

Board Secretariat



F: 503/B-2017-18/13
Dated: 24th April, 2017

National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai - 400 001

Sub: - Dispatch of postal ballot notice dated April 21, 2017 ("Postal Ballot Notice")

Dear Sirs,

This is in furtherance of our Letter No. JKB/BS/F: 3819/2017 dated April 15, 2017, informing the Stock Exchanges the outcome of the Board Meeting held on April 15, 2017 that the Board approved issue of equity shares on a preferential basis to the Government of Jammu and Kashmir, the promoter and majority shareholder of the Bank ("J&K Govt.") and raising of funds through allotment of unsecured, redeemable, subordinated, non convertible, BASEL III Tier 2 Bonds in the nature of Debentures/Bonds aggregating to Rs.1000 Crores.

Pursuant to the authorization granted by the Board in its meeting, the Postal Ballot Notice finalized on April 21, 2017 has been sent to the Members whose names appear in the Register of Members/List of Beneficial Owners as on April 14, 2017 (cut-off date) seeking their approval to the proposed resolutions. The dispatch of Postal Ballot Notices was completed by the Bank on April 24, 2017.

In accordance with Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), as amended from time to time, the relevant date for the purpose of determining the floor price for the proposed preferential issue is Monday, April 24, 2017, being the date 30 (thirty) days prior to May 24, 2017, the date of passing of the proposed Special Resolution by postal ballot, if approved by the requisite majority.

The price for issue and allotment of the equity shares to the J&K Govt. pursuant to the proposed preferential issue has been fixed at Rs. 79.38 (Rupees seventy nine and thirty eight paise only) per share, the floor price determined in accordance with SEBI ICDR Regulations. The said price has been determined as on/of close of trading/business on BSE Limited and National Stock Exchange on Friday, April 21, 2017 (being the last trading day before the relevant date) in accordance with SEBI ICDR Regulations.

Handwritten signature in blue ink.

Board Secretariat



Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the copy of the Postal Ballot Notice and Postal Ballot Form sent to shareholders is attached herewith for your information and records. Kindly note, that the Postal Ballot Notice and Postal Ballot Form are also uploaded on the Bank's website www.jkbank.net.

The information regarding dispatch of Postal Ballot Notices and voting period will be published in the newspapers in accordance with the provisions of Companies Act, 2013 and rules thereunder and other applicable provisions, if any, for the benefit of the Members of the Bank and copies of advertisement published will also be submitted to the Stock Exchanges.

Request you to kindly take the information on your records.

Thanking you

Yours faithfully
For The Jammu & Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read 'Shafi Mir', is written over the typed name.

(Mohammad Shafi Mir)
Company Secretary



The Jammu & Kashmir Bank Ltd.
Registered Office: M.A. Road, Srinagar-190001
CIN: L65110JK1938SGC000048
Tel No: 0194-2483775 Fax No: 0194-2481928
Email: board.sectt@jkbmail.com.
Website: www.jkbank.net

NOTICE OF POSTAL BALLOT
(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies
(Management and Administration) Rules, 2014.

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014 (“Rules”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, that the Special Resolutions appended below are proposed to be passed by the Shareholders of the Jammu & Kashmir Bank Limited (the “Bank”) through Postal Ballot or alternatively, through electronic voting (“e-voting”) facility offered by the Bank in this regard. The Explanatory Statement pertaining to the said Special Resolutions setting out the material facts and the reasons thereof and a Postal Ballot Form are annexed to this notice for your consideration.

The Board of Directors of the Bank has appointed **Mr. Harish Kumar Villadath, Advocate** as Scrutinizer (“Scrutinizer”) for conducting the postal ballot/e-voting process in a fair and transparent manner.

Members may vote either by way of Postal Ballot or by way of e-voting. Members desiring to vote through Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope not later than 1700 hours IST on May 24, 2017. Postage will be borne and paid by the Bank. Postal Ballot Form(s), if sent by courier or by Registered Post/Speed Post and at the expense of the shareholder(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address provided on the Business Reply Envelope. Please note that duly completed Postal Ballot Form(s) should reach the “Scrutinizer” not later than 1700 hours IST on May 24, 2017, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Shareholder.

Members desiring to opt for e-voting as per facilities arranged by the Bank are requested to read and follow the instructions in the Notes under the section “Voting through electronic means.”

The “Scrutinizer” will submit his report to the Chairman of the Bank after the completion of the scrutiny of the Postal Ballots (including e-voting). The result of Postal Ballot shall be declared on or before 1700 hours on May 26, 2017 and will be displayed at the Registered Office/Corporate Office of the Bank, communicated to the Stock Exchanges and would also be uploaded on the Bank’s website at www.jkbank.net and on the website of e-voting agency - Karvy Computershare Pvt. Ltd. at www.evoting.karvy.com.

Resolution - 01:

AUTHORITY TO THE BOARD OF DIRECTORS OF THE BANK TO OFFER, ISSUE AND ALLOT EQUITY SHARES ON A PREFERENTIAL BASIS TO THE GOVERNMENT OF JAMMU AND KASHMIR, PROMOTER AND MAJORITY SHAREHOLDER OF THE BANK

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42 and Section 62 of the Companies Act, 2013 (“Act”), read with the relevant rules framed thereunder, and other applicable provisions of the Act, if any, including any amendment(s) thereto or modification(s) or re-enactment(s) thereof and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Bank, the listing agreement(s) entered into by the Bank with the Stock Exchange(s) where the equity shares of the Bank are listed and in accordance with any other applicable law or regulations, and subject to the provisions of the Banking Regulation Act, 1949 and other regulations / guidelines, if any, prescribed by the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”) including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) as amended from time to time, and by all other concerned and relevant authorities from time to time, to the extent applicable, and subject to such approvals, consents, permissions and sanctions of the Government, SEBI, RBI and all other appropriate authorities, as may be required and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions as deemed fit and agreed to by the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the consent, authority and approval of the Members of the Bank be and is hereby accorded to the Board to create, offer, issue and allot 3,55,25,321 (Three Crore Fifty Five Lakhs Twenty Five Thousand Three Hundred and Twenty One) fully paid up equity shares of face value of Re. 1 (Rupee One) each of the Bank (“Equity Shares”),

on a preferential basis to the Government of Jammu and Kashmir (“J&K Govt.”), the promoter and majority shareholder of the Bank, for cash, at a price of Rs. 79.38 (Rupees Seventy Nine and Thirty Eight Paisa only) per Equity Share (including premium of Rs.78.38 (Rupees Seventy Eight and Thirty Eight Paisa only) per Equity Share being the floor price determined in accordance with Regulation 76 of the ICDR Regulations aggregating to an amount of Rs. 281,99,99,981 (Rupees Two Hundred Eighty One Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Eighty One only) and on such other terms and conditions as may be fixed by the Board in accordance with the applicable laws.”

“RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the ICDR Regulations, the “relevant date” for the purpose of calculating the floor price for the issue of Equity Shares is Monday, April 24, 2017 falling 30 (Thirty) days prior to Wednesday May 24, 2017 that is, the date of passing of the special resolution by the shareholders for approving the proposed issue of Equity Shares on preferential basis to the J&K Govt.”

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall rank *pari passu* with the existing equity shares of the Bank in all respects, including dividend and shall be subject to the Memorandum of Association and Articles of Association of the Bank and lock-in as provided under the provisions of Chapter VII of the ICDR Regulations.”

“RESOLVED FURTHER THAT the Equity Shares shall be allotted in dematerialized form within a period of 15 days from the date of receipt of shareholders' approval or in the event the allotment of Equity Shares require any approval(s) or permission(s) from any regulatory authority or the Government, within 15 days from the date of such approval(s) or permission(s), as the case may be.”

“RESOLVED FURTHER THAT the Board and/or the Chairman and Chief Executive Officer of the Bank and / or any other officials/Officer(s) of the Bank nominated by it/him be and are hereby authorised to enter into and execute all such agreements and arrangements with any Depository(ies), Custodian(s) and all such agencies as may be involved or concerned in such offering of Equity Shares and to remunerate all such agencies by way of fees, reimbursement of expenses or the like, and also to seek the listing of the Equity shares in one or more Stock Exchange(s), in India, as the case may be and to settle any questions, difficulties, doubts that may arise in regard to the preferential issue, issue and allotment of Equity Shares and utilization of issue proceeds as it/he may in its/his absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board and/or the Chairman and Chief Executive Officer be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary and execute all such agreements, applications, documents, undertakings, instruments and writings as may be required to give effect to this resolution and to delegate all or any of its powers herein to any Officer(s) of the Bank in such manner as it/he may deem fit in its/his absolute discretion.”

Resolution - 02:

AUTHORITY TO THE BOARD OF DIRECTORS OF THE BANK FOR RAISING FUNDS THROUGH ALLOTMENT OF UNSECURED, REDEEMABLE, SUBORDINATED, NON-CONVERTIBLE, BASEL III COMPLIANT TIER 2 BONDS IN THE NATURE OF DEBENTURES/BONDS AGGREGATING TO RS.1000 CRORES

To consider and, if thought fit to pass, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 42 of The Companies Act, 2013, read with rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other provisions or statutory enactment in respect thereof, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank to make offer(s) or invitation(s) to subscribe to the unsecured, redeemable, subordinated, non-convertible, Basel III compliant Tier 2 bonds in the nature of debentures for inclusion in Tier 2 Capital of the Bank of face value of Rs. 10.00 lacs each at par aggregating up to Rs.1000 crores (“Bonds”) in one or multiple tranches on private placement basis through Private Placement Offer Letter(s) in conformity with Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank shall be authorized to issue Bonds of face value Rs. 10.00 lacs each at par aggregating upto Rs. 1000 crore of tenure not exceeding 10 years upto a date that is not later than one year from the date hereof and notwithstanding that the aggregate amount of all such Bonds taken together with domestic/off-shore, secured/unsecured, loans/borrowings, guarantees shall not exceed the overall borrowing powers approved by the shareholders by way of a special resolution under the provisions of Section 180 (1) of the Companies Act, 2013 read with the applicable rules made under the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank and/or the officer(s) designated by them be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds including but not limited to number of issues/ tranches, face value, issue price, issue size, timing, amount, coupon/interest rate(s), yield, listing, allotment, dematerialization and other terms and conditions of issue Bonds as they may, in their absolute discretion, deem necessary.”

By the Order of the Board

**Mohammad Shafi Mir
Company Secretary**

Date: April 21, 2017

Place: Srinagar

Registered Office:

Corporate Headquarters, M. A. Road
Srinagar, Jammu and Kashmir- 190001

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Act, stating all material facts, reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, 14th April, 2017. The Postal Ballot Notice is being sent to the Members in electronic form to the email IDs registered with their Depository Participant (in case of electronic shareholding)/the Bank's Registrar and Transfer Agents ("RTA") (in case of physical shareholding). For Members whose email IDs are not registered, physical copy of Postal Ballot Notice and form are being sent by permitted mode along with a postage pre-paid self-addressed Business Reply Envelope.
3. The Members whose names appear on the Register of Members/List of Beneficial Owners as on Friday, 14th April, 2017 will be considered for the purpose of voting. A person who is not a Member on such date should treat this Notice for information purpose only.
4. Resolution(s) passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical Postal Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
6. In case a Member requires/is desirous of obtaining a printed Postal Ballot Form or a duplicate, he/ she may send an e-mail to evoting@karvy.com. The RTA shall forward the same along with postage pre-paid self-addressed Business Reply Envelope to the Member.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of Members as on Friday, 14th April, 2017. The Postal Ballot period commences on April 25, 2017 at 0900 hours IST and ends on May 24, 2017 at 1700 hours IST.
8. In compliance with Section 108 and 110 of the Act and the Rules made there under, the Bank has provided the facility to the Members to exercise their vote electronically and vote on the Resolutions through e-voting facility arranged by Karvy Computershare Pvt. Ltd. The instructions for electronic voting are annexed to this Notice.
9. A Member cannot exercise his vote by proxy on Postal Ballot.
10. Members wishing to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form, duly completed and signed, in the enclosed pre-paid postage self-addressed Business Reply Envelope to the "Scrutinizer" so that it reaches the "Scrutinizer" not later than the close of the working hours i.e. 1700 hours IST on May 24, 2017. However, envelopes containing postal ballots, if sent by courier or registered/speed post at the expense of the Members, will also be accepted. If any postal ballot is received after 1700 hours IST on May 24, 2017 it will be considered that no reply from the Member has been received.
11. The last date for receipt of the duly completed Postal Ballot Forms or e-voting i.e. May 24, 2017 shall be the date on which the resolution shall be deemed to have been passed, if approved by the requisite majority.
12. All the material documents referred to in the Notice will be made available for inspection by the Members at the registered office of the Bank during working hours on any working day upto May 24, 2017.

Voting through Electronic means:

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108,110 and other applicable provisions of the Act read with the relevant Rules, the Bank is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Bank has engaged the services of Karvy Computershare Pvt. Ltd. for the purpose of providing e-voting facility to all its Members.

- I. Members whose email addresses are registered with the RTA/Depository Participant(s) will receive an email from RTA/Depository Participant(s) informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
 - i. To use the following URL for e-voting: <http://evoting.karvy.com>
 - ii. Members of the Bank holding shares either in physical form or in dematerialized form, as on Friday, April 14, 2017, may cast their vote electronically.
 - iii. Enter the LOGIN credentials i.e., user id and password. Your Folio No/DP ID Client ID will be your user ID.

- iv. After entering the details appropriately, click on LOGIN.
 - v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to LOGIN again with the new credentials.
 - vii. On successful login, the system will prompt you to select the EVENT i.e., J&K Bank.
 - viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
 - x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - xi. Once the vote on the resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mail@harishkumar.com with a copy marked to evoting@karvy.com.
 - xiii. The e-voting period commences on April 25, 2017 at 0900 hours IST and ends on May 24, 2017 at 1700 hours IST. During this period Members of the Bank, holding shares either in physical form or in dematerialized form, as on Friday, April 14, 2017 may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - xiv. 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.karvy.com> or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free) or contact Mr. Mohammad Shafi Mir, Company Secretary of the Bank at the contacts/email mentioned on the top of this notice.
- II. For Members whose email IDs are not registered with the RTA/Depository Participant(s) and who receive the physical Postal Ballot Forms but wish to cast their vote by e-voting, the following instructions may be noted:
- i. Initial password is provided as below at the bottom of the Postal Ballot Form: **EVEN** (E Voting Event Number)
USER ID
PASSWORD/PIN
 - ii. Please follow all steps from Sr. No. i to Sr. No. xiv of I above, to cast vote.

RESOLUTION - 01:

Authority to the Board of Directors of the Bank to offer, issue and allot equity shares on a preferential basis to the Government of Jammu and Kashmir, promoter and majority shareholder of the Bank

The Bank, in order to meet the needs of its growing business, including long term capital requirements for pursuing its growth plans and to maintain its Capital Adequacy Ratio as per the regulatory guidelines/ norms laid down by the Reserve Bank of India, has been contemplating raising of its share capital to the tune of Rs.1000 Crores. Pursuant to the same, the Government of Jammu and Kashmir, the promoter and majority shareholder of the Bank (J&K Govt.) holding 53.17% of the equity capital of the Bank has, vide its communication No. D.O. No. 1018/PS/CSF/2017 dated January 20, 2017 conveyed to the Bank that it has kept provision for infusion in the capital of the Bank to the extent of Rs.532 Crore.

The Bank decided to offer, issue and allot its equity shares on Preferential Basis to the J&K Govt. for an amount of Rs.250.00 Crores in the previous Financial Year 2016-17. Further infusion of the capital from the J&K Govt. amounting to Rs. 282 crores, was to be analysed and taken up in the current financial year 2017-18.

Pursuant to the approval accorded by the Board vide B. R. No 46 dated 04-02-2017, the Board, subject to approval of RBI and other Regulatory Authorities, and Shareholders by way of postal ballot approved, to offer, issue and allot 3,65,55,051 equity shares of Re. 1/- (Rupee one only) for cash, at a price of Rs. 68.39 aggregating to Rs. 250 Crore, on a Preferential basis to the Jammu and Kashmir Government ("J&K Govt."), the promoter/majority shareholder of the Bank. The approval of shareholders for preferential allotment of shares by way of postal ballot was received on 15th March, 2017. The Reserve Bank of India vide its letter DBR.PSBD.No. 10880/16.01.63/2016-17 dated March 20,2017 conveyed its approval for acquisition of 3,65,55,051 fully paid equity shares by Govt. of Jammu & Kashmir in the Bank. Consequent upon receipt of all the approvals from the concerned regulatory authorities, and receipt of funds from the Government of Jammu & Kashmir, allotment of aforesaid number of equity shares was made by the Board of Directors of the Bank to the State Government of Jammu & Kashmir on preferential basis vide B.R. No. 43 dated 20-03-2017.

The Bank is now contemplating raising the balance of Rs. 282 crores from the Government of J&K by way of preferential allotment of fully paid equity shares of Re.1 /- each for cash, at a price to be determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. In terms of Regulation 76 of the SEBI ICDR Regulations, floor price is to be determined on the basis of data for the prescribed periods preceding the relevant date. Pursuant to SEBI ICDR Regulations, the relevant date for the purposes of determining the floor price is Monday 24th April 2017, being the date 30 (Thirty) days prior to May 24, 2017, the date of passing of the proposed Special Resolution by postal ballot, if approved by the requisite majority. Accordingly, the floor price of Rs. 79.38 (Rupees Seventy Nine and Thirty Eight Paise only) per share has been determined as on/of close of trading/business on BSE Limited and National Stock Exchange on Friday, April 21, 2017 (being the last trading day before the relevant date) in accordance with SEBI ICDR Regulations.

The Bank is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the recognised stock exchanges where the equity shares of the Bank are listed/Listing Regulations.

The equity shares allotted pursuant to the proposed preferential issue would be listed on BSE Limited and National Stock Exchange.

Details of the proposed preferential issue and other particulars in terms of Regulation 73 of SEBI ICDR Regulations in relation to the aforementioned Special Resolution are given as under:

1. Objects of the Issue:

To meet the needs of the Bank's growing business, including long term capital requirements for pursuing its growth plans and to maintain its capital adequacy ratio as per the regulatory guidelines/norms laid down by the RBI.

2. Instrument and Numbers:

The Bank is proposing to issue 3,55,25,321 (Three Crore Fifty Five Lakhs Twenty Five Thousand Three Hundred and Twenty One only) fully paid-up equity shares of the face value of Re. 1 (Rupee One) each of the Bank at a price of Rs.79.38 (Rupees Seventy Nine and Thirty Eight Paise Only) per Equity Share, including premium of Rs.78.38 (Rupees Seventy Eight and Thirty Eight Paise only per Equity Share "Equity Shares"), aggregating to an amount of Rs. 281,99,99,981 (Rupees Two Hundred Eighty One Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Eighty One only) on a preferential basis to the J&K Govt.

3. Issue Price and Relevant Date:

The price for Equity Shares to be issued and allotted has been determined in accordance with Regulation 76 (1) of the SEBI ICDR Regulations. Considering Monday, April 24, 2017, as the relevant date, the issue price for the Equity Shares including premium has been fixed at Rs. 79.38(Rupees Seventy Nine and Thirty Eight Paise only) per Equity Share.

4. Undertakings of the Bank:

The Equity Shares of the Bank have been listed for more than six months. However, the Bank undertakes to re-compute the price of the Equity Shares in terms of the provisions of SEBI ICDR Regulations, if it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees.

5. Intention of promoters / directors / key management persons to subscribe:

The preferential issue is proposed to be made to the J&K Govt., the promoter and majority shareholder of the Bank, who have conveyed their intention to infuse capital into the Bank.

6. The identity of the natural persons who are the ultimate beneficial owners and change of control, if any:

Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and / or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Bank consequent to the preferential issue:

Sr. No.	Name of the proposed allottee	Category	Ultimate beneficial owners of the proposed allottees	Change in Control
1.	The Government of Jammu and Kashmir	Promoter	The Government of Jammu and Kashmir	The proposed preferential issue will not result in any change in control of the Bank as the same is being made only to the J&K Govt., the promoter and majority shareholder of the Bank currently holding 56.45% shares of the Bank. The post-issue shareholding of the J&K Govt. will be 59.23% of the post-issue paid-up share capital of the Bank.

7. Pre-issue & Post-issue Shareholding pattern of the Bank is given below:

Category of Shareholder	Pre-issue (as on April 14, 2017)		Post-issue	
	Total number of equity shares held	% of total number of equity shares	Total number of equity shares held	% of total number of equity shares
(A) Promoter & Promoter Group - The Government of Jammu and Kashmir	29,43,07,711	56.45	32,98,33,032	59.23
(B)Public				
(B1)Institutions				
Indian Financial Institutions	-	-	-	-
Indian Mutual Funds	28408280	5.45	28408280	5.10
Insurance Companies	15374694	2.95	15374694	2.76
Banks	331215	0.06	331215	0.06
Foreign Portfolio Investor	82727722	15.87	82727722	14.86
(B2)Central Government(s)/President of India	-	-	-	-
(B3) Non-institutions				
Non-resident Indians	4249390	0.82	581828	0.76
Foreign Institutional Investors	3014645	0.58	3014645	0.54

Overseas Corporate Bodies	-	-	-	-
Bodies Corporates	20830612	4.00	20830612	3.74
Resident Individuals	71756781	13.76	71756781	12.89
Clearing Members	332021	0.06	332021	0.06
Foreign Nationals	-	-	-	-
Total Public shareholding B= (B1+B2+B3)	22,70,25,360	43.55	22,70,25,360	40.77
(C)Non Promoter-Non Public	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-
(C2)Shares held by Employee Trust	-	-	-	-
Total Non-Promoter-Non Public C=C1+C2	-	-	-	-
Grand Total =A+B+C	52,13,33,071	100.00	55,68,58,392	100

8. Proposed time of Allotment:

The Equity Shares shall be allotted within a period of 15 days from the date of receipt of shareholders approval, or in the event of the allotment of Equity Shares requiring approvals or permissions from any regulatory authority or the Central Government, within 15 days from the date of such approvals or permission, as the case may be.

9. Lock-in:

The Equity Shares proposed to be offered and allotted in the preferential issue shall be locked-in in accordance with Regulation 78 of Chapter VII of SEBI ICDR Regulations.

10. Auditor's Certificate:

The Statutory Auditor's certificate, as required under Regulation 73(2) of the SEBI ICDR Regulations will be made available for inspection at the Registered Office/Corporate Office of the Bank between 10 a.m. and 1 p.m. on all working days (excluding Saturday and Sunday) up to May 24, 2017.

It is proposed to obtain consent of the Members by way of special resolution, pursuant to the provisions of Section 42 and Section 62 and other applicable provisions of the Act, SEBI ICDR Regulations and other applicable laws, to issue and allot Equity Shares on a preferential basis to the J&K Govt. as stated in the Special Resolution set out in the accompanying Notice.

The J&K Govt., being the promoter and majority shareholder of the Bank is interested in the proposed Special Resolution to the extent of its shareholding in the Bank.

None of the Directors and Key Managerial Personnel including their relatives is in any way concerned or interested in the proposed Special Resolution except to the extent of their shareholding in the Bank in their individual capacity or as nominees of the J&K Govt.

Further, Mr. Parvez Ahmed, the Chairman and Chief Executive Officer of the Bank and Mr. Navin Kumar Choudhary, IAS, may also be deemed to be concerned or interested in the proposed Special Resolution as both are nominee directors of J&K Govt. on the Board of Directors of the Bank.

The Board recommends passing of the Resolution set out in the accompanying Notice, as a Special Resolution.

Resolution - 02:**AUTHORITY TO THE BOARD OF DIRECTORS OF THE BANK FOR RAISING FUNDS THROUGH ALLOTMENT OF UNSECURED, REDEEMABLE, SUBORDINATED, NON-CONVERTIBLE, BASEL III COMPLIANT TIER 2 BONDS IN THE NATURE OF DEBENTURES/BONDS AGGREGATING TO RS.1000 CRORES**

The implementation of Basel III guidelines has necessitated the need for banks in India to augment their capital base. This becomes important as Basel III capital requirements call for increase in quantity and quality of capital, besides providing for capital buffer during economic downturn.

The Basel III capital regulations were implemented in India with effect from April 1, 2013. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. Basel III capital regulations would be fully implemented by March 31, 2019.

In order to ensure smooth migration without any near stress, appropriate transitional arrangements for capital ratios have been made which commenced as on 01.04.2013. Capital ratios will be implemented fully on 31.03.2019 and accordingly the phase-in arrangements for Scheduled Commercial Banks operating in India is as under:

Transitional Arrangements -Scheduled Commercial Banks-				Capital as % of RWAs			
Minimum Capital Ratios	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Minimum Common Equity Tier I (CET 1)	4.5	5	5.5	5.5	5.5	5.5	5.5
Capital Conservation Buffer (CCB)	-	-	-	0.625	1.25	1.875	2.5
Minimum CET1+CCB	4.5	5	5.5	6.125	6.75	7.375	8
Minimum Tier 1 Capital	6	6.5	7	7	7	7	7
Minimum Total Capital*	9	9	9	9	9	9	9
Minimum total Capital +CCB	9	9	9	9.625	10.25	10.875	11.5

To gauge the capital requirements under Basel III, Capital Planning exercise is carried out by Bank under Internal Capital Adequacy Assessment Process (ICAAP). The exercise is reviewed on regular basis (quarterly) in light of economic and business environment within India. Besides, the downward pressures in the financial sector, increase in NPA, slow growth in overall business variables, relative increase in risk weighted assets compared to the incremental capital growth, the capital buffer maintained by the bank historically over and above the regulatory minimum are also factored in while arriving at the capital position of the Bank in near to medium term.

Based on the above factors in the capital planning exercise carried out, the Bank needs to augment its capital base in phases up to March 31, 2019 till the time Basel III gets fully implemented. Bank shall augment its capital base by raising of common equity (CET1), issue of Additional Tier 1 bonds (AT1) or issue of Tier 2 bonds and through internal profit accruals. The current issue of raising capital is part of Tier II capital raising exercise.

The Basel III requirements envisage maintaining of adequate capital that is in line with regulatory requirements. The need for more capital is also in line with the future business growth that the Bank has projected over near to medium term.

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

The Board recommends the Special Resolution for approval by the Members

**By the Order of the Board
For The Jammu & Kashmir Bank Limited**

**Mohammad Shafi Mir
Company Secretary**

Date: April 21, 2017

Place: Srinagar

Registered Office:

Corporate Headquarters

M. A. Road

Srinagar, Jammu and Kashmir- 190001

**J&K Bank**

Serving To Empower

The Jammu & Kashmir Bank Ltd.

CIN: L65110JK1938SGC000048

Registered Office: M.A. Road, Srinagar-190001.

Phone – 0194-2483775; Fax –0194-2481928

Email – board.sectt@jkbmail.com Website: www.jkbank.net

POSTAL BALLOT FORM**[Please read the instructions printed overleaf carefully and return the completed Form on or before Wednesday, May 24, 2017]**

Postal Ballot number :

Name of the First Named Shareholder (In block letters) :
 Father Name / Husband Name :
 Postal Address :

Name(s) of the Joint Member(s), if any :

Registered folio No. / *Client ID No. :

(*Applicable to Investors holding shares in dematerialized form)

Class and Number of Shares : (Equity)

I/We hereby exercise my/our vote in respect of Special Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Bank dated April 21, 2017 by sending my/our assent or dissent to the said resolution by placing a tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Equity Shares held	I/We assent to the resolution (FOR)	I/We dissent from the resolution (AGAINST)
1	Special Resolution pursuant to Section 42 & Section 62 of the Companies Act 2013, read with rules framed thereunder, regulations framed by the Securities and Exchange Board of India, as applicable and other applicable laws, rules and regulations, to seek consent of the shareholders for the Board of Directors of the Bank to offer, issue and allot equity shares of the face value of Re.1 each of the Bank fully paid up on a Preferential basis to the Government of Jammu & Kashmir, Promoter and Majority shareholder of the Bank, at the price and subject to other terms and conditions as provided in the Postal Ballot Notice dated April 21, 2017.			
2	Special Resolution pursuant to Section 42 & Section 62 of the Companies Act 2013, read with rules framed thereunder, regulations framed by the Securities and Exchange Board of India, as applicable and other applicable laws, rules and regulations, to seek consent of the shareholders for the Board of Directors of the Bank for raising funds through allotment of unsecured, redeemable, subordinated, Non-convertible, Basel III compliant tier 2 bonds in the nature of Debentures/ Bonds aggregating to Rs.1000 crores.			

Place :

Date :

E-mail address :

(Signature of the Shareholder)

To be provided by the Members holding Equity Shares in physical form. Members holding Shares in electronic form who have not registered their email ID with the depository participant (DP) may please update their email IDs/Contact Number with their DP.

ELECTRONIC VOTING PARTICULARS

The e-voting facility is available at link: <http://evoting.karvy.com>. The electronic voting particulars are set out as follows:

EVEN (E Voting Event Number)	USER ID	PASSWORD

Commencement of e-voting	End of e-voting
April 25, 2017 at 0900 hours IST	May 24, 2017 at 1700 hours IST

INSTRUCTIONS

1. A Member desiring to exercise vote by postal ballot may complete and sign this Postal Ballot Form and send it to the 'Scrutinizer' in the attached prepaid postage self-addressed Business Reply Envelope (BRE). Postage charges will be borne and paid by the Bank, if posted in India. Postal Ballots, if deposited in person or sent by courier/speed post at the expense of the registered Members, will also be accepted.
2. The self-addressed envelope bears the address of the 'Scrutinizer' appointed by the Board of Directors of the Bank.
3. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate box in the Postal Ballot Form. A Member need not use all his/her votes nor does he/she need to cast his/her votes in the same way. Further, the assent or dissent received in any other physical form shall be considered invalid.
4. This form should be completed and signed by the shareholder (as per the specimen signature registered with the Bank/Registrar & Transfer Agent (RTA)/Depository Participant). In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder(s).
5. Where the Form has been signed by an authorized representative of a Body Corporate, Trust, Society etc, a certified true copy of the Board Resolution/ power of attorney/attested specimen signature, authorizing such representative to vote on the resolution, should accompany the Form.
6. A duly completed Form should reach the 'Scrutinizer' not later than the close of working hours (i.e. 1700 hours IST) on or before May 24, 2017. If any Postal Ballot Form is received after this date, it will be considered that no reply from any such Member has been received. The 'Scrutinizer' will submit the report to the Chairman of the Bank after completion of the scrutiny and the results of the Postal Ballot will be announced on or before 1700 hours on May 26, 2017.
7. Incomplete, unsigned, incorrect, defaced or mutilated postal ballot form will be rejected. The 'Scrutinizer's' decision on the validity of a Postal Ballot form will be final and binding.
8. Members are requested not to send any other paper with the Postal Ballot Form in the enclosed postage pre-paid self-addressed BRE, as all such envelopes will be sent to the 'Scrutinizer' and any extraneous paper found in such envelope would not be considered and would be destroyed by the 'Scrutinizer'.
9. The Bank is also offering e-voting facility as an alternate, for all its Shareholders to enable them to cast their votes electronically instead of using the Postal Ballot Form. A Member may vote through electronic mode as per the instructions for voting through electronic means, annexed to the Postal Ballot Notice sent herewith.
10. For every Folio No./DP ID/Client ID, there will be only one Postal Ballot Form/e-voting irrespective of the number of joint holder(s). Voting rights in the Postal Ballot/e-voting cannot be exercised by a proxy.
11. Voting rights shall be reckoned on the paid up value of shares registered in the name of shareholders on the cut-off date i.e. April 14, 2017.
12. Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and their votes cast through Postal Ballot form shall be considered invalid.
13. The Members may request a duplicate Form, if so required. However, the duly filled in duplicate Form should reach the 'Scrutinizer', not later than the date specified at Serial No. 6 above.
14. Members are requested to fill in the Form in indelible ink and not by any erasable writing mode.