

# Report 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 pursuant to Clause 49 of the Listing Agreement mandated these. Now, it is our endeavour 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, J&K 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. In due course, we would set our self-targets of social and economic reporting as a part of annual disclosures. This will help us conceptualize and contextualise the form and content of Corporate Governance in a developing state. Given the fact that J&K Bank is and is seen as a great success of “public-private partnership”, your Bank as a business is expected to play a 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, have a focused interest in making the state a safe place for business. J&K 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 state owned but professionally managed, having a large size of international investors, governance is 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 J&K Bank, for one, stands for being more accountable, practice self policing and make financial transactions transparent and constitutional.

## VISION

“To catalyse economic transformation and capitalise on growth”.

Our vision is to engender and catalyse economic transformation of Jammu and Kashmir and capitalise from the growth induced financial prosperity thus engineered. The Bank aspires to make Jammu and Kashmir the most prosperous state in the country, by helping create a new financial architecture for the J&K economy, at the center of which will be the J&K Bank. At the same time we want to expand our existing network in other states of the country which offer better potential for Banking.

## MISSION

Our mission is two-fold: To provide the people of J&K international quality financial service and solutions and to be a super-specialist Bank in the rest of the country. The two together will make us the most profitable Bank in the country.

## 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.

## COMPOSITION

The Bank's Board of Directors comprises a judicious mix of Executive, Non-Executive and Independent Directors as per the Corporate Governance requirements. Appreciating the fact that Board Composition is key to Corporate Governance, the Board of Directors of your Bank consists of eminent persons with considerable professional experience and expertise in Banking, Finance, Economics, Industry, Law etc., combining their wide ranging experiences to impart values and provide direction to Bank's development.

Your Board is professional and an active Board which meets frequently during the year to chart out policies and practices. The present strength of the Board is ten comprising of Chairman, six Non- Executive Directors and three Independent Directors.

## 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 always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at Board Meetings with the permission of Chairman.

The day-to-day management of the Bank is conducted by the Chairman & 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 seven working days prior to the meeting of the Board. Also, the Board agenda contains the Compliance Report of all the decisions taken 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.

## FREQUENCY OF BOARD MEETINGS

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

15.05.2014; 12.06.2014; 14.07.2014; 04.08.2014; 13.08.2014; 25.08.2014; 09.10.2014; 12.11.2014; 22.12.2014; 07.02.2015; 17.03.2015

## ATTENDANCE AT BOARD MEETINGS

Following table provides a bird's eye view of participation of Directors in Board Meetings and last Annual General Meeting.

Financial Year 2014-15		Attendance at Board Meetings			
Name of Director	Category of Director	Meetings during the tenure	Meetings Attended	Percentage	Whether Attended AGM held on 02-08-2014
Mr. Mushtaq Ahmad	Chairman & CEO	11	11	100%	Yes
Mr. B. B. Vyas, IAS	Non Executive Non Independent Director	11	6	55%	Yes
Mr. Harinarayan Iyer (Up to 31st Oct. 2014)	Non Executive RBI Nominee Director	7	6	86%	No
Mr. D. K. Meena (Appointed from 01.11.2014 to 25.11.2014 )	Non Executive RBI Nominee Director	1	0	-	NA
Mr. N. P. Topno ( Appointed from 26.11.2014 to 12.03.2015 )	Non Executive RBI Nominee Director	2	0	-	NA
Mr. J. P. Sharma (w.e.f 12.03.2015)	Non Executive RBI Nominee Director	1	1	100%	NA
Mr. M.I. Shahdad	Non Executive Rotational Director	11	10	91%	Yes
Prof. Nisar Ali	Non Executive Rotational Director	11	7	64%	Yes
Mr. A.M. Matto	Non Executive Rotational Director	11	9	82%	Yes
Mr. R. K. Gupta (Re-appointed on 02-08-2014)	Non Executive Rotational Director	11	11	100%	Yes
Mr. Nihal C. Garware (up to 23-12-2014)	Additional Director	9	7	78%	Yes
Mr. Vikrant Kuthiala (Appointed on 02-08-2014)	Non Executive Independent Director	11	10	91%	Yes
Mr. Dalip Kumar Kaul (Appointed on 02-08-2014)	Non Executive Independent Director	8	8	100%	Yes
Mr. Khaver Alam Jeelani (Appointed on 02-08-2014)	Non Executive Independent Director	8	7	88%	Yes

## 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. Mushtaq Ahmad**

Mr. Mushtaq Ahmad, Chairman & Chief Executive Officer of the Bank, has more than 42 years of experience in banking. Mr. Mushtaq Ahmad joined the Bank in the year 1972 as Probationary Officer and during his banking career he has held various important and senior positions in the Bank as a part of Corporate Management Team. He has practical experience in the field of Finance, Corporate and Retail Banking, Treasury & Investment Management, International Banking, Liability & Risk Management and General Administration/ HRD.

**Mr. B. B. Vyas, IAS**

Mr. Bharat Bushan Vyas belongs to the 1986 batch of Indian Administrative Service. During his probation, he was awarded a Gold Medal by Lal Bahadur Shastri National Academy of Administration, Mussoorie for best all round performance.

Mr. Vyas has held several distinguished positions both in State and Central Governments. In the Government of J&K, Mr. Vyas worked as District Magistrate/Deputy Commissioner of Poonch, Udhampur districts. In his land mark tenure as Deputy Commissioner, Srinagar for nearly three years, in extremely challenging circumstances, he supervised the conduct of both the Parliamentary and State Assembly elections in 1996 in Srinagar district.

He was awarded the State Government's Medal for the high degree of commitment demonstrated by him. In his subsequent assignment as Divisional Commissioner, Kashmir, he managed the relief and rehabilitation response to the earthquake of 2005. He was bestowed with "Prime Minister's Award for Excellence in Public Administration" for the year 2006-07 for this extra-ordinary performance.

In Central Government, as Deputy Secretary in Banking Division of Union Ministry of Finance, he played a lead role in the recapitalisation of Regional Rural Banks (RRBs) and restructuring of Co-operative Credit institutional framework in the country. Mr Vyas has also served as Government Nominee Director on the Board of Directors of UCO Bank, where he was involved in the formulation and implementation of Strategic Revival Plan, paving the way for the turnaround of the Bank. He also served as Director with State Bank of Bikaner and Jaipur (SBBJ) and Deposit Insurance and Credit Guarantee Corporation (DICGC). Mr Vyas also served as Secretary to the Union Finance Minister during 2000-2002.

Mr. Vyas in his ex-officio capacity of Finance Secretary is Director on the Board of Directors of about 22 State PSEs including the J&K Bank and is also a Member on the Council and other various Committees of the four state Universities as also of the State Board of School Education. In view of his extensive exposure in the field of finances, he has been recently nominated as Member on the finance committees of both the Central Universities at Srinagar and Jammu in his personal capacity.

Mr. Vyas has traveled extensively across the world and has also served for three years in United Nations Development Programme (UNDP), overseeing "livelihood-based" projects. Mr B. B. Vyas has worked as Principal Secretary, Planning and Development Department and Finance Department during the period 2006-13 and is presently working as Principal Secretary to Hon'ble Chief Minister, J&K State and also as Principal Secretary Finance in the Government of J&K. Mr. Vyas has also been awarded the Chief Minister's Gold Medal for Honesty, Integrity and Meritorious Public Service for the year 2007. He was awarded for the second time, "Prime Minister's Award for Excellence in Public Administration" for the year 2010-11 for valuable contribution in conduct of Panchayat elections.

**Mr. J P Sharma**

Mr. J. P. Sharma, General Manager, Human Resources Management Department, Reserve Bank of India, Jaipur holds a Master's Degree in Chemistry and CAIIB. Mr. J. P. Sharma is a career Banker with 23 years of Central Banking experience, in the fields of Supervision of Commercial Banks, Co-operative Banks, NBFCs, and Currency Management etc.

**Mr. Mohammad Ibrahim Shahdad**

Mr. M. I. Shahdad is a holder of Master's Degree in Economics and LLB from Aligarh Muslim University. He started his professional carrier in 1963 and practiced Law in J&K High Court for a period of more than 10 years and thereafter started his own manufacturing and export business specializing in Kashmir Handicrafts. Mr. Shahdad has made significant contribution to Commerce & Industry by being associated with Kashmir Chamber of Commerce & industry in the capacity of President and other prominent positions. He was awarded the lifetime achievement award by Kashmir Chamber of Commerce & industry in the year 2006-2007. Mr. Shahdad has also remained on the board of IDBI for the period of 3 years as a member from North zone.

Mr. M. I. Shahdad has had a long association with J&K Bank as Director, during which he has made valuable contribution and provided tremendous value addition to the organization.

**Mr. Vikrant Kuthiala**

Mr. Vikrant Kuthiala is B.com (Hons.) from Hindu College, Delhi University. He is a prominent Businessman from Jammu with interests in Hospitality, Educational and Hydel projects. He is the Chairman, J&K State Committee of PHD Chamber of Commerce and Industry, New Delhi; Executive Committee Member of Indian Institute of Public Administration, Regional Branch, Jammu;

National Executive Committee Member Mayo College Old Boys Society, Ajmer; President Mayo Old Boys Association, Jammu. Executive Committee Member, Jammu Chamber of Commerce & Industry. He is also a Member of India Islamic Cultural Centre, New Delhi and INTACH, J&K Chapter, Jammu.

#### **Prof. Nisar Ali**

Professor Nisar Ali did his B.A (Hon's) in Economics from University of Kashmir in 1970, M.A in Economics from Delhi School of Economics, University of Delhi and M.Phil and Ph.D from Osmania University, Hyderabad. He completed successfully six training courses at National Institute of Rural Development, Hyderabad and Indian Institute of Science, Bangalore.

He has over 60 research publications in national and international research Journals which include few books. There are over 100 research papers which he presented at national, international and state level seminars/ conferences in the country and abroad.

He has held various positions in the University of Kashmir during 38 years of uninterrupted career which include Head, Department of Economics, Head, Media Education Research Centre, Director Population Research Centre, Director, Centre for Energy Studies, Dean Faculty of Social Sciences, Dean, College Development Council, Coordinator/Director NAAC and Acting Vice-Chancellor (in the absence of Vice-Chancellor) during 2007-09.

He has been associated with development planning of State and budget making process. He was Member of various Working Groups constituted by the Government from 5th five year plan to 10th five year plan. He has been member of various High Power Committees of J&K Government and continues to be member of Technical Advisory Committee, Planning and Development.

He is member of various national level committees and statutory bodies of various Universities in the country. He continues to be a Resource Person of various national level institutions including Staff Selection Commission, Govt. of India and UPSC, Academic Staff Colleges in the country and IMPA (J&K). He has been assessor for central allied services and Indian Economic Service conducted by UPSC.

He has also been at Institute of Economics of Hungarian Academy of Sciences, and University of Economic Sciences, Budapest, International Institute of Economics, former Belgrade, Yugoslavia, Central School of Statistics and Planning (SGPI), Poland, University of Berlin, George Washington University, Kansas University, Duke University, Park University, Chicago University, North Collins University, USA. His visits abroad also include Rome, Austria, Sri Lanka, Bangladesh, Pakistan and Maldives for academic pursuits and international policy issues.

He has also been engaged in Indo-Pak peace process and made presentations in the country and abroad. He has been Member of J&K State Finance Commission 2007-10, J&K Government and is presently Director on the Board of State Finance Corporation, J&K Government for six years. He has assessed more than 160 higher learning education institutions including Universities in the country as Chairperson/Member Secretary of the national team on behalf of NAAC/UGC. He has been Advisor Higher Education, J&K Government during 2013. Presently, he is Member of SIT Research Project of Five Country partnership (Poland, Russia, Italy, Norway and India) under FP 7 Mari Curie Action People, 2013-15, sponsored by European Union, Brussels.

#### **Mr. Abdul Majid Matto**

Mr. A. M. Matto is a Graduate in Commerce and World Explorer. He is a high silhouette Businessman having his interests in the manufacture and export of Kashmir Handicrafts. He has made significant contribution to Commerce & Industry by being associated with Kashmir Chamber of Commerce & Industry in the capacity of President and other prominent positions. Mr. A. M. Matto has had a long association with the Bank as Director, during which he has made valuable contribution to the Institution with his rich and varied experiences.

#### **Mr. R.K. Gupta**

Mr. R.K. Gupta, aged 53 years, is a professional Chartered Accountant with 29 years standing, possessing skill in Finance, Taxation, Auditing and Corporate Legal Affairs. He started his professional career with M/s Gupta Gupta & Associates in January 1986 and heads this renowned firm of Chartered Accountants since then. Mr. Gupta remained in Executive Committee of the Jammu & Kashmir Branch of the Institute of Chartered Accountants of India for three terms 1991-1994; 1994-1998 and 2006-2009. During these three terms he represented the Branch as its Treasurer, Secretary, Vice Chairman and Chairman. Mr. Gupta has been member of Tax Payers Committee of this Region. He has also been member of Research Committee & Direct Tax Committee of the Institute of Chartered Accountants of India. He is also empanelled as Peer Reviewer with Peer Review Board of ICAI. Having authored various articles, Mr. Gupta has to his credit published Articles in the Chartered Accountants Journal and also in Current Tax.Com on the issue of Taxation and Accounting Standards. Mr. Gupta has been Guest Speaker on many occasions for various Seminars and study Circle meets of the Chartered Accountants & others. Mr. Gupta is a member of Taxation Advisory Committee of the Chamber of Commerce & Industry, Jammu. In view of his interest in social activities and sports, Mr. Gupta is also a member of Finance Committee of Prestigious Social Club. Mr. Gupta has been nominated as PATRON of Akhil Bhartiya Mahajan Shiromani Sabha and also worked on faculty of Business Studies by Vice-Chancellor of Jammu University for the triennial period of 2009-2012. Presently Mr Gupta is also a member of Board Of Studies at Parade College for Women an Autonomous College of State.

**Mr. Dalip Kumar Kaul**

Mr. Dalip Kumar Kaul is a Managing Partner of Baweja & Kaul, a firm of Chartered Accountants. He has an experience of over 32 years across audit, tax, risk, assurance and advisory. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and has a Bachelor's Degree in Commerce (Honours) and LLB from University of Delhi. He also has a Master's Degree in Business Administration (Finance) and has specialized in Merchant Banking, Risk Management, Treasury and International Finance. He has also undertaken a Certificate Course on Valuation.

Presently Mr. Dalip Kumar Kaul is a member of Executive Committee of J&K Branch of NIRC of ICAI. He was also Chairman of J&K Branch of NIRC of ICAI for the year 2013-14. He is also Peer Reviewer on the panel of reviewers maintained by the Peer Review Board of ICAI. He is also a Member of Kashmir Education Cultural and Science Society, New Delhi. He was Member- (Finance Committee) Sports and Cultural Club, Noida and Chairman- Commerce Advisory Board, SGTB Khalsa College, University Of Delhi. Mr. Dalip K Kaul was also Special Invitee Member- Committee on Banking, Insurance & Pension of ICAI. He has also been conferred with the prestigious Gaurav Samman by the Kashmiri Samiti, New Delhi

**Mr. Khaver Alam Jeelani**

Mr. Khaver Alam Jeelani, aged 36, is CEO of Hotel Highlands Park, Gulmarg. Prior to this he was associated with Morgan Stanley Investment Management (London) from the year 2002 to 2007. He has represented Morgan Stanley at the European Fund Categorization Forum (EFCF), a working group of the European Fund and Asset Management Association (EFAMA). Mr. Jeelani is holding degrees of B.A. Hons in Industrial Economics from the University of Nottingham (Business School) and M.Sc in Economics and Finance from the University of Warwick (Warwick Business School). He is also an Associate of Securities Institute (UK). His interests vary from Sports to travel. He has achieved a Grade 3 in fencing (foil) awarded by the British Fencing Association and has travelled extensively to UK, Switzerland, Singapore, Parts of Indonesia, Thailand, France, Spain, Germany, Norway, Canada and the US.

**Disclosures**

The Board of your Company has in all its endeavour 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. 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 is compliant with the Provisions of the Companies Act, 2013 and rules made there under and Clause 49 of the listing agreement with reference to the appointment of Directors on the Board of the Bank.
4. 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.
5. The Independent and Rotational Directors did not incur any disqualification under Section 164 (2) of the Companies Act, 2013 or under any other law applicable to the Bank as on 31st March, 2015.
6. None of the Directors of the Bank are holding positions as Member in more than ten committees or act as Chairman of more than five Audit Committees and the Stakeholders' Relationship Committees across all companies in which he is a director.
7. The Bank has complied with Corporate Governance norms as stipulated by the SEBI except the appointment of a women Director.
8. The Bank has complied with all applicable accounting standards and related RBI guidelines.

**DIRECTORSHIP IN OTHER COMPANIES**

The Directors of the Bank also hold positions as Directors in other Companies as per details furnished hereunder:

**Mr. Mushtaq Ahmad**

Director: JKB Financial Services Ltd., wholly owned subsidiary of The Jammu & Kashmir Bank Limited.

**Mr. B. B. Vyas, IAS**

J&K State Financial Corporation; J&K Development Finance Corporation; J&K Minerals Ltd.; J&K Industries Ltd.; J&K SIDCO; J&K SICOP; J&K Handicrafts (S&E) Dev. Corporation; J&K Handloom Development Corporation; J&K Khadi & Village Industries Board; J&K Cements Ltd; J&K Police Housing Corporation; J&K HPMC Ltd.; J&K Agro Industries Dev. Corp.; J&K Cable Car Corp; J&K Tourism Development Corp; J&K Women Development Corp; J&K Forest Development Corp; J&K PCC Ltd; J&K SRTC Ltd; J&K Medical Supplies Corp. Ltd; J&K SC, ST & OBC Dev. Corp.

**Mr. Vikrant Kuthiala**

Director: R.B. Jodhamal & Co. Pvt. Ltd; R.B. Jodhamal Industries Pvt. Ltd; R.B. Jodhamal Vidyut Ltd.; R.B. Jodhamal Bishan Lal Hotels & Resorts Pvt. Ltd.

**MEMBERSHIP OF COMMITTEES OF OTHER COMPANIES**

<b>Name of Director</b>	<b>Membership of Committees of other Companies</b>
Mr. Mushtaq Ahmad	Nil
Mr. B. B. Vyas, IAS	Nil
Mr. J. P. Sharma	Nil
Mr. M. I. Shahdad	Nil
Prof. Nisar Ali	Nil
Mr. A. M. Matto	Nil
Mr. Vikrant Kuthiala	Nil
Mr. R. K. Gupta	Nil
Mr. Dilap Kumar Kaul	Nil
Mr. Khaver Alam Jeelani	Nil

**COMMITTEES OF THE BOARD**

The Board of Directors of your Company has constituted several Committees of the Board to take decisions on matters requiring special focus. The role and functions of the main Committees of the Board is described hereunder:

**AUDIT COMMITTEE****Role and Function**

Bank has constituted an Audit Committee of the Board (ACB) comprising of 5 Non-Executive Directors. The main functions of the Audit Committee are 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 itself to 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 External 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**

<b>The Audit Committee of the Board consists of:</b>	
Mr. R. K. Gupta	(Chairman-ACB)
Mr. Vikrant Kuthiala	(Member)
Mr. A. M. Matto	(Member)
Mr. Dalip Kumar Kaul	(Member)
Mr. Khaver Alam Jeelani	(Member)

The Audit Committee met Fifteen times during the year in due compliance with Companies Act, 2013, RBI guidelines and Listing Agreement requirements, on the following dates:

14.05.2014; 15.05.2014; 12.06.2014; 27.06.2014; 12.08.2014; 12.08.2014; 26.08.2014; 3.11.2014; 12.11.2014; 21.12.2014; 06.02.2015; 06.02.2015; 07.02.2015; 08.02.2015; 16.03.2015

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. R. K. Gupta	15	15	100%
Mr. Vikrant Kuthiala	15	14	93%
Prof. Nisar Ali (upto 26.08.2014)	7	6	86%
Mr. A. M. Matto	15	10	67%
Mr. Dalip Kumar Kaul (from 12.08.2014)	11	11	100%
Mr. Khaver Alam Jeelani (From 12.11.2014)	7	7	100%

## MANAGEMENT COMMITTEE

### Role and Function

The Management Committee of the Board considers various business matters of material significance like sanctioning of loan proposals, compromise / write-off cases, sanction of capital and revenue expenditures, etc.

### Composition, Meetings and Attendance The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Mr. M. I. Shahdad	(Member)
Mr. Vikrant Kuthiala	(Member)
Mr. R. K. Gupta	(Member)
Mr. Dalip Kumar Kaul	(Member)
Mr. Khaver Alam Jeelani	(Member)

The Management Committee met Seven times during the year on the following dates:

15.05.2014; 12.06.2014; 13.08.2014; 25.08.2014; 22.12.2014; 07.02.2015; 17.03.2015

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Mushtaq Ahmad	7	7	100%
Mr. M. I. Shahdad	7	7	100%
Mr. Vikrant Kuthiala	7	6	86%
Mr. R. K. Gupta	7	7	100%
Mr. Dalip Kumar Kaul	3	3	100%
Mr. Khaver Alam Jeelani	3	2	67%
Mr. A. M. Matto (upto 22.12.2014)	5	4	80%
Mr. Nihal C Garware Upto 23-12-2014)	5	4	80%

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Role and Function

Corporate Social Responsibility Committee has been constituted pursuant to Section 135 of Companies Act, 2013 read with Clause 49 of the Listing agreement to :

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII;

- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and  
(c) Monitor the Corporate Social Responsibility Policy of the Bank from time to time.

#### Composition, Meetings and Attendance The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Mr. A. M. Matto	(Member)
Mr. Vikrant Kuthiala	(Member)

The Corporate Social Responsibility Committee met three times during the year on the following dates; 12.06.2014; 26.08.2014 and 17.03.2015.

These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mushtaq Ahmad	3	3	100%
A.M.Matto	3	2	67%
Vikrant Kuthiala	3	3	100%
Mr. Nihal C Garware (Upto 23-12-2014)	2	2	100%

#### INTEGRATED RISK MANAGEMENT COMMITTEE

##### Role and Function

Bank has constituted an Integrated Risk Management Committee to manage market risk, credit risk and operational risk in an integrated and efficient manner and the Committee performs the following essential functions:

- Identify, monitor and measure the risk profile of the Bank.
- Develop policies and procedures, verify the models that are used for pricing complex products and also identify new risks.
- Develop policies that clearly spell out the quantitative prudential limits on various segments of Bank's operations.
- Effectively communicate the risk strategy and policies throughout the organization.

#### Composition, Meetings and Attendance The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Prof. Nisar Ali	(Member)
Mr. R. K. Gupta	(Member)
Mr. Dalip Kumar Kaul	(Member)
Mr. Khaver Alam Jeelani	(Member)

The Integrated Risk Management Committee met four times during the year on the following dates. 15.05.2014; 26.08.2014; 22.12.2014; 17.03.2015

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Mushtaq Ahmad	4	4	100%
Prof. Nisar Ali	4	3	75%
Mr. R. K. Gupta	4	4	100%
Mr. A. M. Matto (upto 26.08.2014)	2	2	100%

Mr. Dalip Kumar Kaul (from 22.12.2014)	2	2	100%
Mr. Khaver Alam Jeelani (from 22.12.2014)	2	1	50%

## NOMINATION & REMUNERATION COMMITTEE

Bank has constituted the Nomination & Remuneration Committee of the Board pursuant to the requirements of the Reserve Bank of India and the Companies Act, 2013.

### Role & Functions:

- Ensure effective governance of compensation.
- Ensure effective alignment of compensation with prudent risk taking.
- Ensure effective supervisory oversight and engagement by stakeholders.
- Comply with the regulatory directives whereby all Private Sector Banks are required to formulate and adopt a comprehensive compensation policy covering all their employees and conduct annual review thereof.
- Identify persons who are qualified and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Recommend to the Board a policy, relating to the remuneration for directors the key managerial personnel and other employees.
- Formulate the policy which inter alia shall ensure that :
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Key Management Personnel and other employees of the company;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### Composition, Meetings and Attendance

#### The Committee consists of:

Mr. A. M. Matto	(Chairman)
Mr. Vikrant kuthiala	(Member)
Mr. Dalip Kumar Kaul	(Member)

The Remuneration & Nomination Committee met Twice during the year on 21.12.2014 & 16.03.2015.  
This meeting was attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. A. M. Matto	2	1	50 %
Mr. Vikrant kuthiala	2	1	50 %
Mr. Dalip Kumar Kaul	2	2	100 %
Mr. Nihal C Garware (upto 23.12.2014)	1	1	100 %

## REMUNERATION COMMITTEE (upto 15-10-2014)

Bank has constituted the Remuneration Committee of the Board pursuant to the requirements of the Reserve Bank of India to

- Ensure effective governance of compensation.
- Ensure effective alignment of compensation with prudent risk taking.
- Ensure effective supervisory oversight and engagement by stakeholders.
- Comply with the regulatory directives whereby all Private Sector Banks are required to formulate and adopt a comprehensive compensation policy covering all their employees and conduct annual review thereof.
- Attract, develop and retain high-performing and motivated employees.

**Composition****The Committee consists of:**

Mr. Mushtaq Ahmad	(Chairman)
Mr. A. M. Matto	(Member)
Mr. R. K. Gupta	(Member)
Mr. Nihal C. Garware	(Member)

**SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE ( upto 15-10-2014)****Role and Function**

- The Bank has constituted a Committee designated as Shareholders Investors Grievance Committee which looks into redressing of Shareholders and Investors Complaints.
- All Shareholders' / Investors' Grievances / Correspondence were expeditiously attended to and the replies sent generally within a period of 7 days of receipt. No share transfer beyond 30 days was pending as on 31st March, 2015.
- All requests for dematerialization of shares are likewise processed and confirmation communicated to Investors and Depository Participants within five working days.

**Composition, Meetings and Attendance****Shareholders / Investors Grievance Committee consist of:**

Mr. M. I. Shahdad	(Chairman-SIRC)
Prof. Nisar Ali	(Member)
Mr. R. K. Gupta	(Member)

Shareholders / Investors Grievance Committee met three times during the year before its reorganization on the following dates.  
15.05.2014; 12.06.2014; 26.08.2014

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. M. I. Shahdad	3	3	100%
Prof. Nisar Ali	3	2	67%
Mr. R. K. Gupta	3	3	100 %

**STAKE HOLDERS RELATIONSHIP COMMITTEE (w.e.f 15-10-2015)**

The Bank Constituted "Stakeholders Relationship Committee" pursuant to the provisions of the Companies Act, 2012 and the Listing Agreement entered into by the Bank with the stock exchange.

**Role and Function**

- To look into redressing of complaints of Shareholders, Investors and other Stakeholders of the Bank.
- All Shareholders' / Investors' Grievances / Correspondence were expeditiously attended to and the replies sent generally within a period of 7 days of receipt. No share transfer beyond 30 days was pending as on 31st March, 2015.
- All requests for dematerialization of shares are likewise processed and confirmation communicated to Investors and Depository Participants within five working days.
- During the year 1146 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	141	141	0
2	Correction of the name on the Share Certificate	28	28	0
3	Intimation of Bank Mandate / NECS Mandate	373	373	0

S.No.	PARTICULARS	RECEIVED	DISPOSED	PENDING
4	Non receipt of Share Certificate	3	3	0
5	Loss of Share Certificates and request for issue of Duplicate share Certificate(s)	57	57	0
6	Deletion/ inclusion of Joint name and Transmission	76	76	0
7	Non receipt of share Certificate after transfer (NRSCAT)	1	1	0
8	Correspondence/ query relating to NSDL Operation	5	5	0
9	Non receipt of Dividend Warrants (NRDW)	71	71	0
10	Correction of Bank Mandate / name of Dividend warrants	5	5	0
11	Receipt of Dividend warrants for Revalidation	32	32	0
12	Receipt of Indemnity bond for issue of duplicate dividend warrants	7	7	0
13	Intimation of the Nomination form details	319	319	0
14	Letter from SEBI/Stock Exchanges	2	2	0
15	Legal Cases / Cases before Consumer Forums	0	0	0
16	Others ( fully Paid Stickers, Annual Reports etc)	26	26	0
	<b>TOTAL</b>	<b>1146</b>	<b>1146</b>	

### Composition, Meetings and Attendance

#### Stakeholders Relationship Committee consists of:

Mr. M. I. Shahdad	(Chairman-SIRC)
Prof. Nisar Ali	(Member)
Mr. R. K. Gupta	(Member)

Stakeholders Relationship Committee met two times during the year on the following dates.  
21.12.2014; 16.03.2015

These meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. M. I. Shahdad	2	2	100%
Prof. Nisar Ali	2	1	50%
Mr. R. K. Gupta	2	2	100%

### MONITORING OF LARGE VALUE FRAUDS COMMITTEE

#### Role and Function

Committee has been constituted pursuant to RBI directions to monitor the fraud cases involving an amount of ₹1 Crore and above.

#### Composition, Meetings and Attendance The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Prof. Nisar Ali	(Member)
Mr. M.I.Shahdad	(Member)
Mr. R. K. Gupta	(Member)

Mr. Khaver Alam Jeelani (Member)

The Monitoring of Large Value Frauds Committee met four times during the year on the following dates:  
12.06.2014; 26.08.2014; 22.12.2014; 17.03.2015

These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Mushtaq Ahmad	4	4	100%
Prof. Nisar Ali	4	2	50%
Mr. M.I.Shahdad	4	4	100%
Mr. R. K. Gupta (from 22.12.2014)	2	2	100%
Mr. Khaver Alam Jeelani	2	1	50%
Mr. Vikrant Kuthiala (up to 28.08.2014)	2	2	100%
Mr. Nihal Garware (Up to 23.12.2014)	3	3	100%

## NOMINATION COMMITTEE

### Role and Function

The Nomination Committee of the Board has been constituted in pursuance to the directions of RBI, for implementation of Ganguly Committee Recommendations with a view to decide the fit and proper person criteria for appointment / continuing to hold office of the Director in the Bank.

### Composition, Meetings and Attendance

#### The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Mr. A. M. Matto	(Member)
Mr. R. K. Gupta	(Member)

The Nomination Committee met six times during the year on the following dates:  
15.05.2014; 17.07.2014; 08.05.2014; 12.11.2014; 22.12.2014; 17.03.2015

These meetings were attended by the Members as detailed below.

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Mushtaq Ahmad	6	6	100 %
Mr. A. M. Matto	6	5	83 %
Mr. R. K. Gupta	6	6	100 %

## CUSTOMER SERVICE COMMITTEE

### Role and Function

The Committee has been constituted with a view to look into matters relating to customer complaints and speedy redressal thereof.

### Composition, Meetings and Attendance

#### The Committee consists of:

Mr. Mushtaq Ahmad	(Chairman)
Mr. M. I. Shahdad	(Member)
Prof. Nisar Ali	(Member)

The Customer Service Committee met four times during the year on the following dates:  
15.05.2014; 26.08.2014; 22.12.2014; 17.03.2014

These meetings were attended by the Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Mushtaq Ahmad	4	4	100%
Mr. M. I. Shahdad	4	4	100%
Prof. Nisar Ali	4	3	75%
Mr. Vikrant Kuthiala (upto 26.08.2014)	2	2	100%

## INFORMATION TECHNOLOGY STRATEGY COMMITTEE

### Role and Function

Committee has been constituted pursuant to RBI directions for:

- Approving IT strategy and policy documents and subsequent review as and when required.
- Ensuring that the Management has put an effective strategic planning process in place.
- Ratifying that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organizational structure compliments the business model and its direction.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining bank's growth.
- Becoming aware about exposure towards IT risks and controls. And evaluating effectiveness of management's monitoring of IT risks.
- Assessing Senior Management's performance in implementing IT strategies.
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks).
- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.

### Composition, Meetings and Attendance

The Committee consists of:	
Mr. Vikrant Kuthiala	(Chairman-ITSCB)
Prof. Nisar Ali	(Member)
Mr. Khaver Alam Jeelani	(Member)

The Information Technology Strategy Committee met Four times during the year on the following dates:  
15.05.2014; 12.06.2014; 26.08.2014; 21.12.2014

These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Vikrant Kuthiala	4	3	75%
Prof. Nisar Ali	4	3	75%
Mr. Khaver Alam Jeelani (From 21-12.2014)	1	1	100%
Mr. Nihal C. Garware (Up to 23.12.2014)	3	2	67%

## LEGAL & ESTATE COMMITTEE (w.e.f 15-10-2014)

Consequent upon merging the Role and function of "Legal Committee of the Board" and "Estate Committee of the Board", the Committee was reconstituted as "Legal & Estate Committee of the Board" to:

- Take review of legal and suit filed cases and also review of NPA accounts of the Bank.
- Evaluate, negotiate and finalise purchase and lease of premises for Bank's Business Units/offices and staff flats, within and outside the state.

**Composition, Meetings and Attendance****The Committee consists of:**

Mr. M. I. Shahdad	(Chairman – L&EC)
Mr. A.M. Matto	(Member)
Mr. Dalip Kumar Kaul	(Member)

The Legal & Estate Committee met five times during the year on the following dates:  
27.11.2014; 21.12.2014; 14.02.2015; 02.03.2015; 17.03.2015

These Meetings were attended by Members as detailed below:

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. M. I. Shahdad	5	5	100%
Mr. A.M. Matto	5	3	60 %
Mr. Dalip Kumar Kaul	5	5	100 %
Mr. Nihal C Garware (Up to 23.12.2014)	2	2	100 %

Legal Committee (Up to 15-10-2014)

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Nihal C Garware	2	2	100 %
Mr. M. I. Shahdad	2	2	100 %
Mr. A.M. Matto	2	2	100 %
Mr. Vikrant Kuthiala	2	2	100 %

Estate Committee (up to 15-10-2014)

Name of Director	Meetings during the tenure	Meetings Attended	% of Attendance
Mr. Nihal C Garware	1	1	100%
Mr. M. I. Shahdad	1	1	100%
Mr. Vikrant Kuthiala	1	1	100%

**REMUNERATION****Policy**

Remuneration of the Chief Executive Officer is subject to approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949.

**Chairman & CEO**

Mr. Mushtaq Ahmad is the Chairman & CEO of the Bank effective from 6th October, 2010. In terms of Section 35B of the Banking Regulation Act, 1949, the monthly remuneration being paid to him, details of which are given below, has been duly approved by the Reserve Bank of India.

Basic Pay	₹ 5,50,000.00
DA	-
Provident Fund	-
Total	₹ 5,50,000.00

In addition during the year Chairman & CEO of the Bank was paid performance bonus @ 35% of basic pay for the FY 2013-14, which was duly approved by the Reserve Bank of India.

### Non - Executive Directors

Non - Executive Directors other than the State Govt. and RBI nominated Directors are paid only sitting fees for the meetings attended. The details of the same are given below:

₹ 15,000/- for every Board Meeting or Committee Meeting thereof.

Details of number of Shares / Convertible Debentures held by Non-Executive Directors as on 31-03-2015:

Name of Director	Number of shares held	Number of Convertible Debentures held
Mr. M. I. Shahdad	70480	NIL
Mr. A. M. Matto	16930	NIL

### OTHER DISCLOSURES

#### Code of Conduct for the Board Members and Senior Management Personnel

The Board of Directors has approved a Code of Conduct for Board Members and Senior Management Personnel of J&K Bank. This Code is also available on the website of the Bank, [www.jkbank.net](http://www.jkbank.net). In terms of Clause 49 of the Listing Agreement, a confirmation from the Chairman & CEO regarding compliance with the Code by all the Directors and Senior Management is furnished below.

I confirm that all Directors and Senior Management Personnel have affirmed compliance with the J&K Bank Code of Conduct for Board Members and Senior Management Personnel.

Mushtaq Ahmad  
Chairman & CEO

#### CEO / CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained.

#### INSIDER TRADING CODE

The Bank has formulated a Code for prevention of Insider Trading pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2002 to prevent practices of Insider Trading.

Mr. Abdul Majid Bhat, Company Secretary, has been designated as Compliance Officer for this purpose.

#### WHISTLE BLOWER POLICY OF THE BANK

The Board of Directors has approved whistle Blower policy for the Bank with a view to encourage its employees and directors to report any wrongdoing within the organization, which is in their knowledge without any fear of retaliation from the Bank. This policy is also available on the website of the Bank. ([www.jkbank.net](http://www.jkbank.net))

#### RELATED PARTY TRANSACTIONS POLICY OF THE BANK

The Board of Directors has approved Related Party transaction policy for the Bank to ensure that transactions between the Bank and its related parties are based on principles of transparency and arm's length pricing along with preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties. This policy is also available on the website of the Bank. ([www.jkbank.net](http://www.jkbank.net))

#### ETHICAL CORPORATE POLICY FOR ACCEPTANCE OF GIFTS

Bank is having Corporate Ethical Policy for setting forth a code of accountability of J&K Bank's Directors, Officers and Employees in the discharge & performance of their responsibilities.

#### ETHICAL STANDARDS EMPLOYED BY THE BANK

The Bank is having service manual for its employees. This manual contains comprehensive regulations on ethical standards to be mandatorily observed by all the employees of the Bank.

#### LEGAL COMPLIANCES

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. The Bank has complied with the provisions of relevant Acts, Rules & Regulations framed there under during the year 2014-2015.

**ECONOMIC VALUE ADDITION**

Economic value added is a fairly reliable measure of an enterprise's efforts in measuring Value Addition. Besides the quantitative earnings, EVA indicates the quality of earnings as it represents the excess an organization is able to generate over its Cost of Capital. A positive EVA indicates that the business has generated wealth in excess of what is expected by the shareholders.

EVA calculations of the Bank are given below for the last three years:

(Amount in Crore)

S.No	Financial Year	Post Tax Profit	Capital Employed	Cost of Capital	Post Tax Return on Capital Employed	EVA
1	2012-13	1055.10	4906	4.20 %	21.15 %	17.31 %
2	2013-14	1182.47	5724	3.25 %	20.66 %	17.41 %
3	2014-15	508.60	6109	2.21%	8.33%	6.12%

**SHARE HOLDERS INFORMATION**

Stock Exchanges where equity shares are listed.

The Addresses of Stock Exchanges where the equity shares of the Bank are listed are furnished hereunder:

- a) National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051
- b) The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

The annual fees for 2015-16 have been paid to all the Stock Exchanges where the shares are listed.

Stock Code: J&K Bank

Demat ISIN Number: INE 168A01041

Name of Depositories:

- i. NSDL
- ii. CDSL

**Registrar and Transfer Agent (RTA)**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
Andhra Pradesh - India  
Phone 040 - 67161508  
Fax 040-23420814  
Email jkbank@karvy.com

**Email ID for redressal of Investor Grievances**

Pursuant to Clause 47(f) of the Listing Agreement, 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: Abdul Majid Bhat, 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: The Jammu & Kashmir Bank Ltd.

Board Secretariat, Corporate Headquarters

M. A. Road, Srinagar 190 001

Phone 0194-2483775 / 0194-2481930-35 (Extn.)1540

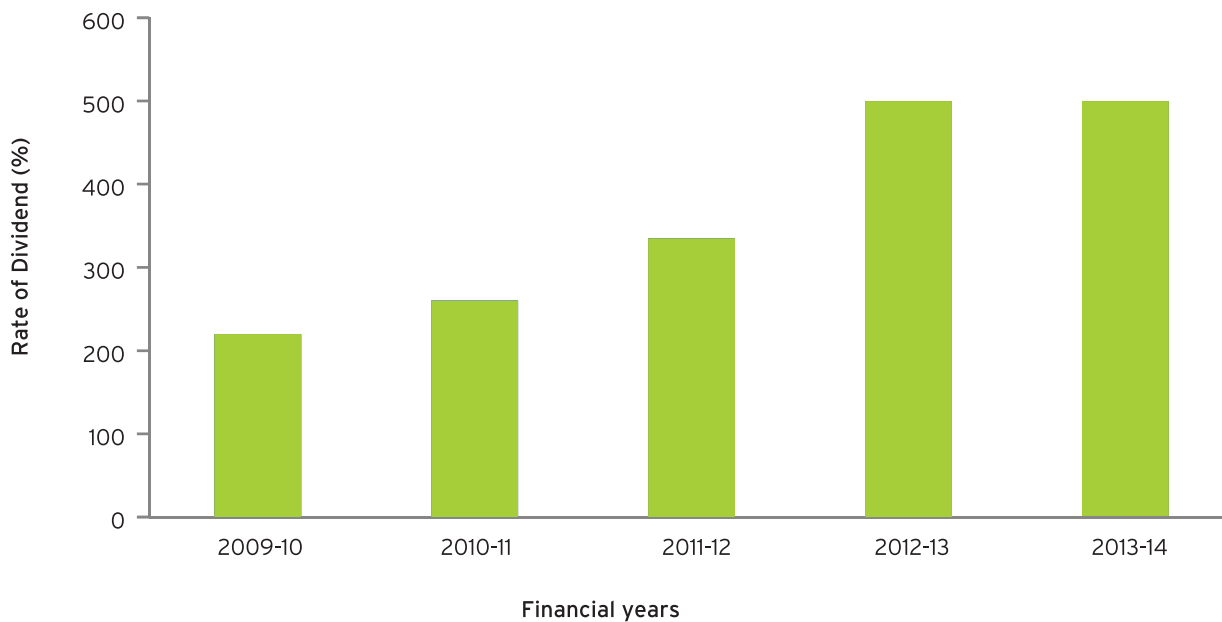
**Financial Calendar**

Approval of quarterly financial results for the period ending:

30th June, 2014	13 <sup>th</sup> August, 2014
30th September, 2014	12 <sup>th</sup> November, 2014
31st December, 2014	7 <sup>th</sup> February, 2015
31st March, 2015 (Audited)	16 <sup>th</sup> May, 2015

Information relating to last four General Body Meetings is furnished below:

Name of Meeting	Day, Date and time of meeting	Venue	Special Business Transacted
73rd Annual General Meeting	Saturday, 9th July, 2011 at 11: 00 AM	Sher-i-Kashmir International Conference Centre (SKICC), Srinagar	Alteration in Articles of Association
74th Annual General Meeting	Saturday, 14th July, 2012 at 11: 00 AM	--do--	NIL
75th Annual General Meeting	Saturday, 22nd June, 2013 at 11: 00 AM	--do--	NIL
76 <sup>th</sup> Annual General Meeting	Saturday, 2nd August, 2014 at 11: 00 AM	--do--	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Vikrant Kuthiala, Mr. Dalip Kumar Kaul and Mr. Khaver Alam Jeelani as independent Directors</li> <li>2. Sub division of Shares of the Bank</li> <li>3. Alteration in Memorandum and Articles of Association of the Bank.</li> </ol>

**DIVIDEND HISTORY OF LAST FIVE YEARS**

Financial year	Rate of Dividends (%)	Date of Declaration	Date of Payment
2009-10	220	31.07.2010	09.08.2010
2010-11	260	09.07.2011	17.08.2011
2011-12	335	14.07.2012	23.07.2012
2012-13	500	22.06.2013	01.07.2013
2013-14	500	02.08.2014	11.08.2014

**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) Ltd. As on 31<sup>st</sup> March, 2015, the position of dematerialized shares as well as physical shares are as under

(As on 31.03.2015)

Particulars	No. of Shares	%age
Physical Shares	16293030	3.36
Dematerialized Shares	468484990	96.64
Total	484778020	100.00

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2015**

Sr. No	Category	No of Holders	% to Holders	Amount	% of Amount
	1 Up to 5000	66067	96.50	34693464.00	7.16
	5001 - 10000	1664	2.43	10980573.00	2.27
	10001 - 20000	333	0.49	4883570.00	1.01
	20001 - 30000	117	0.17	2941661.00	0.61
	30001 - 40000	53	0.08	1871392.00	0.39
	40001 - 50000	31	0.05	1411931.00	0.29
	50001 - 100000	59	0.09	4266503.00	0.88
	100001 & Above	140	0.20	423728926.00	87.41
	Total	68464	100.00	484778020.00	100.00

**LIST OF SHAREHOLDERS HOLDING MORE THAN 1% AS ON 31ST MARCH, 2015**

Sr No	NAME	SHARES	% TO EQT	CATEGORY
1	CHIEF SECRETARY JAMMU AND KASHMIR GOVT	243225980	50.17	PRO
2	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	17180000	3.54	FII
3	SECRETARY FINANCE DEPTT JAMMU AND KASHMIR GOVT	14526680	3.00	PRO
4	LIFE INSURANCE CORPORATION OF INDIA	13516632	2.79	IFI
5	ICICI PRUDENTIAL VALUE DISCOVERY FUND	10000000	2.06	MUT
6	THE PABRAI INVESTMENT FUND IV, LP	7580450	1.56	FII
7	MORGAN STANLEY ASIA (SINGAPORE) PTE.	7521758	1.55	FII
8	FIDELITY INVESTMENT TRUST FIDELITY INTERNATIONAL DISCOVERY FUND	7127060	1.47	FII
9	GOVERNMENT PENSION FUND GLOBAL	5846760	1.21	FII
10	PABRAI INVESTMENT FUND 3, LTD	4872410	1.01	FII
	<b>TOTAL</b>	<b>331397730</b>	<b>68.36</b>	

**UNCLAIMED DIVIDENDS**

Shareholders who have not encashed their past dividend warrants have been intimated individually to do so without any further delay. Under the Investor Education and Protection Fund (Awareness & Protection of Investors) Rules, 2001, unclaimed amount in respect of unpaid/unclaimed dividend warrants which is more than seven years old, shall be transferred by the Bank to "Investor Education and Protection Fund" established under Sub-Section (i) of Section 205C of the Companies Act, 1956 and thereafter, no claim can be preferred by the Shareholders against the Company or the Fund. Shareholders are accordingly advised to claim their unclaimed dividend, if not already claimed.

The detail of unpaid/unclaimed dividend of last three years is as under:

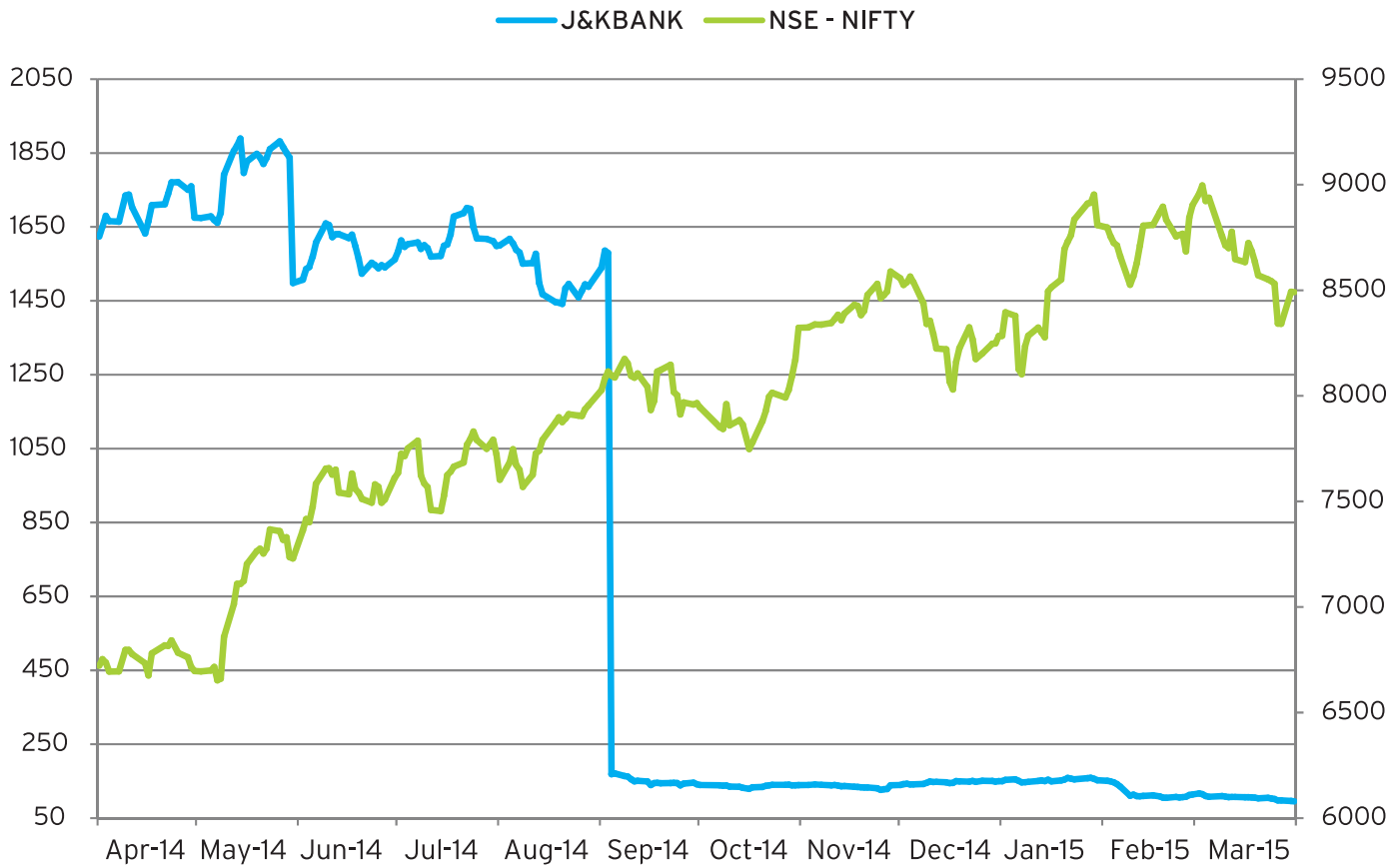
(As on 31-03-2015)

Financial year	Amount of Unclaimed dividends
2011-12	59,72,614
2012-13	83,89,100
2013-14	1,04,04,200
<b>Total</b>	<b>2,47,65,914</b>

## STOCK MARKET DATA

## JK Bank on NSE Nifty April 2014 - March 2015

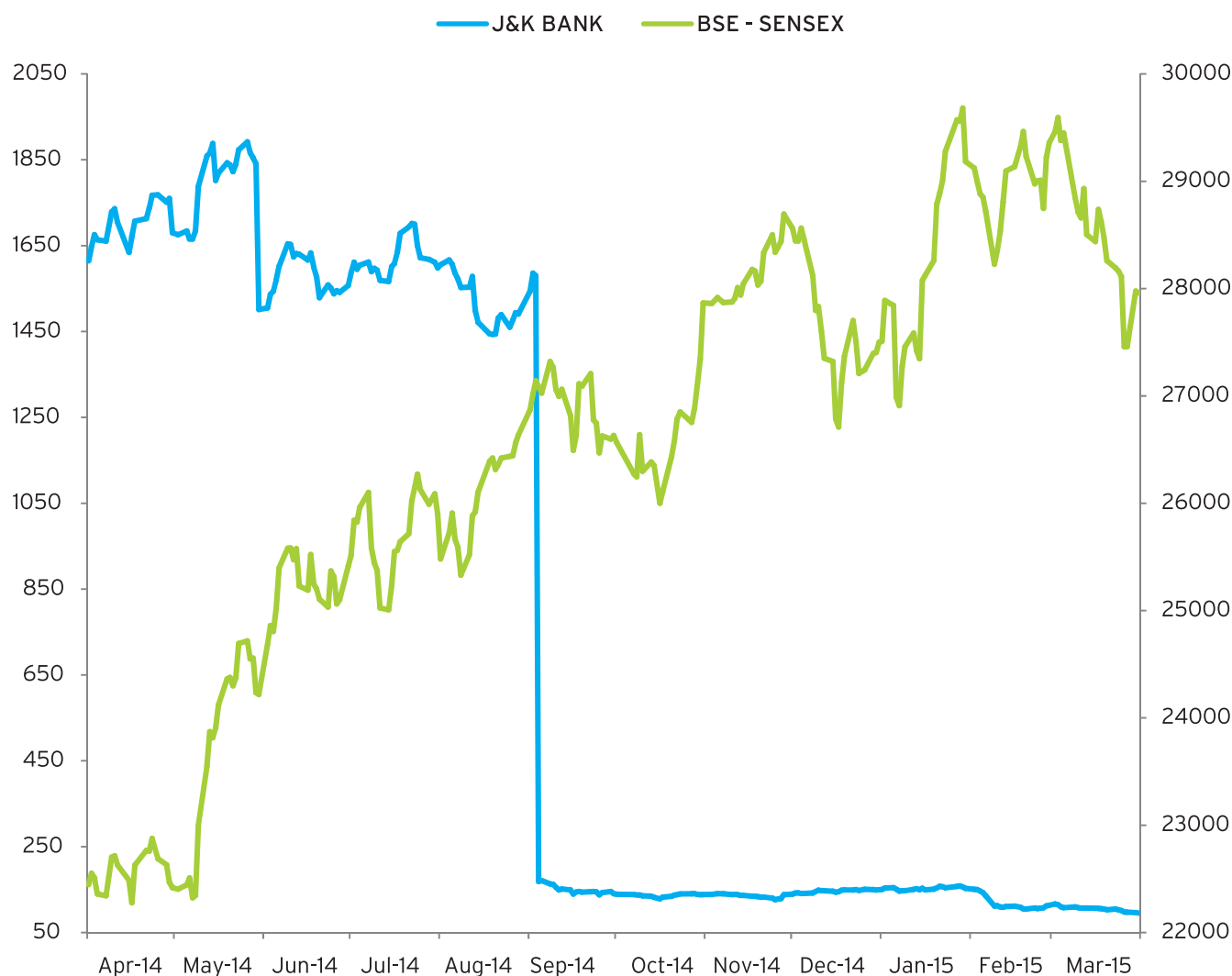
Month	High Price		Low Price		Close Price		Turnover In lakhs
	Rate	Date	Rate	Date	Rate	Date	
April, 2014	1799.00	23-04-14	1540.00	01-04-14	1675.05	30-04-14	14658
May, 2014	1954.80	26-05-14	1470.15	30-05-14	1498.05	30-05-14	95673
June, 2014	1682.75	10-06-14	1441.00	02-06-14	1562.05	30-06-14	62937
July, 2014	1726.60	23-07-14	1550.00	14-07-14	1598.30	31-07-14	26450
August 2014	1639.00	13-08-14	1388.75	13-08-14	1488.40	28-08-14	35855
September, 2014	1617.90	03-09-14	135.05	26-09-14	141.25	30-09-14	35646
October, 2014	144.60	27-10-14	128.50	17-10-14	138.85	31-10-14	8284
November, 2014	143.60	05-11-14	125.00	26-11-14	138.35	28-11-14	19654
December, 2014	153.00	29-12-14	137.05	01-12-14	149.70	31-12-14	28424
January, 2015	161.20	22-01-15	144.50	09-01-15	152.45	30-01-15	13919
February, 2015	153.00	03-02-15	103.70	19-02-15	113.55	28-02-15	47798
March, 2015	118.75	04-03-15	94.40	31-03-15	95.05	31-03-15	22436



(Note: The Steep fall in the share price of Bank's Shares in the month of Sept. 2014 is the result of Share Split where by each equity Share of the Face Value of ₹ 10/- each was split into 10 equity Shares of ₹ 1/- each.)

### JK Bank on BSE Sensex April 2014 - March 2015

Month	High Price		Low Price		Close Price		Turnover In lakhs
	Rate	Date	Rate	Date	Rate	Date	
April, 2014	1793.15	23-04-14	1540.50	01-04-14	1679.75	30-04-14	1781
May, 2014	1995.00	16-05-14	1472.25	30-05-14	1501.35	30-05-14	14240
June, 2014	1683.30	10-06-14	1442.00	02-06-14	1557.40	30-06-14	8277
July, 2014	1724.3	23-07-14	1551.15	14-07-14	1598.20	31-07-14	2652
August 2014	1638.85	13-08-14	1393.65	13-08-14	1490.80	28-08-14	7106
September, 2014	1616.10	03-09-14	135.10	26-09-14	140.65	30-09-14	7176
October, 2014	144.15	27-10-14	124.00	16-10-14	138.35	31-10-14	172
November, 2014	145.00	07-11-14	125.10	25-11-14	138.10	28-11-14	3167
December, 2014	153.00	19-12-14	137.20	01-12-14	149.50	31-12-14	5537
January, 2015	161.10	22-01-15	144.75	09-01-15	152.65	30-01-15	2377
February, 2015	152.55	03-02-15	104.00	19-02-15	113.50	28-02-15	12489
March, 2015	118.90	04-03-15	95.00	31-03-15	95.350	31-03-15	4031



(Note: The Steep fall in the share price of Bank's Shares in the month of Sept. 2014 is the result of Share Split where by each equity Share of the Face Value of ₹ 10/- each was split into 10 equity Shares of ₹ 1/- each.)

## IMPORTANT EVENTS AFTER THE CLOSURE OF FINANCIAL YEAR ENDED 31.03.2015

This report covers the period of financial year of the Bank beginning on 1st April, 2014 to 31st March, 2015. There were no material events from 1st April, 2015 to 16th May, 2015 the date when the annual accounts were adopted by the Board of Directors of the Bank.

## 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.net. It also issues press releases and conducts programmes that disseminate information. The quarterly results of the Bank are published in widely circulated National Newspapers and are also placed on our website. The Board takes on record the Un-Audited/Reviewed Financial Results in the prescribed form of the Stock Exchanges within 45 days of the closure of the quarter and announces forthwith the results to all the Stock Exchanges where the shares of the company 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.

## SHAREHOLDERS RIGHTS

A shareholder can enjoy the following rights mentioned in the Companies Act, 2013:

- To transfer shares.
- To receive the share certificates upon transfer within the stipulated period prescribed in the Companies Act, 2013 and Listing Agreement.
- To receive notice of general meetings, 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 company 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 vote at the general meeting on show of hands wherein every shareholder has one vote. In case of poll, the number of votes of a shareholder depends on the proportion of equity shares held by him with the total paid up equity capital of the company.
- To demand poll alongwith other shareholder(s) who collectively hold 50,000 shares or is not less than 1/10th of the total voting power in respect of any resolution.
- To requisition an extraordinary general meeting of any Company by shareholders who collectively hold not less than 1/10th of the total paid up capital of the company.
- 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 Company.
- 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 proceed against the Company by way of civil or criminal proceedings.
- To proceed against for the winding up of the Company.
- To receive the residual proceeds upon winding up of a Company.

## INVESTORS' FEEDBACK

In our endeavour to serve our shareholders more effectively and in order to improve the quality of our communication with our esteemed members, we request you to spare some of your precious moments and provide us your valuable feedback in the enclosed proforma.

Calendar for shareholders' information	Date
Board meeting for consideration of Accounts and recommendation of Dividend	16th May, 2015
Dispatch of Annual Report / Notice of AGM	27th July, 2015
Book closure Period	17th Aug, 2015 to 22nd Aug, 2015
Last date of lodgment of proxy forms	20th Aug, 2015 upto 1100 Hours
Date of AGM	22nd August, 2015
Dividend payment date	31st Aug, 2015

**DISCLOSURE ON COMPANY SECRETARY'S RESPONSIBILITY**

The Company Secretary confirms that during the year from 1st April, 2014 to 31st March, 2015, the Bank has:

1. Maintained all the Books of Account and Statutory Registers required under the Companies Act, 2013, and the Rules made there under coming under the purview of Company Secretary responsibility;
  - a. Filed all Forms and Returns and furnished all necessary particulars to the Registrar of Companies and / or authorities as required under the Companies Act, 2013, coming under the purview of Company Secretary's responsibility;
  - b. Issued all Notices required to be given for Board and General Meetings as per the requirement of the Companies Act, 2013;
  - c. Complied with the requirements relating to maintenance of Minutes of the proceedings of the Meetings of Directors, Committees of the Board and Shareholders;
  - d. Complied with the requirements of the Listing Agreement entered into with Stock Exchanges;
  - e. Effected Share Transfers and dispatched Certificates within the statutory time limit;
  - f. Redressed complaints of Shareholders to the best of efforts of the Company;
  - g. Complied with the regulations prescribed by the Stock Exchanges, SEBI, and other Statutory and Regulatory Authorities and also the statutory requirements under the Companies Act, 2013, Banking Regulation Act, 1949 and other applicable statutes in force for the Banking Company, as far as they relate to the Company Secretary.
  - h. Made due disclosure required under the applicable Acts; obtained all necessary approvals of Directors, Shareholders, Central and State Governments and other regulatory agencies.
2. The Board of Directors of Bank duly met eleven times during the financial year and in respect of meetings conducted during the period proper notices was given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose. The meetings of various Committees of the Board were duly and properly convened and minutes of such meetings have been properly recorded and signed in the minute's book maintained for the purpose.
3. The Bank closed its Register of Members from 28th July, 2014 to 2nd August, 2014 (both days inclusive) in connection with 54th dividend of the Bank and necessary compliance of Section 91 of the Companies Act, 2013 has been made.
4. The Annual General Meeting for the financial year 2013-14 was held on 2nd August, 2014 after giving due notice to the members of the Bank and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
5. The Bank has not advanced any loans to its Directors or persons or firms or Companies referred to under section 185 of the Companies Act, 2013, during the financial year.
6. The Bank has not entered into any contracts falling within the purview of section 184 of the Companies Act, 2013.
7. A Share Transfer Committee of the Board has approved the transfer, sub-division/consolidation etc of shares of the bank. The proceedings of the above committee have been properly recorded, signed in the Minutes Book maintained for the purpose.
8. Unclaimed amount, in respect of unpaid/unclaimed dividend warrants have been transferred to the Investor Education and Protection Fund of the Central Govt. with Punjab National Bank within the prescribed time limit.
9. The Board of Directors of the Bank with the exception of Women Director is duly constituted and the appointment/re-appointment of the Chairman & CEO and other Directors have been duly made.
10. The appointment/re-appointment of the Chairman & CEO and other Directors of the Bank have been made in accordance with the Articles of Association of the Bank read with the relevant provisions of the Companies Act, 2013 and in accordance with Banking Regulation Act, 1949.
11. The Directors disclosed their interest in other firms /companies to the Board of Directors, pursuant to the provisions of section 164(2) of the Companies Act, 2013 and the rules made there under and their disclosures have been noted and recorded by the Board.
12. The Bank has not bought back any shares during the financial year.
13. The Bank sub-divided each of its equity Share of ₹ 10/- each into 10 equity Shares of ₹ 1/- each w.e.f. 5<sup>th</sup> Sept. 2014 with due compliance to the provisions of the Companies Act, 2013 and the Rules made there under and Listing Agreement.

Place: Srinagar

Dated : 16<sup>th</sup> May, 2015

Abdul Majid Bhat

Company Secretary

To  
The Members of  
The Jammu & Kashmir Bank Limited

We have examined the compliance of the conditions of the Corporate Governance by The Jammu & Kashmir Bank Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Bank with the various Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Bank.

We certify that in our opinion and to the best of our information and according to explanations given to us, the Bank has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Bank as per the records maintained by the Bank.

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.

In terms of our report of even date annexed

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For **Gupta Sharma & Associates**  
Chartered Accountants  
FRN: 001466N

For **DharTiku & Co**  
Chartered Accountants  
FRN: 003423N

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

For **Darshan Nagpal & Associates**  
Chartered Accountants  
FRN: 011022N

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

**CA Vinay Saraf**  
Partner  
M.No. 087262

**CA Madhusudan Meher**  
Partner  
M.No. 097409

**CA Karanbir S Sethi**  
Partner  
M.No. 091188

**CA Neeraj Nagpal**  
Partner  
M.No. 503881

**CA Dharam Raj**  
Partner  
M.No. 094108

Place : Srinagar  
Dated : 16<sup>th</sup> May 2015