



Board Secretariat

Ref:-JKB/BS/F3652/2021/054
Date: 19th June, 2021

National Stock Exchange of India Ltd
Exchange Plaza 5th 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:- DISPATCH OF POSTAL BALLOT NOTICE

Dear Sirs,

This is in furtherance of our Letter No's JKB/BS/F3652/2021/036 dated 4th June, 2021 & JKB/BS/F3652/2021/052 dated 18th June, 2021, informing the Stock Exchanges regarding the outcome of the Board Meetings held on 4th June, 2021 and 17th & 18th June, 2021 respectively, regarding capital raising by issue of equity shares through preferential allotment to Government of Jammu & Kashmir, the promoter and majority shareholder of the Bank, for an amount upto Rs. 500.00 Crore & issuance and allotment of upto 75000000 equity shares of face value of Re.1/- each (aggregating upto Rs.150 crores including premium) in one or more tranches to eligible employees of the Bank.

Pursuant to the authorization granted by the Board, the Bank has started the process of forwarding the Postal Ballot Notice electronically to its Members whose names appear in the Register of Members/List of Beneficial Owners as on June 11, 2021 (cut-off date) seeking their approval inter-alia to the proposed resolutions. The details pertaining to the schedule of events and the business to be transacted through the Postal Ballot are contained in the enclosed Postal Ballot Notice.

In accordance with Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (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, June 21, 2021 being the date 30 (thirty) days prior to July 21, 2021, the date of passing of the proposed Special Resolutions 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.29.82 (Rupees Twenty Nine and Eighty Two 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 The BSE Limited and National Stock Exchange of India Limited on Friday, June 18, 2021 (being the last trading day before the relevant date) in accordance with SEBI ICDR Regulations. The details regarding number of shares to be issued and the pre and post allotment Shareholding Pattern of the Govt. of J&K is provided in the enclosed Postal Ballot Notice.

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 being sent electronically to shareholders is attached herewith for your information and records. Kindly note, that the Postal Ballot Notice shall also be uploaded on the Bank's website www.jkbank.com and on the website of Registrar and Share Transfer Agent M/s KFin Technologies Private Limited <https://evoting.kfintech.com>.

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.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu & Kashmir Bank Ltd.

(Mohammad Shafi Mir)
Company Secretary

NOTICE OF POSTAL BALLOT

Dear Members,

Notice is hereby given to the Members of Jammu and Kashmir Bank Limited ('the Bank'), pursuant to Section 108 and Section 110 of the Companies Act, 2013 ('the Act') read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014, as amended ('Management Rules') read with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, and 39/2020 dated 31st December, 2020 issued by the Ministry of Corporate Affairs ('MCA Circulars'), and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and other applicable provisions of the Act, the time being in force and as amended from time to time, that the Resolutions as set out in this Notice are proposed for consideration by the Members of the Bank for passing by means of Postal Ballot by voting through electronic means only ('remote e-voting').

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 with or without modification 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, 2018 ("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 in turn 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 16,76,72,702 (Sixteen Crore Seventy Six Lacs Seventy Two Thousand Seven Hundred and Two Only) 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. 29.82 (Rupees Twenty Nine and Eighty Two Paise Only) per Equity Share including premium of Rs. 28.82 (Rupees Twenty Eight and Eighty Two Paise Only) per Equity Share being the floor price determined in accordance with Chapter V of the ICDR Regulations aggregating to an amount of Rs. 499,99,99,973.64 (Rupees Four Hundred Ninety-Nine Crore Ninety Nine Lacs Ninety Nine

Thousand Nine Hundred Seventy Three and Sixty Four Paise 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 V of the ICDR Regulations, the "relevant date" for the purpose of calculating the floor price for the issue of Equity Shares is Monday, June 21, 2021 falling 30 (Thirty) days prior to Wednesday July 21, 2021, i.e. 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 paripassu 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 V 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 MD 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 and also accepting any modifications in the proposed allotment as may be required or imposed by the Regulatory authorities/Stock Exchange where the shares of the Bank are listed or other such appropriate authorities at the time of granting/ according any approvals, consents, permissions and sanctions.

RESOLVED FURTHER THAT the Board and/or the Chairman and MD 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/his powers herein to any Officer(s) of the Bank in such manner as it/he may deem fit in its/his absolute discretion."

RESOLUTION NO. 02

ISSUE OF SHARES TO EMPLOYEES AND WHOLE TIME DIRECTORS OF THE BANK

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 as amended from time to time and subject to the approvals, consents, permissions and sanctions, if any, of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Stock Exchange (s) on which Bank's equity shares are listed, wherever applicable and/or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended up to date, guidelines, if any, prescribed by the RBI, SEBI, and all other relevant authorities, notifications/circulars and clarifications under the Banking Regulation Act, 1949, Securities and Exchange Board of India Act, 1992 and all other applicable laws from time to time and subject to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended upto date, and subject to any applicable approval(s), permission(s) and sanction(s), at any stage, of any authority and subject to any condition(s) and modification(s) as may be prescribed or

imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Bank, the consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as ("the Board") which shall be deemed to include a committee which the Board may have constituted or / may constitute, to exercise its powers including the powers conferred by this resolution) to create, grant, offer, issue and allot, in one or more tranches, to such employees, which expression shall include the Chairman & Managing Director ("The Employees"), as may be decided by the Board, aggregating up to 75000000 (Seven Crore Fifty Lakh) new equity shares of face value of Re. 1/- (Rupee One only) each, ranking pari passu with the existing equity shares of the Bank for all purposes and in all respects, including payment of dividend, under J&K Bank Employee Stock Purchase Scheme, 2021 (hereinafter referred to as "JKBESPS 2021", at such price or prices, and on such terms and conditions as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies as specified in Regulation 15 of the SEBI (Share Based Employee Benefits) Regulations, 2014 or any statutory modification(s), amendment(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares issued and allotted under the "JKBESPS 2021", on the stock exchanges where the shares of the Bank are listed, as per the applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to implement, formulate, evolve, decide upon and bring into effect the "JKBESPS 2021" on such terms and conditions as may be decided by the Board and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the "JKBESPS 2021", from time to time, including but not limited to, amendment(s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the "JKBESPS 2021" in such manner as the Board may determine in its sole discretion and also to settle all questions, difficulties or doubts that may arise in relation to the implementation of the "JKBESPS 2021" and to the shares to be issued pursuant to the proposed "JKBESPS 2021" without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to the Committee(s) of Directors, the Chairman & Managing Director or such other officer(s) of the Bank as it may deem fit to give effect to the aforesaid Resolutions in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, rules and regulations."

By the Order of the Board

Mohammad Shafi Mir
Company Secretary

Date: June 19, 2021
Place: Srinagar

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

Notes:

1. The Explanatory Statements and reasons for the proposed Resolutions pursuant to Section 102 read with Section 110 of the Act setting out material facts are appended herein below.
2. The Bank has appointed Mr. D S M Ram (ACS 14939: COP 4239) Practicing Company Secretary, to act as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.
3. In compliance with the MCA Circulars, the Notice is being sent by electronic mode alone to those Members whose names appear in the Register of Members/List of Beneficial Owners as on Friday, June 11, 2021, and whose e-mail IDs are registered with the Bank / Depositories. For Members who have not registered their e-mail IDs, please follow the instructions given under Note No.11.
4. As per the MCA Circulars and on account of the threats posed by the COVID-19 pandemic, physical copies of the Notice, postal ballot forms and pre-paid Business Reply Envelopes are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through e-voting only.
5. In compliance with provisions of Section 108 and Section 110 and other applicable provisions of the Act read with the Management Rules, the Bank is pleased to offer e-voting facility to all the Members of the Bank. For this purpose, the Bank has utilised the services of its Registrar and Share Transfer agent M/s KFin Technologies Private Limited for facilitating e-voting to enable the Members to cast their votes electronically.
6. Members may please note that the Postal Ballot Notice will also be available on the Bank's website at www.jkbank.com, websites of the Stock Exchanges i.e. The BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of M/s KFin Technologies Pvt. Ltd. at www.kfintech.com.
7. All the material documents referred in the Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on sharedeptt_gc@jkbmail.com. Members who wish to inspect the documents are requested to send an email to sharedeptt_gc@jkbmail.com mentioning their name, Folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.
8. The Notice is being sent to all the Members, whose names appear in the Register of Members / List of Beneficial Owners as received from the NSDL and CDSL as on Friday, June 11, 2021. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Friday, June 11, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice of Postal Ballot for information purpose only.
9. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on Friday, June 11, 2021, being the cut-off date fixed for the purpose.
10. The voting period will commence from Tuesday, June 22, 2021 at 0900 hours IST and ends on Wednesday, July 21, 2021 at 1700 hours IST. The e-voting module shall thereafter be disabled.

11. Members holding shares in physical mode and who have not updated their email addresses with the Bank are requested to update their email addresses by writing to the Bank at sharedeptt_gc@jkbmail.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport etc.) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register/ update their email addresses with relevant depository participants. In case of any queries/ difficulties in registering the e-mail address, Members may write to sharedeptt_gc@jkbmail.com.
12. The Scrutinizer will submit his report to the Chairman & MD after completion of the scrutiny and the results of the e-voting by postal ballot will be announced by or before Friday, July 23, 2021 at the registered office of the Bank at Corporate Headquarters, M. A Road Srinagar (J&K) - 190001. The Resolutions, if passed by requisite majority shall be deemed to have been passed on Wednesday, July 21, 2021, being the last date specified by the Bank for e-voting.
13. The declared results along with the report of the scrutinizer shall be submitted to the BSE and NSE and shall be uploaded on the website of the Bank i.e. www.jkbank.com, website of M/s KFin Technologies Pvt. Ltd. www.kfintech.com.
14. The instructions for Members for e-voting are as under:

e-Voting procedure for Individual shareholders holding securities in Demat:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Method of Login individual shareholders holding the securities in demat mode directly from the website of depositories:

NSDL	CDSL
<p>1. User already registered for IDeAS facility:</p> <p>I. URL: https://eservices.nsd.com</p> <p>II. Click on the "Beneficial Owner" icon under 'IDeAS' section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting".</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2. User not registered for IDeAS e-Services</p> <p>I. To register click on link: https://eservices.nsd.com</p> <p>II. Select "Register Online for IDeAS"</p> <p>III. Proceed with completing the required fields.</p> <p>3. User not registered for IDeAS e-Services</p> <p>I. To register click on link: https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>ii. Proceed with completing the required fields.</p> <p>4. By visiting the e-Voting website of NSDL</p> <p>I. URL: https://www.evoting.nsd.com/</p> <p>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>1. Existing user who have opted for Easi / Easiest</p> <p>I. URL: https://web.cdslindia.com/myeasi/home/login</p> <p align="center">or</p> <p>URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi</p> <p>III. Login with user id and password.</p> <p>IV. Option will be made available to reach e-Voting page without any further authentication.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>II. Proceed with completing the required fields.</p> <p>3. By visiting the e-Voting website of CDSL</p> <p>I. URL: www.cdslindia.com</p> <p>II. Provide demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</p>

Method of Login for individual shareholders holding the securities in demat mode through their depository participants.

Shareholders can also login using the login credentials of their demat account through Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important Note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forgot Password option available at above mentioned website.

For technical Assistance

Members facing any technical issue in login can contact the respective helpdesk by sending a request on the email id's or contact on the phone no's provided below:

NSDL	CDSL
Email: evoting@nsdl.co.in	Email : helpdesk.evoting@cDSLindia.com
Toll free no.'s: 1800 1020 990 1800 22 44 30	Phone No: 022- 23058738 022-23058542-43

e-Voting procedure for Institutional Shareholders and shareholders holding securities in Physical form:

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108,110 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules, the Bank is pleased to provide e-voting facility to all its shareholders holding securities in physical form and to the Institutional Shareholders, to enable them to cast their votes electronically. The Bank has engaged the services of M/s KFin Technologies Private Limited for the purpose of providing e-voting facility to all its members.

- i. The details of the process and manner for e-voting are given below:
 - a. Initial password is provided in the body of the email.
 - b. Launch internet browser and type the URL : <https://evoting.kfintech.com> in the address bar.
 - c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with M/s KFin Technologies Private Limited for e-voting, you can use your existing User ID and password for casting your votes.
- ii. After entering the details appropriately, click on LOGIN.
- iii. 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 (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- iv. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the EVENT i.e. J&K Bank Ltd.
- vi. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/ 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- vii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- viii. Cast your votes 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- ix. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who is/are authorised to vote, to the Scrutinizer through e-mail at ram.devata@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLIENT EVENT No.'
- x. Members can cast their vote online from Tuesday June 22, 2021 (900 hours IST) till Wednesday July 21, 2021 (1700 hours IST). Voting beyond the said date shall not be allowed and the e-voting facility shall be blocked.
- xi. For Members who have not registered their email addresses, kindly register the same and their mobile numbers at the link <https://ris.kfintech.com/clientservices/postalballot/registration.aspx> as the postal ballot form and any other documents will not be sent to them in physical mode. The same shall be sent only by email, in view of the COVID-19 (Corona virus) pandemic and the Applicable Circulars.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

EXPLANATORY STATEMENT

Explanatory Statement Pursuant To Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated June 19, 2021.

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. Pursuant to the same, the Government of Jammu and Kashmir, the promoter and majority shareholder of the Bank (J&K Govt.) holding 68.18% of the equity capital of the Bank has, vide its communication No. FD-VII-Gen(120)R&R/2020 dated March 31, 2021 has committed to infuse capital upto Rs. 500 Crore in the Bank.

It is proposed to offer, issue and allot on a preferential basis, equity shares of the Bank for an amount not exceeding Rs.500.00 Crore to the J&K Govt, in compliance with the provisions of Companies Act, 2013 ("Act") and other applicable laws/regulations including the Banking Regulation Act, 1949 ("BR Act"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In terms of Regulation 164 of 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 purpose of determining the floor price is Monday, June 21, 2021 being the date 30 (Thirty) days prior to Wednesday, July 21, 2021, the date of passing of the proposed Special Resolution by Postal Ballot/e-Voting, if approved by the requisite majority. Accordingly, the floor price of Rs. 29.82 (Rupees Twenty Nine and Eighty Two Paise Only) per share has been determined as on/of close of trading/business on The BSE Limited and the National Stock Exchange of India Limited on Friday, June 18, 2021 (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 Government of J&K has not sold any equity shares of the Bank during the six months preceding the Relevant Date. The Bank or its Promoter or any of its Directors are not wilful defaulters, and none of the Directors of the Bank is as a fugitive economic offender. Thus disclosure under Schedule VI of SEBI ICDR is not applicable.

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

Details of the proposed Preferential Issue and other particulars in terms of Regulation 163 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 16,76,72,702 (Sixteen Crore Seventy Six Lacs Seventy Two Thousand Seven Hundred and Two Only) fully paid-up equity shares of the face value of Re. 1 (Rupee One) each of the Bank at a price of Rs. 29.82 (Rupees Twenty Nine and Eighty Two Paise Only) per Equity Share, including premium of Rs. 28.82 (Rupees Twenty Eight and Eighty Two Paise Only) per Equity Share ("Equity Shares"), aggregating to an amount of Rs. 499,99,99,973.64 (Rupees Four Hundred Ninety Nine Crore Ninety Nine Lacs Ninety Nine Thousand Nine Hundred Seventy Three and Sixty Four Paise 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 164 of the SEBI ICDR Regulations. Considering Monday, June 21, 2021, as the relevant date, the issue price for the Equity Shares including premium has been fixed at Rs. 29.82 (Rupees Twenty Nine and Eighty Two 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 68.18% shares of the Bank. The post-issue shareholding of the Govt. of J&K will be 74.24% 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 June 11, 2021)		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	48,64,25,578	68.18	65,40,98,280	74.24
(B)Public				
(B1)Institutions				
Indian Financial Institutions	-	-	-	-
Indian Mutual Funds	14,76,265	0.21	14,76,265	0.17
Insurance Companies	1,53,74,694	2.15	1,53,74,694	1.75
Banks	200	0.000	200	0.000
Foreign Portfolio Corp	1,26,74,027	1.78	1,26,74,027	1.44
(B2) Central Government/State Government(s) / President of India	-	-	-	-
(B3) Non-institutions Non-resident Indians	76,32,528	1.07	76,32,528	0.87
Overseas Corporate Bodies	-	-	-	-
Bodies Corporates	1,89,93,566	2.66	1,89,93,566	2.15
Resident Individuals	16,74,51,065	23.47	16,74,51,065	19.00
Clearing Members	25,23,547	0.35	25,23,547	0.28
Others	8,99,468	0.13	8,99,468	0.10
Foreign Nationals	-	-	-	-
Total Public shareholding B= (B1+B2+B3)	22,70,25,360	31.82	22,70,25,360	25.76
(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	71,34,50,938	100.00	88,11,23,640	100.00

Note:

The J&K Govt General Administration Department S.O. No. 339 dated 30.10.2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020

As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 shall be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The said arrangement is however subject to necessary regulatory approvals.

Accordingly, holding of the J&K Government in the Bank may change subsequent to grant of approval by the regulator(s) for transfer of 45829445 (Four Crore, Fifty-Eight Lakh, Twenty-Nine Thousand, Four Hundred and Forty-Five) equity shares of the Bank to the Government of Ladakh UT as per the arrangement of apportionment communicated by the J&K Government vide above communiqué.

8. Proposed time of Allotment:

The Equity Shares shall be allotted within a period of 15 days from the date of receipt of shareholder's 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 and the entire pre preferential holding of the Government of J&K shall be locked-in in accordance with Regulation 167 of Chapter V of SEBI ICDR Regulations

10. Auditor's Certificate:

The Statutory Auditor's certificate, as required under Regulation 163 (2) of the SEBI ICDR Regulations shall be made available for inspection on the website of the bank at https://www.jkbank.com/pdfs/notice/ballot_notice_2021.pdf between 0900 hours of June 22, 2021 to 1700 hours of July 21, 2021.

It is proposed to obtain consent of the Members by way of special resolution, pursuant to the provisions of Section 42 and 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/majority shareholder of the Bank is interested in the proposed Special Resolution to the extent to 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, Government Nominee Directors may also be deemed to be concerned or interested in the proposed special resolution being nominee director of the J&K Govt. on the Board of the Bank.

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

RESOLUTION - 02:

ISSUE OF SHARES TO EMPLOYEES AND WHOLE TIME DIRECTORS OF THE BANK:

With a view to enhance sense of belongingness and to motivate the Bank's Employees, the Bank proposes to issue new equity shares to its permanent serving employees including the Whole Time Director of the Bank ("Eligible Employees"). The proposed issue will also measure up to meet the growing demands for long term resources and shore up the Bank's capital adequacy in line with the regulatory requirements.

In compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 ["SEBI (SBEB)"], the Bank is formulating a Scheme namely J&K Bank Employee Stock Purchase Scheme, 2021 ("JKBESPS 2021"). The Scheme will be administered by the Compensation Committee of the Board and shall be subject to compliance with the applicable laws.

The Board of Directors in their meeting held on June 17, 2021 and adjourned for June 18, 2021 have subject to Shareholders and Regulatory approvals, approved the issuance and allotment of upto Seven Crore and Fifty Lakh Equity Shares of face value of Re.1/- each [aggregating upto Rs. 150 crores (Rupees One Hundred and Fifty Crores) including premium] in one or more tranches to eligible employees of the Bank.

The objects of the issue, apart from raising of long-term resources are:

- To recognize and reward the contributions made by the employees of the Bank and to align the interests of the employees with the long-term interests of the Bank; and
- To enhance the sense of belongingness and ownership among the employees.

The new equity shares proposed to be issued under the Scheme shall rank pari passu in all respects with the existing equity shares of the Bank including payment of dividend, if any, declared by the Bank.

In compliance with Regulation 41(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] and Regulation 6 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Bank is proposing the Special Resolution for issuance and allotment of new equity shares to Eligible Employees.

Pursuant to SEBI Circular No. CIR/CFD/Policy Cell/ 2015 dated 16th June 2015, the additional disclosures required to be given in the explanatory statement to the notice as enumerated therein are provided as under:

A. BRIEF DESCRIPTION OF THE SCHEME:

The Bank proposes to offer upto 75000000 (Seven Crore Fifty Lakh) new equity shares of face value of Re. 1/- each of the Bank to all the Eligible Employees under J&K Bank Employee Stock Purchase Scheme, 2021 ("JKBESPS 2021") subject to applicable Laws, Rules, Regulations and Guidelines, with appropriate premium to be decided at the time of making offer.

B. TOTAL NUMBER OF SHARES TO BE GRANTED:

Up to 75000000 (Seven Crore Fifty Lakh) new equity shares in aggregate are proposed to be offered to the Eligible Employees under the J&K Bank Employee Stock Purchase Scheme, 2021 ("JKBESPS 2021").

C. IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE AND BE BENEFICIARIES IN THE J&K BANK EMPLOYEE STOCK PURCHASE SCHEME, 2021 ("JKBESPS 2021"):

All serving permanent employees of the Bank including Whole Time Directors of the Bank.

D. REQUIREMENTS OF VESTING AND PERIOD OF VESTING:

Not Applicable.

E. MAXIMUM PERIOD {SUBJECT TO REGULATION 18 (1) AND 24 (1) OF THE SEBI (SBEB) REGULATIONS, AS THE CASE MAY BE} WITHIN WHICH THE OPTIONS/SARs/BENEFIT SHALL BE VESTED:

Not Applicable.

F. EXERCISE PRICE, SAR PRICE, PURCHASE PRICE OR PRICING FORMULA:

The Offer Price / Purchase Price will be determined by the Board / Compensation Committee of Directors at the time of offer. The price of the Shares to be allotted under the Scheme to the Eligible Employees of the Bank shall be at a discount ranging between 10% to 40% on the average of the weekly high and low of the volume weighted average prices of the equity shares quoted on NSE during the two weeks preceding the date on which the Board/ Compensation Committee of Board fixes Offer / Purchase Price.

G. EXERCISE PERIOD AND PROCESS OF EXERCISE:

The period during which the issue remains open as per decision of the Board/Compensation Committee of Board shall be the Exercise Period. The process of exercise would, inter-alia, include offer made to the Eligible Employees, receipt of application and subscription amount and allotment of shares pursuant to the Scheme.

H. THE APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES FOR THE PROPOSED ESPS:

Eligible Employees as on the date of offering will be entitled to participate subject to the applicable regulatory requirements and guidelines.

I. MAXIMUM NUMBER OF OPTIONS, SARs, SHARES, AS THE CASE MAY BE, TO BE ISSUED PER EMPLOYEE AND IN AGGREGATE:

The maximum number of new equity shares per employee proposed to be issued under the Scheme is 20000 (Twenty Thousand) equity shares.

The Bank proposes to issue maximum of 75000000 (Seven Crore Fifty Lakh) new equity shares in aggregate and equity shares proposed to be issued per employee shall not exceed 1.00% of the post issue paid-up capital of the Bank.

J. MAXIMUM QUANTUM OF BENEFITS TO BE PROVIDED PER EMPLOYEE UNDER THE SCHEME:

The maximum quantum of benefit to a single employee shall be the discount on 20000 shares. Other than equity shares issued to the Eligible Employees under the Scheme as indicated in

para (l) above, no other benefit is proposed to be provided to the Employees.

K. WHETHER THE SCHEME (S) IS TO BE IMPLEMENTED AND ADMINISTERED DIRECTLY BY THE BANK OR THROUGH A TRUST:

The proposed Scheme will be implemented and administered directly by the Bank.

L. WHETHER THE SCHEME (S) INVOLVES NEW ISSUE OF SHARES BY THE BANK OR SECONDARY ACQUISITION BY THE TRUST OR BOTH:

Under the proposed Scheme, the Bank will issue new equity shares directly to the Eligible Employees.

M. THE AMOUNT OF LOAN TO BE PROVIDED FOR IMPLEMENTATION OF THE SCHEME (S) BY THE BANK TO THE TRUST, ITS TENURE, UTILIZATION, REPAYMENT TERMS ETC.:

Under the proposed Scheme, the new equity shares of the Bank are proposed to be issued directly to the Eligible Employees and as such, the formation of the Trust or providing loan to the Trust is not applicable.

N. MAXIMUM PERCENTAGE OF SECONDARY ACQUISITION (SUBJECT TO LIMITS SPECIFIED UNDER THE SEBI REGULATIONS) THAT CAN BE MADE BY THE TRUST FOR THE PURPOSES OF THE SCHEME (S):

Not Applicable.

O. ADHERENCE TO THE ACCOUNTING POLICIES SPECIFIED IN REGULATION 15 OF SEBI (SBEB) REGULATIONS:

The Bank will conform to the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014.

P. THE METHOD WHICH THE BANK SHALL USE TO VALUE ITS OPTIONS OR SARs:

Under the proposed Scheme, the Bank proposes to issue new equity shares which are to be purchased by the allottees against upfront payment and as such, the valuation of Options or SARs is not applicable.

Q. IN CASE THE BANK OPTS FOR EXPENSING OF SHARE-BASED EMPLOYEE BENEFITS USING THE INTRINSIC VALUE, THE DIFFERENCE BETWEEN THE EMPLOYEE COMPENSATION COST SO COMPUTED AND THE EMPLOYEE COMPENSATION COST THAT SHALL HAVE BEEN RECOGNIZED IF IT HAD USED THE FAIR VALUE, SHALL BE DISCLOSED IN THE DIRECTORS' REPORT AND THE IMPACT OF THIS DIFFERENCE ON PROFITS AND ON EARNINGS PER SHARE ("EPS") OF THE BANK SHALL ALSO BE DISCLOSED IN THE DIRECTORS' REPORT:

The Bank is not using the intrinsic value method for the purpose of JKBESPS-2021 and as such this disclosure is not applicable

R. LOCK-IN PERIOD:

The new equity shares proposed to be issued under the present ESPS shall be locked-in for a minimum period of one year from the date of allotment as per SEBI (SBEB) Regulations, 2014.

The Board of Directors recommends the passing of the proposed Special Resolution.

The Chairman & Managing Director and other Key Managerial Persons (KMPs) of the Bank are concerned or interested in the Resolution (s) as it is intended for their benefit. Other Directors are not concerned or interested in the Resolution.

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

**Mohammad Shafi Mir
Company Secretary**

Date: June 19, 2021

Place: Srinagar

**Registered Office:
Corporate Headquarters
M. A. Road
Srinagar, Jammu and Kashmir- 190001**