)	309408
Gratuity	309408
PL Encashment	350000

### EXECUTIVE DIRECTOR

Remuneration of the Executive Director is subject to the approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949. During the period under report, Mr. Sudhir Gupta was Executive Director of the Bank. The details of remuneration paid to him as Executive Director in the financial year 2023-24 are as under:

(Amount in Rs.)

Particulars	Mr. Sudhir Gupta (Executive Director)
Basic salary	1980000
Allowances and perquisites	1993190
Provident Fund (Employer Contribution)	NIL
Pension Fund (Employer Contribution)	198000*
Gratuity	NIL
PL Encashment	48739

\* Rs. 198000 is contribution towards pension fund of the Bank

### DETAILS OF REMUNERATION / SITTING FEE PAID TO NON-EXECUTIVE DIRECTORS

#### Criteria for remuneration/sitting fee paid to Non-Executive Directors

The Non-Executive Directors of the Bank (except Govt./RBI Nominated Directors who are in the employment of Govt./RBI) were paid sitting fee of ₹40,000 for each Board /Committee Meeting attended by them, apart from reimbursement of Travelling, Boarding/Lodging expenses for attending Board/Committee Meetings.

In addition to above, the Non-Executive Directors (except Govt. Directors /RBI Nominated Directors who are in full time employment of RBI) were entitled to profit related compensation to the extent of one percent of the profits of the Bank for the financial year 2022-23, subject to a maximum of ₹10 Lakhs per annum per Director.

The details of Sitting Fee paid to The Non-Executive Directors of the Bank (except Govt./RBI Nominated Directors who are in the employment of Govt./RBI) for Financial Year 2023-24 and Profit Related Compensation for Financial Year 2022-23, paid in the Financial Year 2023-24 are as under:

(Amount in Rs.)

Particulars of Remuneration		
Other Non - Executive Directors	Mr. R K Chhibber	Dr. Mohmad Ishaq Wani
Fee for attending Board and Committee Meetings	21,60,000.00	---
Commission (FY 2022-23)	10,00,000.00	4,00,000.00
Others	---	---
<b>Sub Total (1)</b>	<b>31,60,000.00</b>	<b>4,00,000.00</b>

Independent Directors	Dr. Rajeev Lochan Bishnoi	Mr. Naba Kishore Sahoo	Mr. Umesh Chandra Pandey	Mr. Anil Kumar Goel	Mrs. Sushmita Chadha	Mr. Anand Kumar
Fee for attending Board and Committee Meetings	21,60,000.00	22,80,000.00	21,20,000.00	20,80,000.00	---	24,00,000.00
Commission (FY 2022-23)	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	4,93,151.00	10,00,000.00
Others	---	---	---	---	---	---
<b>Sub Total (2)</b>	<b>31,60,000.00</b>	<b>32,80,000.00</b>	<b>31,20,000.00</b>	<b>30,80,000.00</b>	<b>4,93,151.00</b>	<b>34,00,000.00</b>
<b>Total (1+2) = 2,00,93,151.00</b>						

### FAMILIARISATION PROGRAMME

The details of familiarisation programmes imparted to Independent Directors are available on the website of the Bank at

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

### PERFORMANCE EVALUATION

The Bank has put in place a mechanism for performance evaluation of the Directors. The details of the same are included in the Directors' Report.

### COMMITTEES OF THE BOARD

The Board of Directors of the Bank has constituted several Committees of the Board to take decisions on matters requiring special focus. The brief role and functions of the Committees of the Board is described hereunder:

#### Management Committee

##### Brief terms of Reference /Roles & Responsibilities

The Management Committee of the Board considers various business matters of material significance like sanctioning of loan proposals, compromise / write-off cases, periodical review of NPAs and large corporate loans, monitoring credit and investment exposure, etc.

##### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R. K. Chhibber	(Chairman)
Mr. Baldev Prakash	(Member)
Dr. Rajeev Lochan Bishnoi From 25.04.2023	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Anand Kumar	(Member)
Mr. Anil Kumar Goel Upto 25.04.2023	(Member)
Mr. Sudhir Gupta	(Member)

The Committee met eight (08) times during the year on 06.06.2023, 15.07.2023, 07.09.2023, 03.10.2023, 09.11.2023, 05.01.2024, 19.02.2024 and 29.03.2024. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R. K. Chhibber	8	8	100
Mr. Baldev Prakash	8	8	100
Dr. Rajeev Lochan Bishnoi	8	8	100
Mr. Naba Kishore Sahoo	8	8	100
Mr. Anil Kumar Goel	0	0	0
Mr. Anand Kumar	8	8	100
Mr. Sudhir Gupta	8	8	100

### Audit Committee

##### Brief terms of Reference /Roles & Responsibilities

The main functions of the Audit Committee is to assess and review the financial reporting system of the Bank, to ensure that the Financial Statements of the Bank are correct, sufficient and credible. It addresses matters pertaining to adequacy of internal controls, reliability of financial statements / other management information, adequacy of provisions, whether the audit tests are appropriate and scientifically carried out. It follows up on all issues raised in the Long Form Audit Report and interacts with Statutory Central Auditors before finalisation of Annual Financial Accounts and Reports focusing primarily on accounting policies and practices, major accounting entries and compliance with the Accounting Standards. The Committee also reviews the adequacy of Internal Control System and holds discussions with Internal Auditors / Inspectors on any significant finding and follow up action thereon. It also reviews the financial and risk management policies of the Bank and evaluates the findings of any internal investigation where there is any suspected fraud or irregularity or failure of Internal Control System of material nature and reports to the Board. ACB also focuses on the follow up of inter-branch adjustment accounts and other major areas of Balancing of Books and House Keeping.

##### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Dr. Rajeev Lochan Bishnoi Upto 25.04.2023	(Chairman)
Mr. Anil Kumar Goel From 25.04.2023	(Chairman)
Mr. R. K. Chhibber	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anand Kumar	(Member)

The Committee met twelve (12) times during the year on 22.04.2023, 03 & 04.05.2023, 19.06.2023, 23.07.2023, 16.08.2023, 31.08.2023, 11.09.2023, 19&20.10.2023, 21.11.2023, 23.11.2023, 19 & 20.01.2024 and 26.02.2024. These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Dr. Rajeev Lochan Bishnoi	1	1	100
Mr. Anil Kumar Goel	11	11	100
Mr. R. K. Chhibber	12	12	100
Mr. Umesh Chandra Pandey	12	12	100
Mr. Anand Kumar	12	12	100

### Integrated Risk Management Committee

##### Brief terms of Reference /Roles & Responsibilities

The Committee facilitates the business/operations of the Bank by establishment of an effective risk management framework through appropriate risk policies /processes, to monitor risk profile of the Bank to ensure that it is in accordance with risk appetite of the Bank and, to provide the support necessary to enable the Management to perform their assigned duties and responsibilities in an effective manner. The role of the

Committee is to review risk policies and recommend these to Board for approval. It also examines and monitors the risk issues related to Bank's business and operations and guide the Management appropriately. The Committee oversees all risk management functions in the Bank.

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Umesh Chandra Pandey	(Chairman)
Mr. R K Chhibber	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Sudhir Gupta	(Member)

The Integrated Risk Management Committee met four (04) times during the year on 30.05.2023, 16.08.2023, 21.11.2023 and 27.02.2024

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Umesh Chandra Pandey	4	4	100
Mr. R K Chhibber	4	4	100
Dr. Rajeev Lochan Bishnoi	4	4	100
Mr. Naba Kishore Sahoo	4	4	100
Mr. Sudhir Gupta	4	4	100

#### Special Committee of Board on Frauds (SCBF)

##### Brief terms of Reference /Roles & Responsibilities

Pursuant to RBI directions, the major functions of the Special Committee of Board would be to monitor and review all the frauds of Rs. 1 crore and above so as to;

- Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same;
- Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;
- Monitor progress of CBI / Police Investigation and recovery position;
- Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash From 25.04.2023 Upto 25.04.2023	(Chairman) (Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anil Kumar Goel Upto 25.04.2023 From 25.04.2023	(Chairman) (Member)

The Special Committee of Board on Frauds (SCBF) met six (06) times during the year on 28.06.2023, 26.09.2023, 21.11.2023, 25.01.2024, 16.02.2024 and 18.03.2024. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	6	6	100
Dr. Rajeev Lochan Bishnoi	6	6	100
Mr. Naba Kishore Sahoo	6	6	100
Mr. Umesh Chandra Pandey	6	6	100
Mr. Anil Kumar Goel	6	6	100

#### Customer Service Committee

##### Brief terms of Reference /Roles & Responsibilities

The Committee has been constituted with a view to look into matters relating to customer complaints and speedy redressal thereof, reviewing customer service policies / metrics and indicators that provide information on the state of customer services in the Bank, monitoring the implementation of the Banking Ombudsman Scheme, etc. The Committee also holds discussions with the Internal Ombudsman to gauge the efficacy of the grievance redressal framework of the Bank.

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash Upto 25.04.2023	(Chairman)
Mr. Sudhir Gupta From 25.04.2023 Upto 25.04.2023	(Chairman) (Member)
Mr. R. K. Chhibber	(Member)
Mr. Naba Kishore Sahoo	(Member)
Mr. Anil Kumar Goel	(Member)
Mr. Anand Kumar From 25.04.2023	(Member)
Ms. Shahla Ayoub	(Member)

The Customer Service Committee met four (04) times during the year on 30.05.2023, 25.09.2023, 20.11.2023 and 26.02.2024. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Sudhir Gupta	4	4	100
Mr. R. K. Chhibber	4	4	100
Mr. Naba Kishore Sahoo	4	4	100
Mr. Anil Kumar Goel	4	4	100
Mr. Anand Kumar	4	4	100
Ms. Shahla Ayoub	4	4	100

### Information Technology Strategy Committee

#### Brief terms of Reference /Roles & Responsibilities

Committee has been constituted pursuant to RBI directions to monitor the progress of effective assimilation and speedy implementation of Information Technology in the Bank.

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Anand Kumar	(Chairman)
Mr. Baldev Prakash	(Member)
Mr. R. K. Chhibber From 25.04.2023	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Anil Kumar Goel	(Member)

The Information Technology Strategy Committee met four (04) times during the year on 16.06.2023, 11.09.2023, 13.12.2023 and 27.02.2024. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Anand Kumar	4	4	100
Mr. Baldev Prakash	4	4	100
Mr. R. K. Chhibber	4	4	100
Dr. Rajeev Lochan Bishnoi	4	4	100
Mr. Anil Kumar Goel	4	4	100

### Legal and Impaired Assets Resolution Committee

#### Brief terms of Reference /Roles & Responsibilities

The Committee reviews the legal matters and suits filed cases, NPA accounts and also monitors and reviews the performance of Impaired Assets Portfolio Management (IAPM) vertical of the Bank for recovery/settlement of impaired assets of the Bank and other related matters.

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash	(Chairman)
Mr. Naba Kishore Sahoo	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anil Kumar Goel	(Member)
Mr. Sudhir Gupta	(Member)

The Legal and Impaired Assets Resolution Committee met five (05) times during the year on 25.04.2023, 25.08.2023, 20.10.2023, 13.12.2023, 27.02.2024. These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	5	5	100
Mr. Naba Kishore Sahoo	5	5	100
Mr. Umesh Chandra Pandey	5	5	100
Mr. Anil Kumar Goel	5	5	100
Mr. Sudhir Gupta	5	5	100

### Nomination & Remuneration Committee

Bank has constituted a Nomination & Remuneration Committee of the Board under the RBI Circular dated 2004 and pursuant to the requirements of the Securities and Exchange Board of India (LODR) Regulations, 2015 and the Companies Act, 2013.

#### Brief terms of Reference /Roles & Responsibilities

In compliance to the regulatory requirements, the role and functions of the Committee under the aforesaid statutory and Regulatory requirements are as under:

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance and whether to extend or continue the term of appointment of the Independent Director on the basis of the report of Performance evaluation of Independent Director.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that-
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on diversity of board of directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Anand Kumar	(Chairman)
Mr. R K Chhibber Upto 25.04.2023	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Naba Kishore Sahoo	(Member)
Ms. Shahla Ayoub From 25.04.2023	(Member)

The Nomination & Remuneration Committee met ten (10) times during the year on 03.05.2023, 16.06.2023, 23.07.2023, 25.08.2023, 11.09.2023, 19.10.2023, 09.11.2023, 02.02.2024, 27.02.2024 and 21.03.2024. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Anand Kumar	10	10	100
Mr. R K Chhibber	0	0	0
Dr. Rajeev Lochan Bishnoi	10	10	100
Mr. Naba Kishore Sahoo	10	10	100
Ms. Shahla Ayoub	10	10	100

### Corporate Social Responsibility & Environmental, Social and Governance Committee:

#### Brief terms of Reference /Roles & Responsibilities

The Role and Functions of the Committee shall be as under:

1. Formulate and recommend to the Board for approval, the Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013 as amended from time to time.
2. Guide and monitor the activities of the Bank in the area of CSR such that the spendings are in line with the activities stipulated in the CSR Policy.
3. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfill its corporate social responsibilities in a responsible and effective manner.

### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Ms. Shahla Ayoub From 25.04.2023 Upto 25.04.2023	(Chairperson) (Member)
Mr. Baldev Prakash	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anil Kumar Goel From 25.04.2023 Upto 25.04.2023	(Member) (Chairman)
Mr. Anand Kumar	(Member)
Mr. Sudhir Gupta	(Member)

The Corporate Social Responsibility & Environmental, Social and Governance Committee met five (05) times during the year on 29.05.2023, 16.08.2023, 26.09.2023, 14.12.2023 and 27.02.2024. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Ms. Shahla Ayoub	5	5	100
Mr. Baldev Prakash	5	5	100
Mr. Umesh Chandra Pandey	5	5	100
Mr. Anil Kumar Goel	5	5	100
Mr. Anand Kumar	5	5	100
Mr. Sudhir Gupta	5	5	100

### Stakeholders Relationship Committee:

The Bank Constituted "Stakeholders Relationship Committee" pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Mr. Mohammad Shafi Mir, Company Secretary, has been designated as Compliance Officer.

#### Brief terms of Reference /Roles & Responsibilities

- 1) Considering and resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.

During the year, 1909 service requests / complaints were received and all these service requests / complaints stand redressed.

The status of investors / shareholders service requests / grievances received during the year under report is as follows:

S.No.	Particulars	Received	Disposed	Pending
1.	Change / Correction of the Address	298	298	0
2.	Intimation of the Bank Mandate / NECS Mandate	8	8	0
3.	Non-receipt of Share Certificates	57	57	0



4.	Loss of Share Certificates and request for issue of duplicate share certificate(s)	273	273	0
5.	Deletion / inclusion of joint name and transmission	74	74	0
6.	Non-receipt of dividend warrants (NRDW)	247	247	0
7.	Registration of NECS	3	3	0
8.	Receipt of dividend warrants for revalidation	5	5	0
9.	Intimation of the Nomination form details	575	575	0
10.	Letters from SEBI/ Stock Exchanges	1	1	0
11.	Request for stock split in lieu of old shares	4	4	0
12.	Others	364	364	0
	<b>Total</b>	<b>1909</b>	<b>1909</b>	<b>0</b>

#### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. R K Chhibber	(Chairman)
Mr. Baldev Prakash From 25.04.2023	(Member)
Dr. Rajeev Lochan Bishnoi	(Member)
Mr. Umesh Chandra Pandey	(Member)
Mr. Anand Kumar Upto 25.04.2023	(Member)
Mr. Sudhir Gupta	(Member)
Ms. Shahla Ayoub	(Member)

#### MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Bank met on 21.11.2023. All Independent Directors attended the meeting.

#### SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year:

EMPLID	NAME_DISPLAY	DESIGNATION	Date of Retirement	Date of Latest Promotion	Date of Joining the Bank
CVO001	AMBRISH KUMAR MISHRA	General Manager	23/04/2026	NA	24/04/2023
004108	ANAND PAL SINGH	General Manager	28/02/2026	04/06/2024	26/10/1989
004106	ASHUTOSH SAREEN	General Manager	30/11/2027	11/02/2021	24/10/1989
004154	IMTIYAZ AHMAD BHAT	General Manager	29/02/2028	12/05/2022	20/10/1989
004161	NARJAY GUPTA	General Manager	31/03/2027	11/02/2021	25/10/1989
004128	PEER MASOOD AHMAD	General Manager	31/12/2027	11/02/2021	18/10/1989
004181	RAJESH GUPTA	General Manager	31/10/2025	04/06/2024	25/10/1989
004159	RAJESH MALLA TIKOO	General Manager	29/02/2028	04/06/2024	18/10/1989

The Stakeholders Relationship Committee met four (04) times during the year on 29.05.2023, 25.08.2023, 14.12.2023 and 09.02.2024. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. R K Chhibber	4	4	100
Mr. Baldev Prakash	4	4	100
Dr. Rajeev Lochan Bishnoi	4	4	100
Mr. Umesh Chandra Pandey	4	4	100
Mr. Anand Kumar	0	0	0
Mr. Sudhir Gupta	4	4	100
Ms. Shahla Ayoub	4	4	100

#### OTHER SPECIFIC PURPOSE COMMITTEES

##### Capital Issuance Committee

##### Brief terms of Reference /Roles & Responsibilities

To do all acts, deeds and things which are necessary to do in relation to the raising of Tier I and Tier II Capital of the Bank,

##### Composition, Meetings and Attendance

The composition of the Committee during the year under review is as under:

Mr. Baldev Prakash	(Chairman)
Mr. R K Chhibber	(Member)
Mr. Naba Kishore Sahoo	(Member)

The Committee met three (03) times during the year on 11.12.2023, 14.12.2023 and 15.12.2023. These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	%age
Mr. Baldev Prakash	3	3	100
Mr. R K Chhibber	3	3	100
Mr. Naba Kishore Sahoo	3	3	100

EMPLID	NAME_DISPLAY	DESIGNATION	Date of Retirement	Date of Latest Promotion	Date of Joining the Bank
004116	RAKESH KOUL	General Manager	31/08/2026	11/02/2021	25/10/1989
004138	SHABIR AHMAD BHAT	General Manager	28/02/2026	04/06/2024	18/04/1988
004115	SHAREESH SHARMA	General Manager	31/03/2025	12/05/2022	26/10/1989
004162	SUNIT KUMAR	General Manager	31/01/2027	11/02/2021	27/10/1989
004120	SUSHIL KUMAR GUPTA	General Manager	30/06/2025	12/05/2022	18/04/1988
004125	SYED RAIS MAQBOOL	General Manager	31/08/2026	11/02/2021	18/10/1989
004118	SYED SHUJAAT HUSSAIN ANDRABI	General Manager	30/06/2025	12/05/2022	17/10/1989
004140	TABASSUM NAZIR	General Manager	31/01/2025	12/05/2022	17/10/1989
004208	AJAY KOHLI	Deputy General Manager	31/05/2028	14/06/2022	19/07/1990
004264	ALTAF HUSSAIN KIRA	Deputy General Manager	31/10/2030	14/06/2022	25/03/1997
004204	ANEET KANWAL SINGH BAGEE	Deputy General Manager	30/09/2030	04/06/2024	22/06/1995
004232	ANITA NEHRU	Deputy General Manager	30/04/2031	04/06/2024	19/06/1996
004104	ANUP BHAT	Deputy General Manager	30/11/2026	11/10/2021	18/10/1989
004147	ARSHAD HUSSAIN DAR	Deputy General Manager	31/03/2027	27/07/2015	18/04/1988
004197	ARSHAD QADRI	Deputy General Manager	31/10/2029	14/06/2022	21/06/1995
004213	ASHOK GUPTA	Deputy General Manager	31/01/2030	14/06/2022	27/05/1995
004156	FAYAZ AHMAD BHAT	Deputy General Manager	31/12/2027	27/05/2018	23/10/1989
004262	HAFAEZA RAHIM	Deputy General Manager	28/02/2031	04/06/2024	25/03/1997
004134	IMTIYAZ AHMAD BHAT	Deputy General Manager	30/04/2026	11/02/2021	17/10/1989
004267	IRFAN ANJUM	Deputy General Manager	30/04/2029	04/06/2024	25/05/1995
004269	KHURSHED MUZAFFAR	Deputy General Manager	31/12/2029	14/06/2022	24/06/1995
004168	KIRTI SHARMA	Deputy General Manager	28/02/2027	11/02/2021	25/10/1989
004180	MANJU GUPTA	Deputy General Manager	30/09/2025	11/02/2021	25/10/1989
004238	MOHAMMAD ISHAQ BHAT	Deputy General Manager	30/09/2024	14/06/2022	03/07/1990
004250	MOHAMMAD MUZAFFAR WANI	Deputy General Manager	31/03/2032	14/06/2022	19/06/1996
004226	NISHI KANT SHARMA	Deputy General Manager	31/03/2026	14/06/2022	19/07/1990
004227	RAFI AHMED MIR	Deputy General Manager	31/03/2025	04/06/2024	03/07/1990
004231	RAJA ZAFFER KHAN	Deputy General Manager	31/05/2030	14/06/2022	24/05/1995
004258	RAJEEV KUMAR DIGRA	Deputy General Manager	30/09/2032	04/06/2024	19/06/1996
004121	RAJESH DUBEY	Deputy General Manager	30/06/2027	11/02/2021	24/10/1989
004205	RAKESH MAGOTRA	Deputy General Manager	31/07/2031	14/06/2022	19/06/1996
004206	RIAZ AHMED WANI	Deputy General Manager	31/01/2029	04/06/2024	03/07/1990
004198	SAADUT HUSSAIN PAMPORI	Deputy General Manager	30/04/2031	14/06/2022	20/06/1995
004131	SAJAD HUSSAIN	Deputy General Manager	30/06/2024	27/07/2015	17/10/1989
004217	SANJAY GUPTA	Deputy General Manager	31/12/2031	14/06/2022	19/06/1996
004248	SANJEEV KUMAR	Deputy General Manager	31/08/2031	14/06/2022	19/06/1996
004173	SATISH KUMAR	Deputy General Manager	30/09/2025	14/06/2022	25/10/1989
004228	SURESH KUMAR CHOWDHARY	Deputy General Manager	31/03/2030	04/06/2024	19/06/1996
004263	SYED AADIL BASHIR	Deputy General Manager	30/09/2032	04/06/2024	25/03/1997
004107	TARIQ ALI	Deputy General Manager	31/08/2027	11/02/2021	11/10/1989
004256	TSEWANG DORJAI	Deputy General Manager	31/07/2029	14/06/2022	19/06/1996
004230	VINAY GUPTA	Deputy General Manager	31/03/2028	04/06/2024	19/07/1990
004191	VINOD KUMAR SHARMA	Deputy General Manager	31/01/2025	27/07/2015	14/10/1993
004202	VIRESH GUPTA	Deputy General Manager	31/05/2029	04/06/2024	23/06/1995

## **DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES**

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations:

There are no such agreements of the Bank during the period under review.

## **CORPORATE GOVERNANCE POLICIES IN COMPLIANCE WITH THE STATUTORY REGULATIONS**

### **Board Diversity Policy**

In accordance with the Regulation 19(4) and Part D (A) (3) of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), the Bank has framed a formal policy on Board Diversity which sets out a framework to promote diversity on Bank's Board of Directors. The policy has been posted on the Bank's website at: <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

### **Code of Conduct for Board of Directors and Senior Management**

In accordance with the Regulation 17(5) of 'Listing Regulations', the Bank has framed a formal policy on Code of Conduct for Board of Directors and Senior Management of the Bank in order to exercise good judgement, to ensure the interests, safety and welfare of customers, employees & other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment. The code has been posted on the Bank's website at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

### **Declaration:**

I confirm that for the year under review, all Directors and Senior Management have affirmed their adherence to the provisions of the code of conduct for Board of Directors and Senior Management Personnel.

Srinagar - 04.05.2024

Baldev Prakash  
MD & CEO

### **Dividend Distribution Policy**

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Bank before recommending dividend to the Shareholders for a Financial Year. The policy is framed in compliance to Regulation 43A of the Listing Regulations, applicable provisions of Companies Act, 2013 and RBI Guidelines. The policy has been posted on the Bank's website at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

### **Policy on Related Party Transactions**

The Securities and Exchange Board of India ("SEBI") has in terms of Regulation 23 provided that the listed entity shall formulate policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the Board of Directors and such policy shall be reviewed by the Board of Directors at

least once every three years and updated accordingly. The policy has been posted on the Bank's website at <https://www.jkbank.com/pdfs/policy/Related%20Party%20Transactions%20Policy.pdf>

### **Performance Evaluation Policy for the Board and Members of the Board**

The Board of Directors on the recommendations of the Nomination & Remuneration Committee (N&RC) has approved a framework/policy for evaluation of the Board, Committees of the Board and the individual Members of the Board (including the chairperson). The objective of this policy is to formulate the procedure and also to prescribe and lay down the criteria to evaluate the performance of the entire Board, each individual Director and the Committees of the Board of the Bank. The policy has been posted on the Bank's website at: <https://www.jkbank.com/pdfs/policy/J&K%20Bank%20Performance%20Evaluation%20Policy.pdf>

### **Policy for Determination of Materiality of Information/ Event(s)**

In order to ensure consistent, transparent, regular and timely public disclosure and dissemination of material events/information based on the criteria specified in Sub Regulation 4 of Regulation 30 of the Listing Regulations, the Board of the Bank has formulated a policy for determination of materiality of such events/information to the members of public. The policy has been posted on the Bank's website at: <https://www.jkbank.com/pdfs/policy/Policy%20for%20Determination%20of%20Materiality%20of%20Information%20Event.pdf>

### **Policy for Determining Material Subsidiary**

The Securities and Exchange Board of India ("SEBI") has in terms of Regulation 16(1) provided that the listed entity shall formulate a policy for determining material subsidiary and to provide the governance framework for such subsidiaries. Pursuant to said Regulation, the Bank has framed a policy for determination of "material subsidiary" of the Bank. The Bank at present has no material subsidiary within the meaning of the definition of material subsidiary under the Regulations. The policy has been posted on the Bank's website at <https://www.jkbank.com/pdfs/policy/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

### **Policy on Preservation of Documents and Archival of Documents**

The Bank has framed the policy on preservation of documents and archival as mandated by the provisions of Regulation 9 read with Regulation 30(8) of Chapter III of the Listing Regulations, 2015. Through this policy, the Bank has a strategic objective of ensuring that significant documents are safeguarded and preserved to ensure the longevity of priority documents including the electronic resources. All other policies as required under SEBI Regulations are posted on the website of the Bank under the link: <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancepolicies.php>

### Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account/Escrow Account

Opening Balance as on 01 <sup>st</sup> April, 2023		Number of share-holders whose shares were transferred to Escrow Account during the Financial Year 2023-24		No. of requests received during the Financial Year 2023-24	Shares debited during the Financial Year 2023-24		Closing Balance as on 31 <sup>st</sup> March, 2024	
No. of Share-holders	No. of Shares	No. of Share-holders	No. of Shares	18	No. of Share-holders	No. of Shares	No. of Share-holders	No. of Shares
0	0	64	112000		18	28000	46	84000

We confirm that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

#### Dividend related Information

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Bank has formulated and adopted a Dividend Distribution Policy reviewed by the Board. The policy is available on the website of the Bank at <https://www.jkbank.com/investor/stockExchangeIntimation/corporateGovernancePolicies.php>. In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 04<sup>th</sup> May, 2024, recommended a final dividend of ₹2.15 per Equity Share, subject to the approval of members at the ensuing 86<sup>th</sup> Annual General Meeting (AGM). The record date to determine eligibility of members for payment of dividend is Saturday, 10<sup>th</sup> August, 2024. In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of the members. Therefore, the dividend will be paid to the members after deduction of applicable tax, if any.

#### Dividend Payment Date

Dividend shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

Section 124 of Companies Act, 2013 provides that where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of Dividend, the same shall be transferred to the Dividend unpaid account. Therefore, Dividend shall be paid by or before Sunday, 15<sup>th</sup> September, 2024.

#### Payment of Dividend through Electronic Mode

In terms of Regulation 12 and Schedule I of the SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz. Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would be entitled to use the bank account details of the members available with the depository participants to facilitate payment through electronic mode. All members of the Bank holding equity shares in electronic form are requested to provide details relating to their bank account number, including nine digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile numbers to their depository participants. All members of the Bank holding equity shares in physical form are requested to provide details relating to their bank account number, indicating nine digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile numbers to M/S

KFin Technologies Limited at Selenium Tower - B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, by sending the duly completed and signed ISR Forms in original along with a photocopy of a CANCELLED cheque leaf of their active core banking account and self-attested copy of their PAN card and a self-attested copy of any one of the documents mentioned hereafter: utility payment bills (not more than three months old) / bank pass book / passport / driving license to validate their present address. In case the dividend paid through electronic mode is rejected by the corresponding bank, for any reason whatsoever, the Bank will issue a demand draft and print the bank account details available with M/S KFin Technologies Limited on the said demand draft to avoid fraudulent encashment.

#### INSIDER TRADING CODE

The Bank has emplaced a Code on Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to prevent practices of Insider Trading. Mr. Mohammad Shafi Mir, Company Secretary, has been designated as Compliance Officer for this purpose.

#### DIRECTORS AND OFFICERS INSURANCE

The Bank has undertaken Directors and Officers Insurance ('D and O Insurance') for all its Directors and Officers including Independent Directors.

#### DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

During the year, two complaints were lodged before the Internal Complaints Committee duly constituted under the Sexual Harassment of Women at Work Place (Prevention and Redressal) Act, 2013 and the rules made thereunder. Accordingly, due inquiry proceedings were conducted in the cases, as stipulated in the Act and adequate opportunity was provided to both complainant and respondent to present/defend their cases. Finding the cases devoid of any merits, the same were disposed of within the requisite time frame of 90 days.

Number of Complaints filed during the Financial Year	Number of Complaints disposed of during the Financial Year	Number of Complaints pending as on end of the Financial Year
2	2	0

### ETHICAL STANDARDS EMPLOYED BY THE BANK

The Bank has emplaced service manual for its employees. This manual contains comprehensive regulations on ethical standards to be mandatorily observed by all the employees of the Bank.

### WHISTLE BLOWER POLICY & VIGIL MECHANISM

The details with reference to whistle blower policy and vigil mechanism along with the affirmation that no personnel has been denied access to the Audit Committee, have been addressed in the Director's Report which is forming part of this Annual Report. During the year, the Audit Committee did not receive any reference under the said policy. The policy is available on the website of the Bank at the link:

<https://www.jkbank.com/pdfs/policy/WB.pdf>

### DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS, 2015

The Bank during the reporting period issued and allotted 6,97,02,602 equity shares at a price of ₹107.60 which was at a discount of 4.49% (i.e. ₹5.06 per equity share) to the Qualified Institutional Buyers (QIB) aggregating to a total of ₹749,99,99,975.20. The Issue opened on December 11, 2023 and closed on December 14, 2023. The allotment was made on December 15, 2023.

The above funds were raised/utilized to meet the needs of growing business, including long term capital requirements for pursuing Bank's growth plans and to maintain the Capital Adequacy Ratio as per the regulatory guidelines/ norms laid down by the Reserve Bank of India.

### CEO / CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained and was placed before the Board in its meeting dated 04<sup>th</sup> May, 2024.

### DISCLOSURES

The Board of your Bank has in all its endeavor, ensured that true and fair disclosures are made to its constituents through various publications regarding plans, strategies and performance. The Board is pleased to disclose that;

1. The Executive Management of Bank regularly places various reviews before the Board on the performance of the Bank so as to enable it to exercise effective control and check over the working of the Bank.
2. The Bank has not entered into any materially significant transaction with its Directors, Management or with their Relatives, other than the normal course of business of the Bank.
3. The Bank did not enter into any material related party transaction with its Directors or Management or their Relatives that would potentially conflict with and adversely affect interests of the Bank.
4. The Directors did not incur any disqualification under Section 164 of the Companies Act, 2013 or under any other law applicable to the Bank.
5. None of the Directors of the Bank are holding positions as Chairman of more than five and as a Member of more than ten Audit and Stakeholders' Relationship Committees.

During the year a fine of ₹20,000/- plus applicable GST was levied by The BSE Limited for the delayed submission of disclosure under Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended May, 2021 and December, 2021. The Bank has contested the levying of fine and has represented for waiver. The BSE Limited vide its mail dated 16.05.2024 has waived off penalty pertaining to May-2021, while as request for waiver of penalty pertaining to Dec-2021 is under consideration with the exchange.

Subject to above, there were no cases of non-compliance by the Bank and no penalties or strictures have been imposed on or proposed against the Bank by the Stock Exchange (s) and / or SEBI and / or any other statutory authorities on matters relating to capital market except to the extant disclosed in the Notes to the Accounts and the Bank has complied with the provisions of relevant Acts, Rules & Regulations framed there under during the financial year 2023-2024.

The Bank has complied with all applicable accounting standards and related RBI guidelines.

### STRICTURES AND PENALTIES FOR THE LAST 3 FINANCIAL YEARS

Period	Penalty Amount (Amount in Lakhs)	Details
FY 2021-22	101.02	During the Financial year 2021-22, a penalty of ₹100 lakhs was imposed by the Reserve Bank of India on account of contraventions of RBI circular on Lending to NBFCs. Further, the Reserve Bank of India had imposed a monetary penalty of ₹1.02 lakhs on currency chests.
FY 2022-23	49.21	During the Financial year 2022-23, a penalty of ₹3,74,921 was imposed by the Reserve Bank of India on Currency Chests and ₹42,10,000 was imposed by the Reserve Bank of India on ATM Cash Out ₹35,400.00 imposed by NSE/BSE for delayed filing of Related Party Transaction reports out of which National Stock Exchange of India Limited has waived off the penalty of two days i.e., ₹10,000/- due to wrong levy of penalty and same is under consideration with The BSE Limited. ₹3,00,000.00 imposed by FIU-India in relation with the non-compliance observed in respect of the transactions carried out in a particular account. ₹986.00 imposed by CBIC being amount of penalty raised for delayed reporting of GST Transaction for the period 01-04-2022 to 30-06-2022.

FY 2023-24	253.60	<p>During the Financial year 2023-24, penalty of ₹2,14,150.00 (out of which ₹50,000.00 was later waived-off and reversed by RBI) was imposed by the Reserve Bank of India on Currency Chests, ₹1,00,000.00 (out of which ₹50,000.00 was later waived-off and reversed by RBI) was imposed by the Reserve Bank of India on ATM Cash Outs and ₹20,000.00 was imposed by RBI on branch Prithviraj road for not having all coin denominations.</p> <p>Further, penalty of ₹2.50 crores was imposed by RBI for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks', read with 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting', 'Loans and Advances - Statutory and other Restrictions' and 'Time-bound implementation and strengthening of SWIFT-related operational controls'.</p> <p>₹23,600.00 was imposed by BSE on delay in submitting the notice of record date of coupon payments for Bonds under Reg 60(2) of SEBI (LODR) Regulations 2015.</p> <p>₹2,290.00 was imposed by CBEC on delayed reporting of GST luggage file.</p>
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#### d) Reporting of Internal Auditor

The findings of internal/concurrent auditors are consolidated and placed before the Audit Committee by the Bank periodically.

#### e) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Bank is having separate posts of Chairperson and Managing Director or Chief Executive Officer. However, the Bank does not have a Non-Executive Chairperson as on date.

#### DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES: Nil

#### INSTANCES WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED IN THE FY 2023-24: Nil

#### IMPORTANT EVENTS AFTER THE CLOSURE OF FINANCIAL YEAR ENDED 31.03.2024

This report covers the period of financial year of the Bank beginning on 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024. However, an important event listed below happened from 01<sup>st</sup> April, 2024 till the date of this report.

- Mr. Fayaz Ahmad Ganai was appointed as Chief Financial Officer of the Bank on April 16, 2024 in place of Mr. Pratik D Punjabi, who resigned from the services of the Bank w.e.f April 05, 2024. Mr. Pratik D Punjabi, Chief Financial Officer resigned from the services of the Bank w.e.f. April 05, 2024 in order to explore professional opportunities outside the Bank.

#### COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with all the applicable mandatory requirements of the Code of Corporate Governance as prescribed under the SEBI Listing Regulations.

#### COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

##### a) Board of Directors

The Bank has separated the position of Chairman and Managing Director by amending its Articles of Association. Mr. Baldev Prakash has been appointed as the first Managing Director and CEO of the Bank. The Bank is in the process of appointing a Non-Executive Chairman. The Bank will bear the expenses relating to maintenance of the office of Non-Executive Chairperson of the Bank and will reimburse all the expenses incurred in performance of his/her duties.

##### b) Shareholders' Rights

The Bank publishes its results on its website at [www.jkbank.com](http://www.jkbank.com) which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent separately to each household of shareholders. The Bank's results for each quarter are published in a National English newspaper having wide circulation and in a local newspaper having wide circulation in the UT of J&K.

##### c) Audit Qualifications

The audit report on the financial statements of the Bank for 2023-24 has unmodified opinion.

#### SHAREHOLDERS RIGHTS

A shareholder can enjoy the following rights prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, wherever applicable:

- To carry out transmission /transposition and deletion of name on the share certificate(s) and receive the duly endorsed share certificates within the period prescribed in the SEBI Listing Regulations.
- To receive notice of general meetings, annual report, balance sheet, profit and loss account, cash flow statement and auditors' report.
- To appoint proxy to attend and vote at general meetings. In case, the member is a body corporate, to appoint a representative to attend and vote at general meetings of the Bank on its behalf.
- To attend and speak in person, at general meetings. Proxy cannot vote on show of hands but can vote on a poll.
- To demand poll in respect of any resolution along with other shareholder(s) who collectively hold not less than 1/10th of the total voting power or holding shares on which an aggregate sum of not less than 5 lakh rupees has been paid up.
- To requisition an extraordinary general meeting of the Bank by shareholders who collectively hold not less than 1/10th of the total paid up capital of the Bank.
- To move amendments to resolutions proposed at general meetings.
- To receive dividend and other corporate benefits like rights, bonus shares etc. as and when declared / announced.

- To take inspection of the various Registers of the Bank.
- To inspect the minute books of general meetings and to receive copies thereof after complying with the procedure prescribed in the Companies Act, 2013.
- To make nomination in respect of shares held by the shareholder.
- To participate in and be sufficiently informed of the decisions concerning fundamental corporate changes.
- To be informed of the rules, including voting procedures that govern general shareholder meetings.
- To demand adequate mechanism to address the grievances of the shareholders.
- To demand protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

The rights mentioned above should be exercised only after careful reading of the relevant provisions. These rights are not necessarily absolute.

## GENERAL SHAREHOLDER INFORMATION

### Details of Stock Exchanges / Depositories

The equity shares of the Bank are listed on the following stock exchanges:

S.No.	Name & Address of Stock Exchange	Scrip Code / Symbol
1.	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	J&KBank
2.	The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai 400 001	532209

The annual fees for 2023-2024 has been paid to the above Stock Exchanges where the shares are listed.

### Name of Depositories for dematerialization of equity shares (ISIN Number - INE168A01041):

i	National Securities Depository Limited (NSDL)
ii	Central Depository Services (India) Limited (CDSL)

### Registrar and Share Transfer Agent (RTA)

M/s KFin Technologies Limited  
Unit: - Jammu and Kashmir Bank Limited  
Selenium Tower B, Plot No. 31 - 32,  
Financial District, Nanakramguda  
Serilingampally Mandal  
Hyderabad - 500 032, Telangana, India  
Phone No. 040-67162222, 3321, 1000

### Email ID for Redressal of Investor Grievances

Pursuant to Regulation 85(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Bank has created a separate email ID for redressal of Investor Complaints and Grievances. The email ID for Redressal of Investor Grievances is [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com)

### Compliance Officer

Name:	Mohammad Shafi Mir, Company Secretary
Role:	To ensure compliance to all statutory regulations as far as they relate to Company Secretary and redressal of grievance of Shareholders / Investors
Address:	Jammu and Kashmir Bank Ltd. Board Secretariat, Corporate Headquarters M. A. Road, Srinagar 190 001
Phone	0194-2483775 / 0194-2481930-35 (Extn.)1540

### Debenture Trustees

The SEBI Listing Regulations require companies, which have listed their debt securities, to disclose the names of their debenture trustees with contact details in their Annual Report. The details of debenture trustee for the privately placed bonds of the Bank is as under:

**Name : IDBI Trusteeship Services Ltd.**  
Address : Asian Building Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai, Maharashtra.  
PIN: 400001.  
Phone : 022-40807004/40807023 / 9892258709  
Email ID : rmitra@idbitrustee.com / itsl@idbitrustee.com

**Name : Axis Trustee Service Limited**  
Address : The Ruby, 2<sup>nd</sup> Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai -400028  
Phone : 9130352937  
Email ID : meet.soni@axistrustee.in

**Name : SBICAP Trustee Company Limited**  
Address : Mistry Bhavan, 4<sup>th</sup> Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai - 400020  
Phone : 022-43025555  
Email ID : dt@sbicaptrustee.com

### Financial Calendar (April 01, 2023 to March 31, 2024)

Board meeting for consideration of Accounts	May 04, 2024								
Dispatch of Annual Report / Notice of AGM	Wednesday, July 24, 2024 onwards								
Date, Time and Venue of the 86 <sup>th</sup> AGM	Meeting will be held on Saturday, August 17, 2024 at 11:00 AM at Jammu and Kashmir Bank Limited, Corporate Headquarters, M.A. Road, Srinagar, J&K 190 001.								
Record date for the purpose of determining eligibility of dividend	Saturday, August 10, 2024								
Book Closure Dates	From Sunday, August 11, 2024 to Saturday, August 17, 2024								
Board meeting for considering un-audited results for the first 3 quarters of FY 2023-24	<table border="1"> <thead> <tr> <th>Quarter ending</th> <th>Approval Date</th> </tr> </thead> <tbody> <tr> <td>30<sup>th</sup> June, 2023</td> <td>24<sup>th</sup> July, 2023</td> </tr> <tr> <td>30<sup>th</sup> September, 2023</td> <td>20<sup>th</sup> October, 2023</td> </tr> <tr> <td>31<sup>st</sup> December, 2023</td> <td>20<sup>th</sup> January, 2024</td> </tr> </tbody> </table>	Quarter ending	Approval Date	30 <sup>th</sup> June, 2023	24 <sup>th</sup> July, 2023	30 <sup>th</sup> September, 2023	20 <sup>th</sup> October, 2023	31 <sup>st</sup> December, 2023	20 <sup>th</sup> January, 2024
	Quarter ending	Approval Date							
	30 <sup>th</sup> June, 2023	24 <sup>th</sup> July, 2023							
30 <sup>th</sup> September, 2023	20 <sup>th</sup> October, 2023								
31 <sup>st</sup> December, 2023	20 <sup>th</sup> January, 2024								

### General Body Meetings

Information relating to last three (3) General Body Meetings is furnished below:

Name of Meeting	Day, Date and time of meeting	Venue	Nature of Special Resolutions Passed
83 <sup>rd</sup> Annual General Meeting	Thursday, 30 <sup>th</sup> September, 2021 at 11:00 AM	Held through Video Conferencing / Other Audio Visual Means	<ul style="list-style-type: none"> <li>Raising of Equity Tier I Capital, upto the tune of ₹1000 Crore</li> <li>Raising of Basel III compliant Tier II Capital, upto the tune of ₹ 1000 Crore.</li> </ul>
84 <sup>th</sup> Annual General Meeting	Wednesday, 24 <sup>th</sup> August, 2022 at 11:00 AM	Held through Video Conferencing / Other Audio Visual Means	<ul style="list-style-type: none"> <li>Raising of Equity Tier I Capital, upto the tune of ₹500 Crore</li> <li>Raising of Basel III compliant Tier II Capital, upto the tune of ₹ 1500 Crore</li> <li>Alteration of Articles of Association of the Bank</li> <li>Increase the Borrowing Power of the Bank</li> </ul>
85 <sup>th</sup> Annual General Meeting	Thursday, 24 <sup>th</sup> August, 2023 at 11:00 AM	Held at Sher-i-Kashmir International Conference Centre (SKICC), Srinagar	<ul style="list-style-type: none"> <li>Raising of Equity Tier I Capital, upto the tune of ₹750 Crore</li> <li>Raising of Basel III compliant Tier II Capital, upto the tune of ₹ 1000 Crore</li> <li>Alteration of Articles of Association of the Bank</li> </ul>

### POSTAL BALLOT

During the period under report, the Bank sought approval of the Members for below mentioned special resolutions via postal ballot notices dated December 15, 2023 through electronic voting (e-voting) only. The Bank followed the procedure as prescribed under the Companies Act, 2013 and the Rules made thereunder, relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, read with circulars issued by the Ministry of Corporate Affairs and the SEBI in this regard. The Board of Directors of the Bank, appointed Mr. DSM Ram, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner. The scrutinizer submitted his report to the MD & CEO after the completion of the postal ballot exercises and the same were placed on the website of the Bank and also disseminated to the Stock Exchanges.

#### Postal Ballot Notice dated December 15, 2023:

The above notice contained the following ordinary resolution:

Regularisation of Additional Director, Dr. Mandeep K Bhandari, IAS (DIN: 07310347) as a Rotational Director on the Board of the Bank.

There were total 1,95,397 shareholders of the Bank as on the record date i.e. December 08, 2023 out of which 579 members comprising of 70,50,27,397 equity shares representing 68.35% of the issued share capital participated in the e-voting process. The breakup of the votes is as mentioned below:

Resolution	No. of valid votes polled	Votes cast in favour	Votes cast against	% of Votes cast in favour	% of Votes cast against
Regularisation of Additional Director, Dr. Mandeep K Bhandari, IAS (DIN: 07310347) as a Rotational Director on the Board of the Bank.	70,49,76,107	70,41,83,978	7,92,129	99.89	0.11

The above special resolution was passed with requisite majority on January 14, 2024 and results were declared on January 15, 2024 and were communicated to the stock exchanges and displayed on the Bank's website [www.jkbank.com](http://www.jkbank.com). At present, the Bank has no plan to pass special resolution through Postal Ballot. The shareholders will be intimated as and when it will be planned.

### MEANS OF COMMUNICATION

J&K Bank disseminates information about its operations through various means to shareholders, analysts and the society at large. All official news releases and presentations made to institutional investors and analysts are posted on the Bank's website ([www.jkbank.com](http://www.jkbank.com)). It also issues press releases and conducts programmes that disseminate information. The quarterly results of the Bank are published in widely circulated National/Local Newspapers and are also placed on the website of the Bank. The Board takes on record

the Un-Audited/Reviewed Financial Results in the prescribed form of the Stock Exchanges within stipulated time period from the closure of the quarter and announces forthwith the results to all the Stock Exchanges where the shares of the Bank are listed. The highlights of quarterly results are also published in National and Vernacular Newspapers within 48 hours of the conclusion of the Board Meeting in which they are taken on record and information is also placed on the website of the Bank. The Bank regularly organizes Press / Analyst Meets to apprise Fund Managers, Press and Analysts



about the financial performance of the Bank and to receive their suggestions for future growth.

#### SHARE TRANSFER PROCESS AND SYSTEM

The Bank's shares which are in compulsory dematerialized (Demat) list are transferable through the depository system. Requests for transmission / transposition or for deletion of name in case of physical share certificates are processed by the Registrar and Share Transfer Agent, M/s KFin Technologies Limited and are approved by the Board / Share Transfer Committee of the Bank. The service requests of such nature are processed within a period of ten (10) days from the date of receipt of the relevant documents by Registrar and Share Transfer Agent.

Please note that as per the amended SEBI Listing Regulations, with effect from April 1, 2019, any requests for transfer of securities shall not be processed unless the securities are held in dematerialized form.

#### FEES FOR STATUTORY CENTRAL AUDITORS

The details of total fees for all services paid by the Bank and its subsidiary/associates, on a consolidated basis, to the Statutory Central Auditors are provided in the Directors' Report.

#### COMPLIANCE CERTIFICATE OF THE AUDITORS

The Secretarial Auditor of the Bank has certified that the Bank has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations except as mentioned in the said certificate. The same forms a part of this Report.

#### DIVIDEND HISTORY OF LAST FIVE YEARS

Financial Year	Rate of Dividends (%)	Date of Declaration	Date of Payment
2018-19	Nil	----	----
2019-20	Nil	----	----
2020-21	Nil	----	----
2021-22	Nil	----	----
2022-23	50	24.08.2024	18.09.2024

#### DEMATERIALIZED / PHYSICAL SHARES

The shares of the Bank are in compulsory dematerialised segment and are available for trading in depository systems of both National Securities Depository Limited and Central Depository Services (India) Limited As on 31<sup>st</sup> March, 2024, the position of dematerialized shares as well as physical shares is as under:

(As on 31.03.2024)

Particulars	No. of shares	%age
Physical Shares	69,09,531	0.63
Dematerialized Shares	109,42,72,932	99.37
<b>Total</b>	<b>110,11,82,463</b>	<b>100.000</b>



**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2024**

S.NO	Category	No. of Holders	% to Holders	Number of Shares	% to Total
1	Upto 5000	208280	94.95	81061934	7.36
2	5001 - 10000	5829	2.66	41972643	3.81
3	10001 - 20000	3965	1.81	53583176	4.87
4	20001 - 30000	566	0.26	13691902	1.24
5	30001 - 40000	155	0.07	5469054	0.50
6	40001- 50000	110	0.05	5066094	0.46
7	50001 - 100000	165	0.07	11716961	1.06
8	100001 & Above	282	0.13	888620699	80.70
	<b>Total</b>	<b>2,19,352</b>	<b>100.00</b>	<b>110,11,82,463</b>	<b>100.00</b>

**LIST OF SHAREHOLDERS HOLDING MORE THAN 1% AS ON 31.03.2024**

S. No.	NAME	SHARES	% TO EQT	CATEGORY
1	Chief Secretary Jammu and Kashmir Govt.	57,14,04,380	51.89	PRO
2	Finance Secretary UT of Ladakh	4,58,29,445	4.16	PRO
3	Secretary Finance Department Jammu and Kashmir Govt.	3,68,64,455	3.35	PRO
4	Life Insurance Corporation Of India	1,46,91,715	1.33	QIB
5	Sanjeev Arora	1,34,38,226	1.22	NRI
6	Kotak Mahindra Trustee Co Ltd A/c Kotak Multicap Fund	1,33,27,990	1.21	MUT
7	Quant Mutual Fund - Quant Small Cap Fund	1,25,02,259	1.14	MUT
	<b>Total</b>	<b>70,80,58,470</b>	<b>66.30</b>	

**STOCK MARKET DATA**

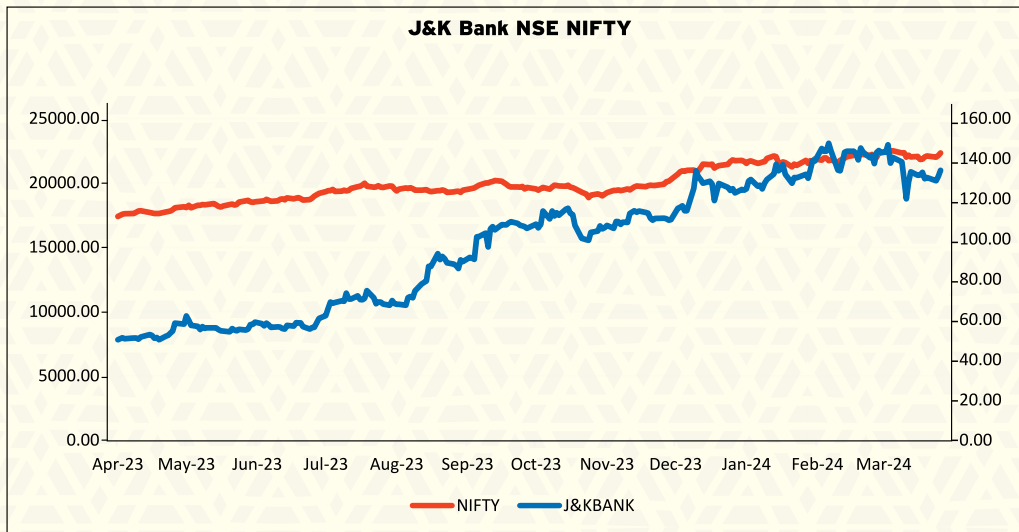
**MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN FINANCIAL YEAR 2023-24**

Month	NSE			BSE		
	High Price	Low Price	Turnover in Rs.	High Price	Low Price	Turnover in Rs.
April, 2023	58.50	48.10	80420275.00	58.50	48.42	588549579.00
May, 2023	62.85	53.05	140112130.00	62.84	53.05	1055637023.00
June, 2023	61.20	54.90	95850680.00	61.20	54.86	662260919.00
July, 2023	77.10	60.40	239422909.00	74.85	60.40	1488532941.00
August, 2023	93.90	66.45	220391893.00	94.95	65.40	1666532103.00
September, 2023	111.45	87.60	215054036.00	111.39	87.70	1911560734.00
October, 2023	117.70	94.60	149959636.00	117.65	94.60	1685801757.00
November, 2023	117.10	104.50	65374061.00	117.15	104.65	852347786.00
December, 2023	140.00	109.10	188384976.00	139.95	109.10	2033913672.00
January, 2024	142.70	122.80	111876892.00	142.65	122.85	1604919946.00
February, 2024	152.50	129.05	113843972.00	152.45	128.80	1748588728.00
March, 2024	149.70	116.15	88097086.00	149.70	116.85	1111783630.00

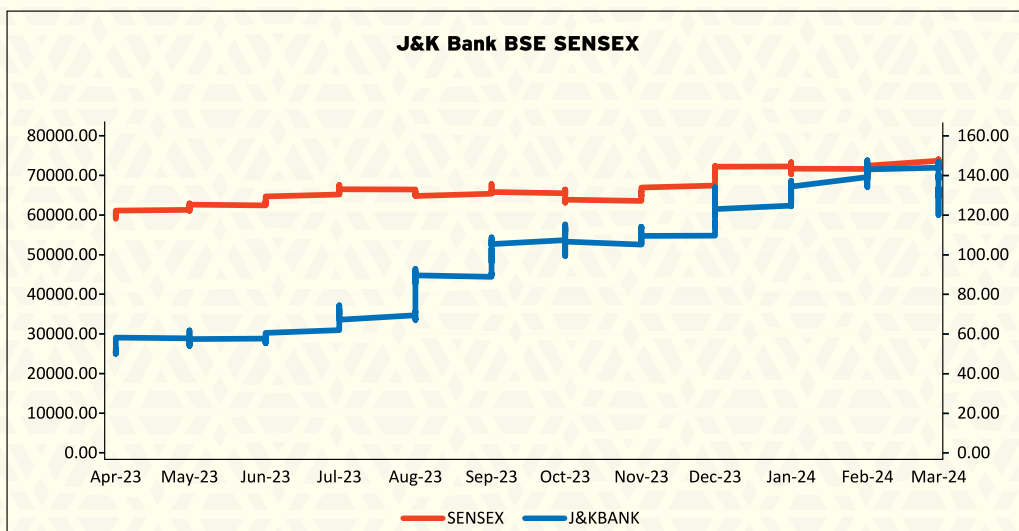


## PERFORMANCE OF THE BANK'S EQUITY SHARES AS COMPARED WITH INDICES

J&K BANK vis-a-vis NIFTY - 2023-24



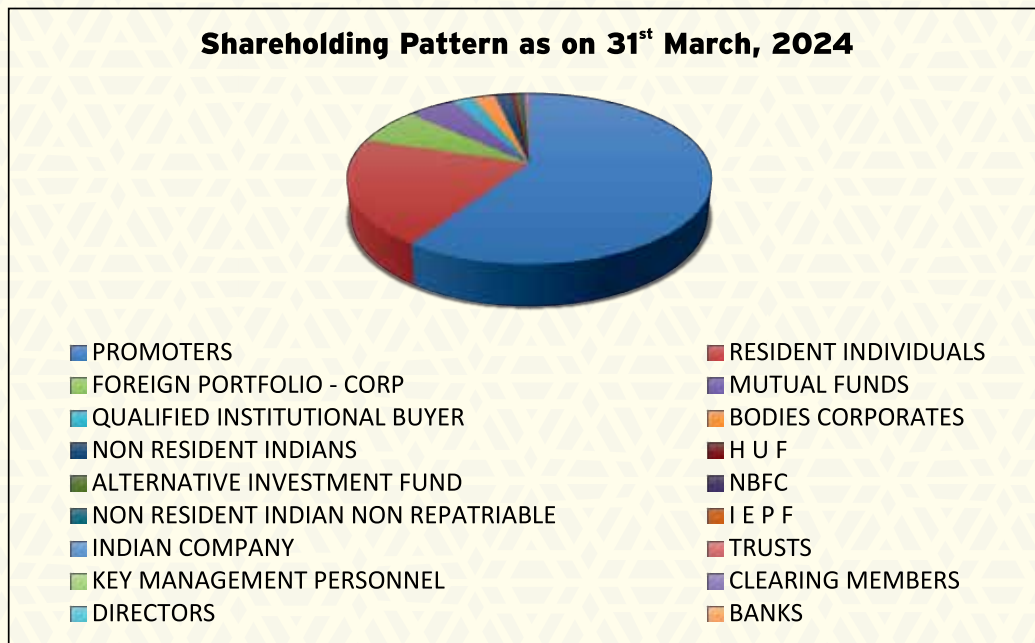
J&K BANK vis-a-vis SENSEX - 2023-24





**SHAREHOLDING PATTERN AS ON 31.03.2024**  
**JAMMU AND KASHMIR BANK LIMITED**

Share holding pattern as on 31 <sup>st</sup> March, 2024			
1.	PROMOTERS	654098280	59.40
2.	RESIDENT INDIVIDUALS	223816318	20.33
3.	FOREIGN PORTFOLIO - CORP	76922250	6.99
4.	MUTUAL FUNDS	55782488	5.07
5.	QUALIFIED INSTITUTIONAL BUYER	25064666	2.28
6.	BODIES CORPORATES	24890066	2.26
7.	NON RESIDENT INDIANS	17955968	1.63
8.	H U F	7229208	0.66
9.	ALTERNATIVE INVESTMENT FUND	3752748	0.34
10.	NBFC	2801750	0.25
11.	NON RESIDENT INDIAN NON REPATRIABLE	2437933	0.22
12.	I E P F	2421091	0.22
13.	INDIAN COMPANY	2323420	0.21
14.	TRUSTS	1660626	0.15
15.	KEY MANAGEMENT PERSONNEL	20877	0.00
16.	CLEARING MEMBERS	4074	0.00
17.	DIRECTORS	500	0.00
18.	BANKS	200	0.00
Total		1101182463	100.00



**LIST OF CREDIT RATINGS OF INSTRUMENTS ISSUED BY BANK**

Particulars	31.03.2024	31.03.2023	Rating Agency
Credit rating and change in credit rating (if any):			
1. Certificate of Deposits	Crisil A1+	CRISIL A1+	CRISIL
2. Short Term Deposits	CRISIL A1+	CRISIL A1+	
3. Long term Deposits	CRISIL AA-/Stable	CRISIL AA-/Stable	
4. Tier II Sub ordinate Debt	BWR AA-/Stable	BWR AA-/Stable	Brickwork
	IND A+/Positive	IND A+/Stable	India Ratings
	CARE A+/Positive	CARE A+/Stable	Care Ratings
5. AT1	BWR A/Stable	BWR A/Stable	Brickwork

**PLANT LOCATION**

Being a banking company, the Bank does not have plants. As on March 31, 2024, the Bank has 1004 Branches (including IARBs) spread over 18 states and 4 union territories. The location/address of Business Units is available on the website of the Bank.



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
{Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,  
The Members of  
Jammu and Kashmir Bank Limited  
Corporate Headquarters, M. A. Road, Srinagar, Kashmir - 190001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JAMMU AND KASHMIR BANK LIMITED having CIN L65110JK1938SGC000048 and having registered office at Corporate Headquarters M. A. Road, Srinagar JK 190001 India (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank, as stated below for the Financial Year ended March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	Name of the Director	DIN	Date of Appointment in the Bank
01	Mr. Baldev Prakash	09421701	December 30, 2021
02	Dr. Pawan Kotwal, IAS	02455728	July 24, 2023
03	Mr. Santosh Dattatraya Vaidya, IAS	05340193	August 22, 2023
04	Dr. Mandeep K Bhandari, IAS	07310347	October 20, 2023
05	Mr. Rajesh Kumar Chhibber	08190084	June 10, 2019
06	Dr. Rajeev Lochan Bishnoi	00130335	January 21, 2022
07	Mr. Naba Kishore Sahoo	07654279	March 01, 2020
08	Mr. Anil Kumar Goel	00672755	January 21, 2022
09	Mr. Umesh Chandra Pandey	01185085	January 21, 2022
10	Mr. Anand Kumar	03041018	March 03, 2022
11	Mr. Sudhir Gupta	09614492	December 14, 2022
12	Ms. Shahla Ayoub	09834993	December 26, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Reshi & Associates  
Company Secretaries

Ghulam Jeelani Reshi  
(Proprietor)

FCS No.: 8720; C P No.: 10020

Firm Registration No: S2011JK536600

PR No. 2125/2022

UDIN: F008720F000646324

Place: Srinagar  
Date: 01.07.2024



**Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members,  
Jammu and Kashmir Bank Limited

We have examined the compliance of the conditions of Corporate Governance by the Jammu and Kashmir Bank Limited ("Bank") for the Financial Year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management of the Bank. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Bank for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management read together with Secretarial Audit Report dated July 01, 2024, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the Financial Year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Place: Srinagar  
Date: 01.07.2024

Ghulam Jeelani Reshi  
(Proprietor)  
FCS No.: 8720; C P No.: 10020  
Firm Registration No: S2011JK536600  
PR No. 2125/2022  
UDIN: F008720F000646335

## SHAREHOLDER INFORMATION

### A) Shareholders' Helpdesk

Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of Registrar and Share Transfer Agents. For lodgment of documents or for any grievances/complaints, shareholders/investors may contact at the following address:

Ms. Rajitha Cholleti / Mr. Prem Kumar Maruturi

M/s KFin Technologies Limited  
Unit: Jammu and Kashmir Bank Limited  
Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032,  
Telangana - India.

Toll Free Number: 1-800-309-4001

E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website:

<https://www.kfintech.com> and <https://ris.kfintech.com>

Timings: 10:00 A.M. to 04:30 P.M.

(Monday to Friday except public holidays)

For the convenience of investors, certain complaints from investors are accepted at the Bank's Office at the below mentioned address:

Share Grievance Cell, Board Secretariat,  
5th floor, Jammu and Kashmir Bank Limited,  
Corporate Headquarters,  
M.A. Road, Srinagar,  
Jammu and Kashmir, 190001.

Telephone: +91-194-2483775, +91-194-

2481930/31/32/33/34/35, Ext: 1542.

Email: [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com)

Name of the Compliance Officer of the Bank:

Mr. Mohammad Shafi Mir

Company Secretary

Telephone: +91-194-2483775

For IEPF related matters - Mr. Ain Altaf Kamili

Tel: +91-194-2483775

Email: [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com)

Queries relating to the Bank's operational and financial performance may be addressed to: [investorrelations@jkbmail.com](mailto:investorrelations@jkbmail.com).

### Banking Customer Helpdesk

In the event of any Queries/Complaints/Service Requests, customers can directly approach the Branch Manager or call the Bank using the following contact details:

Call at:

Contact Center: 1800-890-2122 (24\*7) - toll free number,

+91-194-2470182

+91-194-2713444.

Customer Service Department:

+91-194-2481999 (from 10:00 am to 5:00 pm)

### Contact us online

Customer Grievance Redressal:

Customers may lodge their Grievance/Service Request on the following link:

<https://custcare.jkbank.com/iml2/custcare/home>

For grievances other than Shareholder grievances please send your communication to the following email addresses:

1. Depository Services: [helpdesk@jkbfsl.com](mailto:helpdesk@jkbfsl.com),  
[customer.grievance@jkbfsl.com](mailto:customer.grievance@jkbfsl.com)
2. ATM: [helpdesk@jkbmail.com](mailto:helpdesk@jkbmail.com)

For any grievance, fill up the "Complaint Form" available at the following website link:

[https://www.jkbank.com/pdfs/forms/atm\\_cust\\_compl.pdf](https://www.jkbank.com/pdfs/forms/atm_cust_compl.pdf)

Credit Cards/Debit Cards: The details of Grievance Redressal Officer for Credit and Debit cards is hereunder:

Name: Mr. Towfeeq Ahmad Naqash

E-mail address: [grievance.creditcards@jkbmail.com](mailto:grievance.creditcards@jkbmail.com)

Customers may also call our Toll free number: 1800-890-2122 for assistance.

### B) Dividends

Receipt of Dividends through Electronic mode

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz., Electronic Clearing System (ECS), LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), Direct Credit, RTGS, NEFT etc.

In order to receive the dividend without loss of time (as and when declared by the Bank), all the eligible shareholders holding shares in Dematerialized mode are requested to update with their respective Depository Participants, their correct core banking account number, including 9 digit MICR Code and 11 digit IFSC, e-Mail ID, Permanent Account Number (PAN) and Mobile No(s). This will facilitate the remittance of the Dividend amount in the Bank Account electronically. Updation of e-Mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, uncashed dividend etc.

Shareholders holding shares in physical form may communicate details relating to their core banking account, viz., core banking account number, including 9 digit MICR Code and 11 digit IFSC, E-Mail ID, Permanent Account Number (PAN) and Mobile No(s) to the Registrar and Share Transfer Agents viz., M/s KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana - India, by sending the duly completed and signed ISR Forms in original along with a photocopy of a cancelled cheque leaf of their active core banking account, self-attested copy of their PAN card and a self-attested copy of any one of the documents mentioned hereafter: Aadhar/utility payment bills (not more than three months old)/bank pass book / passport /driving license to validate their present address.

Various modes for making payment of Dividend under electronic mode: In case, the shareholder has updated core banking account details (including 9 digit MICR Code and 11



digit IFSC code) for the purpose of payment of dividend (as and when declared by the Bank), then the Bank shall make the payment of dividend to such shareholder under any one of the following modes:

1. National Automated Clearing House (NACH)
2. National Electronic Fund Transfer (NEFT)
3. Direct credit in case the shareholders having an active Bank account with Jammu and Kashmir Bank Limited and have registered the same.

In case any discrepancy is observed in the details regarding the bank accounts where the dividend amount has to be directly credited or has to be credited through electronic mode, the Bank shall issue a dividend warrant and print the dividend account details which has to be debited. The dividend warrant shall be dispatched to the registered address of the shareholder.

### Unclaimed Dividends

As per the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the financial year ended March 31, 2016 have already been transferred to the IEPF Authority. The details of unclaimed dividends for the financial year ended 2023 and the last date for claiming such dividends are given below:

Dividend for the year ended	Date of Declaration of dividend	Last date for claiming dividend
March 31, 2023	August 24, 2023	August 17, 2030

Unclaimed Dividend for the FY 2023-24 includes an amount of ₹3.50 Crores payable to the employee shareholders, who were allotted shares under the JKBESPS-2023. Listing of the shares allotted under JKBESPS-2023 got delayed beyond the record date owing to one stock exchange seeking clarifications regarding the observations made by Auditors while issuing the requisite certificate for listing purpose. In the interregnum, Bank approached RBI for seeking clarification on the issue of Auditors' observations. The clarification is awaited from the Regulator and, as such, payment of said dividend was put on hold.

(The Bank has not declared any Dividend for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22)

### C) Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority

As per the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") which have become effective on October 31, 2017, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed: Provided that

any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

As per the requirement of Rule 6 of the IEPF Rules, the Bank had sent individual intimation to all the shareholders and also published notice in the leading newspapers in English and regional language having wide circulation for the information to shareholders regarding transfer of shares to IEPF. The shares in respect of the shareholders whose dividend has not been claimed for seven (7) consecutive years, upto financial year 2015-16, have been transferred to the designated Dematerialized Account of the IEPF authority during the financial year ending March 31, 2024. As required under the said provisions, all subsequent corporate benefits that may accrue in relation to the above shares shall also be credited to the said IEPF Authority. (Share figures reported are of the face value of Re 1.00 each). Further, the number of shares transferred along with the number of shareholders whose shares have been transferred to Investor Education & Protection Fund Authority are appended below:

Particulars	Records / No. of Shareholders	No. of Equity Shares (Face value of Re. 1.00 each)
Shares Transferred to IEPF in FY 2017-18	412	4,76,266
Shares Transferred to IEPF in FY 2018-19	115	82,207
Shares Transferred to IEPF in FY 2019-20	81	1,19,812
Shares Transferred to IEPF in FY 2020-21	65	83,510
Shares Transferred to IEPF in FY 2021-22	164	1,92,108
Shares Transferred to IEPF in FY 2022-23	478	3,76,967
Shares Transferred to IEPF in FY 2023-24	795	11,05,049

As per the terms of Section 124(6) of the Companies Act, 2013 and Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares of the face value of Re 1.00 each stand transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF 5 which is available at <http://www.iepf.gov.in>.

### Guidelines to file your claim

- For claiming the shares and dividend from the IEPF Authority, shareholders can make an online web based application through MCA portal. Shareholders need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, shareholders have to click on MCA services tab and choose IEPF- 5 option under "Investor Services" in "MCA Services" tab and follow the due process for filing the form.
- Printout of the duly filled Form IEPF - 5 with claimant

and joint holders (if any) signature and along with the acknowledgment issued after uploading the form will have to be submitted together with an indemnity bond in original, advance receipt in original, cancelled cheque leaf of active bank account (details of which mentioned by the claimant at the time of uploading the web based form), and other documents as mentioned in the Form IEPF-5 to Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority". Certain information about the Bank which shall be required to be submitted is as under:

- (a) Corporate Identification Number (CIN) of Company: L65110JK1938SGC000048
- (b) Name of the Company: Jammu and Kashmir Bank Limited
- (c) Address of registered office of the company: Jammu and Kashmir Bank Limited, Corporate Headquarters, M.A Road, Srinagar, Jammu & Kashmir, 190001.
- (d) Email ID of the Bank: [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com)

**D) Names of Depositories for dematerialization of equity shares (ISIN No. INE168A01041)**

- National Securities Depository Limited (NSDL)
- Central Depository Services (India) Limited (CDSL)

**INVESTOR SERVICES**

M/s Kfin Technologies Limited has been entrusted with the task of overseeing all aspects relating to investor services for and on behalf of the Bank. M/s Kfin Technologies Limited has a proper system in place to ensure that required service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the accepted service criterions.

Investors are requested to write to the registered office of the Bank or to M/s Kfin Technologies Limited for availing any

services or may address their correspondence / complaints to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

**GREEN INITIATIVES**

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including e-mail to those members who have registered their e-mail address either with their Depository Participants (DP) or with the company. Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

The members who have changed their email but have not updated the new e-mail address, the Bank would send the said documents to their e-mail address available with the Bank/Registrar and Share Transfer Agent. Said documents shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. As such, the members are requested to update their e-mail ID's with their DP (shares held in electronic form) or with M/s Kfin Technologies Limited (shares held in physical form) forthwith.

Besides, in terms of SEBI circular dated 5 January, 2023, annual report for the Financial Year 2023-24 and the notice convening the 86th AGM, are being sent only through electronic mode to those members who have registered their e-mail addresses with the Bank/ their respective DP or with the Registrar and Share Transfer Agent.

Accordingly, the physical copy of the said documents is not being sent to members who have not registered their e-mail addresses with the Bank/DP or M/s Kfin Technologies Limited. However, in the event, a member desires to receive a physical copy of the annual report, he/she is requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com) quoting DP ID and client ID or folio number, as the case may be, to enable the Bank to provide physical copy of the said documents, free of cost. Please note that the said documents are also being uploaded on the Bank's website.



## Feedback Form

Dear Member,  
J&K Bank requests you to rate the following aspects of this Annual report on the scale given below:

	Below Expectation	Average	Fair	Good	Excellent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Is it informative?  
\_\_\_\_\_

How do you rate the Clarity of the contents? _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
---	----------------------	----------------------	----------------------	----------------------	----------------------

Is the financial information Comprehensive? _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
--	----------------------	----------------------	----------------------	----------------------	----------------------

Is the content of this report relevant to you _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
--	----------------------	----------------------	----------------------	----------------------	----------------------

What is your Overall feedback on the report? _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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What is your Overall feedback on the report?  
\_\_\_\_\_

What is your Overall feedback on the report?  
\_\_\_\_\_

Signature.....

Name.....

Address.....

Folio No./Client ID.....





**Form No. SH-13**

**NOMINATION FORM**

**[Pursuant to section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To  
**Jammu and Kashmir Bank Limited**  
Corporate Headquarters, M. A. Road,  
Srinagar - 190001

I/We.....  
..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

**(2) PARTICULARS OF NOMINEE/S**

- (a) Name:.....
- (b) Signature of Nominee: .....
- (c) Date of Birth:.....
- (d) Father's/Mother's/Spouse's name:.....
- (e) Occupation:.....
- (f) Nationality:.....
- (g) Address: .....
- (h) E-mail id:.....
- (i) Relationship with the security holder: .....

**(3) IN CASE NOMINEE IS A MINOR**

- (a) Date of birth:.....
- (b) Date of attaining majority: .....
- (c) Name of guardian:.....
- (d) Signature of guardian:.....
- (e) Address of guardian:.....

**(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY**

- a) Name:.....
- b) Signature of Nominee: .....
- c) Date of birth:.....
- d) Father's/Mother's/Spouse's name:.....
- e) Occupation:.....
- f) Nationality:.....
- g) Address: .....
- h) E-mail id:.....
- i) Relationship with the security holder: .....
- j) Relationship with the minor nominee: .....



**Security Holder (s)**

Signature:.....

Name:.....

Address:.....

.....

.....

**Witness:**

Signature:.....

Name:.....

Address:.....

.....

.....

**INSTRUCTIONS:**

1. In case you are holding physical shares, the duly filled-in form be sent to Company Secretary, Jammu and Kashmir Bank Limited, Board Secretariat, Corporate Headquarters, M.A. Road, Srinagar - 190001 or to our Share Transfer Agent: M/s KFin Technologies Limited Unit: J&K Bank Limited, Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India, along with duly completed and signed ISR forms. In Case you are holding shares in Dematerialised form, the duly filled-in form be sent to the Depository Participant where you are having Demat Account.
2. Please use separate form for each folio. Nomination is applicable to the folio, irrespective of the number of shares registered under the folio. Only one nomination per folio per instance would be entertained
3. The nomination can be made by individuals only applying / holding share(s) on their own behalf singly or jointly upto two persons. Non-Individuals including society, trust, body Corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney, cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form
4. A minor can be nominated by a holder of share(s) and in that event the name and address of the guardian shall be given by the holder.
5. The nominee shall not be a trust, society, body Corporate, karta of Hindu undivided family or a power of attorney holder. A nonresident Indian can be a nominee on Repatriable basis (subject to the Reserve Bank of India's approval as applicable).
6. Nomination stands rescinded upon transfer of share(s) or on receipt of Form No. SH-14 (cancellation or variation of Nomination).
7. Transfer of shares in favour of a nominee shall be a valid discharge by a Company against the legal heirs.
8. The form must be complete in all respects and duly witnessed. Incomplete form is not a valid nomination
9. Subject to rules and regulations as applicable from time to time.





**Form No. SH-14**

**CANCELLATION OF VARIATION OF NOMINATION**

**[Pursuant to sub - section (3) section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]**

To  
**Jammu and Kashmir Bank Limited**  
Corporate Headquarters, M. A. Road,  
Srinagar - 190001

I/We hereby cancel the nomination(s) made by me/us in favour of.....  
.....(name and address of the nominee) in respect of the below mentioned securities.

I/We hereby nominate the following person in place of ..... as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/ our death.

**(1) (1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)**

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

**(2) PARTICULARS OF NOMINEE/S**

- (a) Name:.....
- (b) Signature of Nominee: .....
- (c) Date of Birth:.....
- (d) Father's/Mother's/Spouse's name:.....
- (e) Occupation:.....
- (f) Nationality:.....
- (g) Address: .....
- (h) E-mail id:.....
- (i) Relationship with the security holder: .....

**(3) IN CASE NOMINEE IS A MINOR**

- (a) Date of birth:.....
- (b) Date of attaining majority: .....
- (c) Name of guardian:.....
- (d) Signature of guardian:.....
- (e) Address of guardian:.....

**(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY**

- a) Name:.....
- b) Signature of Nominee: .....
- c) Date of birth:.....
- d) Father's/Mother's/Spouse's name:.....
- e) Occupation:.....
- f) Nationality:.....
- g) Address: .....
- h) E-mail id:.....
- i) Relationship with the security holder: .....
- j) Relationship with the minor nominee: .....



**Security Holder (s)**

Signature:.....

Name:.....

Address:.....

.....

.....

**Witness:**

Signature:.....

Name:.....

Address:.....

.....

.....

**INSTRUCTIONS:**

1. In case you are holding physical shares, the duly filled-in form be sent to Company Secretary, Jammu and Kashmir Bank Limited, Board Secretariat, Corporate Headquarters, M.A. Road, Srinagar - 190001 or to our Share Transfer Agent: M/s KFin Technologies Limited Unit: J&K Bank Limited, Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India, along with duly completed and signed ISR forms. In Case you are holding shares in Dematerialised form, the duly filled-in form be sent to the Depository Participant where you are having Demat Account.
2. Please use separate form for each folio. Nomination is applicable to the folio, irrespective of the number of shares registered under the folio. Only one nomination per folio per instance would be entertained
3. The nomination can be made by individuals only applying / holding share(s) on their own behalf singly or jointly upto two persons. Non-Individuals including society, trust, body Corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney, cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form
4. A minor can be nominated by a holder of share(s) and in that event the name and address of the guardian shall be given by the holder.
5. The nominee shall not be a trust, society, body Corporate, karta of Hindu undivided family or a power of attorney holder. A non resident Indian can be a nominee on Repatriable basis (subject to the Reserve Bank of India's approval as applicable).
6. Nomination stands rescinded upon transfer of share(s) or on receipt of Form No. SH-14 (cancellation or variation of Nomination).
7. Transfer of shares in favour of a nominee shall be a valid discharge by a Company against the legal heirs.
8. The form must be complete in all respects and duly witnessed. Incomplete form is not a valid nomination
9. Subject to rules and regulations as applicable from time to time.





**Form ISR - 1**

**(SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)**

**REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF  
[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]**

Date: \_\_\_ / \_\_\_ / \_\_\_\_

A. I / We request you to Register / Change / Update the following (Tick  relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Bank details	<input type="checkbox"/> Signature
<input type="checkbox"/> Mobile number	<input type="checkbox"/> E-mail ID	<input type="checkbox"/> Address

B. Security Details:

Name of the Issuer Company	Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.
Number & Face value of securities	
Distinctive number of securities (Optional)	From To

C. I / We are submitting documents as per Table below (tick üas relevant, refer to the instructions):

	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4
2	Demat Account Number	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3	Proof of Address of the first holder	Any one of the documents, only if there is change in the address; <input type="checkbox"/> Client Master List (CML) of your Demat Account, provided by DP. <input type="checkbox"/> Valid Passport/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. <input type="checkbox"/> Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. <input type="checkbox"/> Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. <input type="checkbox"/> For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken. <input type="checkbox"/> The proof of address in the name of the spouse





4	Bank details	Account Number: _____ Bank Name: _____ Branch Name: _____ IFS Code: _____ Provide the following: <input type="checkbox"/> original cancelled cheque with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement</u> attested by the Bank #
5	E-mail address	_____ #
6	Mobile	_____ #

\* or any date as may be specified by the CBDT

(DP: Depository Participant)

# In case it is not provided, the details available in the CML will be updated in the folio

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) \_\_\_\_\_, \_\_\_\_\_, (use Separate Annexure if extra space is required) in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓		
Name	✓		
Full address	✓		
PIN	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**Mode of submission of documents to the RTA**

Please use any one of the following mode;

1. In Person Verification (IPV): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

**Note**

<ul style="list-style-type: none"> <li>It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).</li> </ul>	
<ul style="list-style-type: none"> <li>Upon receipt or up-dation of bank details, the RTA will automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.</li> </ul>	
<ul style="list-style-type: none"> <li>RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.</li> </ul>	
<ul style="list-style-type: none"> <li>RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.</li> </ul>	
<ul style="list-style-type: none"> <li>Specimen Signature</li> </ul>	<ul style="list-style-type: none"> <li>Provide banker's attestation of the signature of the holder(s) as per Form ISR - 2 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and</li> <li>original cancelled cheque with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement</u> attested by the Bank</li> </ul>
<ul style="list-style-type: none"> <li>Nomination**</li> </ul>	<ul style="list-style-type: none"> <li>Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021</li> <li>Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655</li> <li>Cancellation of Existing Nomination: use Form SH-14 &amp; Form ISR - 3</li> </ul>

\*\* Nomination (Form SH-13 or SH-14) / 'Declaration to Opt-Out of nomination' (Form ISR - 3), has to be furnished by the holder(s) separately for each listed company.

(Page 3 & 4 is for information to investors; print out of the same is not required)



**Objection Memo that can be raised by the RTA**

**(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)**

**Note**

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN - Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure - 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> <li>• Banker's attestation of the signature of the holder(s) as per Form ISR - 2</li> <li>• <u>Original cancelled cheque</u> with name of security holder printed on it or <u>Bank Pass-book</u> or <u>Bank Statement attested by the Bank</u></li> </ul>
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; <ul style="list-style-type: none"> <li>• Unique Identification Number (UID) (Aadhaar)</li> <li>• Valid Passport</li> <li>• Driving license</li> <li>• PAN card with photograph</li> <li>• Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions</li> <li>• Marriage certificate</li> <li>• Divorce decree</li> </ul>
5	Present address of the holder is not matching with the address available in the folio	RTA shall issue intimation to both the old and new addresses. <ul style="list-style-type: none"> <li>• In case where the letter is undelivered at the old address, RTA shall not insist for any proof of the old address provided the current address proof is in the form of an address proof issued by a Government Authority.</li> </ul> The above procedure will be applicable for request for change in address of the holder also

(Page 3 & 4 is for information to investors; print out of the same is not required)



**Form ISR - 2**

(SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021)  
Confirmation of Signature of securities holder by the Banker

1. **Bank Name and Branch** \_\_\_\_\_

2. **Bank contact details**

Postal Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Email address \_\_\_\_\_

3. **Bank Account Number** \_\_\_\_\_

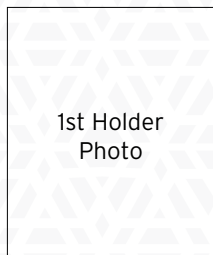
4. **Account opening date** \_\_\_\_\_

5. **Account Holder's Name** 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

6. **Latest photograph of the account holder(s)**



**Account holder(s) details as per Bank Records**

a) Address \_\_\_\_\_

\_\_\_\_\_

b) Phone Number \_\_\_\_\_

c) Email address \_\_\_\_\_

d) Signature(s) \_\_\_\_\_



1st Holder  
Signature

2nd Holder  
Signature

3rd Holder  
Signature

Seal of the Bank

Signature verified as recorded with the Bank

Place: \_\_\_\_\_

(Signature) \_\_\_\_\_

Date: \_\_\_\_\_

Name of the Bank Manager \_\_\_\_\_

Employee Code \_\_\_\_\_

Email address \_\_\_\_\_



**Form ISR - 3**  
**Declaration Form for Opting-out of Nomination**  
**by Holders of Physical Securities in Listed Companies**  
**(SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021)**

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Company : .....

Registered Address of the Company : .....  
.....

I/We.....  
....., the holder(s) of the securities particulars of which are given hereunder, do not wish to nominate any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

Nature of Securities Tick ✓ as relevant	Folio No	No. of Securities	Certificate No.	Distinctive No(s) ( From - To )
Equity / Debentures				

I/ We understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

**Name(s) and Address of Security holder(s)**

	First Holder	Second Holder	Third Holder
Name			
Address			
	PIN _____	PIN _____	PIN _____
Signature			

**Witness Detail:**

Name of Witness	PIN _____	Signature	
Address of Witness		Date	



**Form ISR-4**

**(Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)**

**Request for issue of Duplicate Certificate and other Service Requests  
(For Securities - Shares / Debentures / Bonds, etc., held in physical form)**

Date: \_\_\_ / \_\_\_ / \_\_\_\_

**A. Mandatory Documents / details required for processing all service request:**

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company (tick ✓ as relevant, refer to the instructions):

- Demat Account No. (If available):
- Provide Client Master List (CML) of your Demat Account from the Depository Participant\*
- Provide the following details, if they are not already available with the RTA (see SEBI circular dated November 03, 2021 in this regard)

PAN	Specimen Signature
Nomination / Declaration to Opt-out	

\* (Your address, e-mail address, mobile number and bank details shall be updated in your folio from the information available in your CML). You can authorize the RTA to update the above details for all your folios. In this regard, please refer to and use Form ISR-1 in SEBI circular dated November 03, 2021.

**B. I / We request you for the following (tick ✓ relevant box)**

<input type="checkbox"/> Issue of Duplicate certificate	<input type="checkbox"/> Claim from Unclaimed Suspense Account
<input type="checkbox"/> Replacement/ Renewal / Exchange of securities certificate	<input type="checkbox"/> Endorsement
<input type="checkbox"/> Sub-division / Splitting of securities certificate	<input type="checkbox"/> Consolidation of Folios
<input type="checkbox"/> Consolidation of Securities certificate	<input type="checkbox"/> Transmission
<input type="checkbox"/> Transposition (Mention the new order of holders here) <input type="checkbox"/> Change in name <input type="checkbox"/> Change in address	

**C. I / We are enclosing certificate(s) as detailed below\*\*:**

Name of the Issuer Company	
Folio Number	
Name(s) of the security holder(s) as per the certificate(s)	1. 2. 3.
Certificate numbers	
Distinctive numbers	
Number & Face value of securities	

\*\* Wherever applicable / whichever details are available





D. **Document / details required for specific service request:**

- Duplicate securities certificate
- Claim from Unclaimed Suspense Account

Securities claimed	(in numbers)
	(in words)

- Replacement / Renewal / Exchange of securities certificate  
(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- Endorsement
- Sub-division / Splitting of securities certificate
- Consolidation of securities certificate/Folios
- Transmission
- Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

**Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.**

	Security Holder 1 / Claimant	SecurityHolder 2	SecurityHolder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>



**Jammu and Kashmir Bank Limited**

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

## ATTENDANCE SLIP

(PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND HAND IT OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS)

I/We hereby record my/our presence at the 86<sup>th</sup> Annual General Meeting of the JAMMU AND KASHMIR BANK LIMITED held at Jammu and Kashmir Bank Limited, Corporate Headquarters, M. A. Road, Srinagar, Jammu and Kashmir - 190001 on Saturday, 17<sup>th</sup> August, 2024 at 11:00 A.M.

Name of the Shareholder: \_\_\_\_\_

Folio No./ Client ID/ DP ID: \_\_\_\_\_

Name of the Proxy / representative, if any \_\_\_\_\_

I certify that I am a registered Shareholder/ Proxy for the Shareholder of the Bank

Signature of the Shareholder / Proxy

Notes:

1. Attendance slip which is not complete in all respects shall not be accepted.
2. The registration counter will remain open between 09:00 A.M to 11:00 A.M.
3. Joint Shareholders may obtain additional attendance slip on request.



**Jammu and Kashmir Bank Limited**

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

**MGT-11  
 PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1.	Name		
	Address		
	E-mail ID		
	Signature		or failing him
2.	Name		
	Address		
	E-mail ID		
	Signature		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 86<sup>th</sup> Annual General Meeting of the Bank to be held on Saturday, 17<sup>th</sup> August, 2024 at 11:00 A.M. at Jammu and Kashmir Bank Limited, Corporate Headquarters, M. A. Road, Srinagar, Jammu and Kashmir - 190001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Type of Resolution	I/ We assent to the resolution (For)	I/ We Dissent to the resolution (Against)
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2024 .	Ordinary		
2.	To declare dividend on Equity Shares of the Bank.	Ordinary		
3.	Re-appointment of Mr. R K Chhibber (DIN: 08190084) who retires by rotation.	Ordinary		
4.	Re-appointment of Mr. Sudhir Gupta (DIN: 09614492) who retires by rotation.	Ordinary		
5.	Appointment & Fixation of Remuneration to Statutory Auditors for the Financial Year 2024-25.	Ordinary		
6.	To Pay Fixed Remuneration to Non-Executive Directors of the Bank.	Ordinary		

Signature of the Shareholder:

Signature of the Proxy Holder(s):



Signed this.....day of....., 2024

NOTE: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.



**Form No. MGT - 12 Polling Paper**  
[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:	Jammu and Kashmir Bank Limited
Registered Office:	M.A. Road, Srinagar-190001
CIN:	L65110JK1938SGC000048

**BALLOT PAPER**

S No	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No. / Client ID No. (applicable to investors holding shares in dematerialized form)	
4.	Class of Shares	Equity Shares
5.	Number of Shares	

I hereby exercise my vote in respect of Ordinary Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	I assent to the resolution	I dissent from the resolution
1.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that approval of Members be and is hereby accorded to Standalone and Consolidated Financial Statements as at 31 <sup>st</sup> March, 2024 together with Auditor's Report and comments of C&AG thereon, together with Report of Directors, be and are hereby approved and adopted."		
2.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that approval of Members be and is hereby accorded for payment of Final Dividend of 215% (i.e. Rs.2.15 per Equity Share of Face Value Re.1/-)"		
3.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that Mr. R K Chhibber (DIN: 08190084), who retires by rotation and being eligible, offers himself for re-appointment be and hereby re-appointed as Director of the Bank, subject to retiring by rotation."		
4.	To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that Mr. Sudhir Gupta (DIN: 09614492) , who retires by rotation and being eligible, offers himself for re-appointment be and hereby re-appointed as Director of the Bank, subject to retiring by rotation."		



5.	<p>To pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and Section 30(1A) of the Banking Regulation Act, 1949, the Board of Directors, be and are hereby authorized to appoint &amp; pay Remuneration to Statutory Auditors for the Financial Year ending 31<sup>st</sup> March 2025, as per the schedule of the RBI applicable to Public Sector Banks, including remuneration for the Limited Review of Quarterly Financial Results for the periods ending 30<sup>th</sup> June, 2024, 30<sup>th</sup> September, 2024 and 31<sup>st</sup> December, 2024."</p>		
6.	<p>To consider and pass with or without modification(s) the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the Reserve Bank of India circular No.DoR.HGG.GOV.REC.75/29.67.001/ 2023-24 dated February 9, 2024 and subject to such approvals, consents, clarifications, permissions and sanctions, as may be required from the appropriate authorities for the purpose, approval of the Shareholders of the Bank be and is hereby, accorded to the payment of fixed compensation to the Non-Executive Directors of the Bank (except Chairperson of the Board and directors who are in the full employment of Government or the Reserve Bank of India) an amount as may be deemed fit by the Board from time to time subject to a maximum of Rs.10.00 lacs per annum per director w.e.f. April 2023."</p>		

Place: Srinagar  
Date: 17<sup>th</sup> August, 2024

(Signature of the Shareholder)

## AUDITORS

**Gupta Gupta & Associates**  
Chartered Accountants

**JCR & Co.**  
Chartered Accountants

**Lunawat & Co.**  
Chartered Accountants

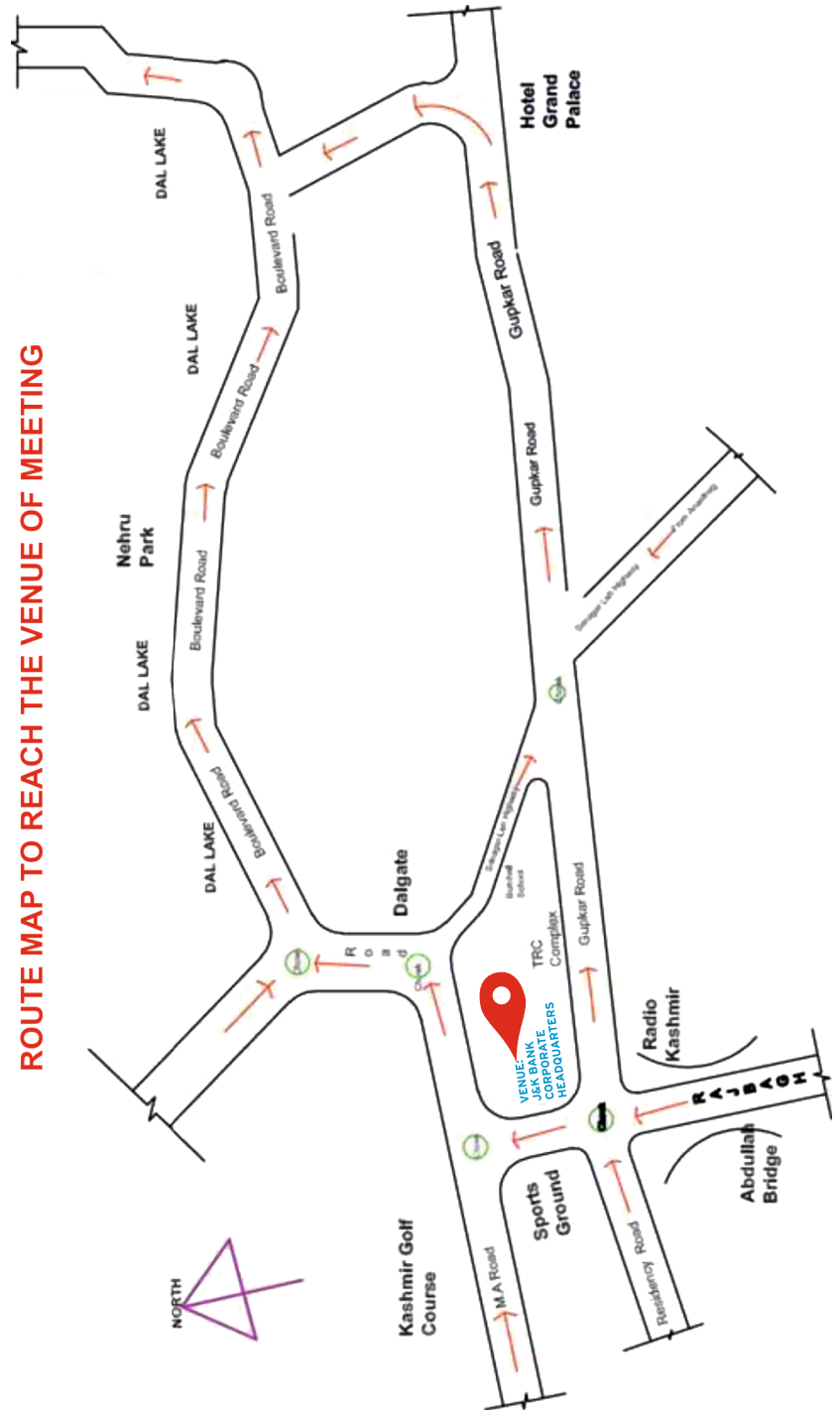
## REGISTRAR AND TRANSFER AGENT

M/s Kfin Technologies Limited  
Selenium Tower B. Plot No. 31 & 32,  
Financial District, Nanakramguda  
Serilingampally Mandal  
Hyderabad - 500 032 India  
Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website : [www.kfintech.com](http://www.kfintech.com)  
Toll Free Number : 18003094001

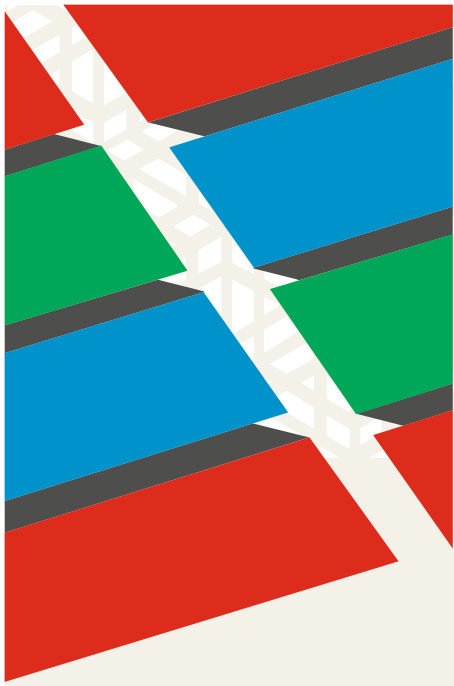
## REGISTERED OFFICE:

Jammu and Kashmir Bank Limited,  
Corporate Headquarters, M.A. Road  
Srinagar, Jammu and Kashmir - 190001  
CIN : L65110JK1938SGC000048  
Phone : +91-194-2481930-35 Extn: 1541-1547  
Fax : 0194-2481928  
Email : [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com)  
Website : [www.jkbank.com](http://www.jkbank.com)

## ROUTE MAP TO REACH THE VENUE OF MEETING



SCAN QR CODE  
TO REACH THE VENUE



**J&K Bank**  
Serving To Empower

Jammu and Kashmir Bank Limited  
Corporate Headquarters  
M.A. Road, Srinagar 190 001