

**The Jammu & Kashmir Bank Limited**

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

T +91 (0)194 248 3775  
F +91 (0)194 248 1928

W [www.jkbank.net](http://www.jkbank.net)  
E [board.sectt@jkmail.com](mailto:board.sectt@jkmail.com)



## Board Secretariat

Ref: -JKB/BS/F3652/2018/119  
Dated: 15<sup>th</sup> November, 2018

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

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

**Sub:- Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Clarification on news item**

Dear Sirs,

This is with reference to the news item appearing in Business Dailies of date regarding imposition of penalty of Rs 3 Cr each on our bank and Deutsche Bank on account of non-compliance of IRAC norms and KYC. **It is clarified that the same is on account of deficiencies pertaining to the past periods which stand fully rectified now.**

Reserve Bank of India had during their inspection of 2016-17 pointed out divergence in asset classification in respect of some of the restructured accounts under the RBI approved rehabilitation package mainly large borrower accounts of the state which were affected by the 2014 floods and 2016 disturbances besides pointing out some deficiencies in the KYC compliance mechanism of the Bank. The accounts were restructured with the aim and objective of providing relief and handholding to the business community who were severely hit by 2014 floods and prolonged disturbances in 2016 and accordingly represented with the RBI for special asset classification treatment for all such accounts. The Reserve Bank of India however declined the rationale and representations of the Bank for a special dispensation for such borrowers; accordingly all such accounts were downgraded by the Bank with retrospective effect as per the directions of RBI. Taking cognizance of the non-compliance of the IRAC norms by the bank in identifying and downgrading such affected accounts RBI has imposed the penalty which is a practice followed by the Reserve Bank in all such cases.

In respect of the deficiencies pertaining to the KYC Compliance for the past periods, the Bank has strengthened the Compliance framework by creating a separate compliance vertical headed by an Executive President/Chief Compliance Officer to obviate any such recurrence in future.

Thanking you

Yours faithfully  
For The Jammu and Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read 'Shafi Mir'.

(Mohammad Shafi Mir)  
Company Secretary