

Secretarial compliance report of JAMMU AND KASHMIR BANK LIMITED
for the year ended 31st March, 2020

[Pursuant to the SEBI Circular No. CIR/CFD/CMD1/27/2019/ Dated 08.02.2019]

We, DSMR & Associates, have examined:

- a) all the documents and records made available to us and explanation provided by JAMMU AND KASHMIR BANK LIMITED ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other documents / filings, as may be relevant,

which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI")

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- I. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except as mentioned at Para (A) below;
- II. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The listed entity had issued and allotted 15,65,92,546 equity shares on preferential basis to the Government of Jammu and Kashmir, the promoter of the listed entity for cash at a price of Rs.31.93 per equity share including a premium of Rs. 30.93 per share after obtaining the necessary statutory and regulatory approvals.

The aforesaid issue and allotment has been made in compliance with the regulations prescribed in Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

For DSMR & ASSOCIATES
COMPANY SECRETARIES



DSM RAM
PROPRIETOR
C.P. No. 4239

III. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

As per Regulation 3(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 any Promoter or person acting in concert can acquire upto 5% of the paid-up capital in a financial year. The listed entity issued and allotted 15,65,92,546 Equity shares to the Government of Jammu & Kashmir. The said allotment has increased the shareholding of the promoter by 8.95% in the capital of the Bank.

The listed entity for and on behalf of the Government of J&K, the majority shareholder, made an application to SEBI for issuing the shares beyond 5% of the paid-up capital. The Securities and Exchange Board of India vide its order No. WTM/GM/CFD/81/2019-20 dated 18th March, 2020 under Section 11(1) and Section 11(2)(h) of the SEBI Act, 1992 read with Regulation 11(5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 granted exemption to the Government of Jammu & Kashmir, from complying with the requirements of Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with respect to the acquisition of 15,65,92,546 equity shares in the listed entity during the Financial Year 2019 – 2020 though preferential allotment.

IV. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the period of our audit the listed entity has not done any buy back of its securities. Hence the reporting of compliance under these regulations does not arise;

V. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

During the period of our audit the listed entity has not issued any securities and also does not have an ESOP plan. Hence the reporting of compliance under these regulations does not arise.

VI. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the period of our audit the listed entity has not issued any Debt Securities. Hence the reporting of compliance under these regulations does not arise.

VII. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

During the period of our audit the listed entity has not issued any Preference Shares during the reporting period. Hence, the reporting of compliance under these regulations does not arise.

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VIII. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

During the period of our audit the listed entity has complied with the applicable provisions of the said regulations.

IX. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

During the period of our audit, the listed entity has not delisted its Equity Shares from any of the exchanges, where its shares are listed. Hence the reporting of compliance under these regulations does not arise; and

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

and based on the above examination, we hereby report that, during the Review period:

- A. The listed entity has complied with the provisions of the above Regulations including the circulars/guidelines issued thereunder, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations / Circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015	The then existing woman director Mrs. Vijayalakshmi R Iyer had resigned on 27 th March 2019. The Bank has appointed Ms. Monica Dhawan as an Independent Woman Director on its Board on 11 th January 2020. The said appointment was made beyond time limit specified under this regulation	As on 31 st March 2020, provisions relating to appointment of woman director stand complied with by the Bank.

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San Monica R. Iyer

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2.	Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015	Since, the chairman of the Bank is Executive, half of the board should comprise of independent Directors and there is non-compliance for the same during the year.	The existing Chairman & Managing Director of the Bank has been appointed by the Reserve Bank of India under Section 10BB of the Banking Regulation Act, 1949. The shareholders & RBI have approved amendments in the Articles of Association of the Bank for splitting the position of Chairman & CEO into Non-Executive Chairman of the Board and a fulltime Managing Director of the Bank to comply with regulatory requirements. The Bank has also made application to the RBI seeking approval under Section 35B of the aforesaid Act to appoint a Non-Executive Chairman of the Board and the said application is under the consideration of RBI. Upon receipt of approval from RBI, the Bank would be in compliance with Regulation 17(1)(b) of Listing Regulation.
3.	Regulation 17 (2) of SEBI (LODR) Regulations, 2015	The Bank has conducted Board Meetings held on 23 rd October, 2019 and 30 th December, 2019 without the presence of atleast one Independent Director	During the said period the Bank did not have any Independent Directors. However, the bank subsequent to the appointment of Independent Directors had conducted its Board Meetings with their presence.
4.	Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015	Composition of the Audit Committee was not in compliance with the provisions of this Regulation for the period beginning from 26 th September 2019 and 10 th January, 2020 since the Bank did not	Composition of the Committee was aligned to the regulatory requirements subsequent to the appointment of the Independent Directors.

		have any Independent Directors	
5.	Regulation 18(2)(a) of SEBI (LODR) Regulations, 2015	The Audit committee meeting held on 2 nd August 2019 and the next meeting held on 30 th January 2020. The time gap between the meetings was exceeding the time gap mentioned in this regulation.	Consequent upon revised composition of the Committee, the meetings of the committee in the subsequent quarters were held within the prescribed timelines.
6.	Regulation 19(1)(a) of SEBI (LODR) Regulations, 2015	Composition of the nomination and remuneration Committee was not in compliance with the provisions of this Regulation for the period beginning from 26 th September 2019 ending 10 th January, 2020 since the Bank did not have any Independent Directors	Composition of the Committee was aligned to the regulatory requirements subsequent to the appointment of the Independent Directors.
7.	Regulation 20(2) of SEBI (LODR) Regulations, 2015	Composition of the Stakeholders Relationship Committee was not in compliance with the provisions of this Regulation for the period beginning 26 th September 2019 ending 10 th January, 2020 since the Bank did not have any Independent Directors	Composition of the Committee was aligned to the regulatory requirements subsequent to the appointment of the Independent Directors.
8.	Regulation 25(6) of SEBI (LODR) Regulations, 2015	The Bank has appointed Dr. Rajeev Lochan Bishnoi and Ms. Monica Dhawan on 11 th January 2020 and Mr. Naba Kishore Sahoo on 1 st March 2020 as Independent Directors. The said appointments were made beyond time	Due to unavoidable circumstances beyond the control of Bank, the Bank could not appoint Independent Directors within the time limits specified under regulation 25(6).

		limit specified under this regulation.	
9.	Regulation 33(3) of SEBI (LODR) Regulations, 2015	The bank has submitted financial results for the half year ended 30 th September 2019 on 31 st January 2020 which is beyond the time limit prescribed in this regulation.	<p>The Bank had made an application to the SEBI/stock exchanges for grant of extension beyond 45 days along with the waiver of penalty to be imposed. However, BSE Limited and NSE have levied a penalty of Rs.1,06,200/- each for delay in submission of financial results for the quarter ended 30th September, 2019. The Bank has made payments to the respective Stock Exchanges.</p> <p>BSE Limited (vide their email dated 2nd July, 2020) and The National Stock Exchange of India Limited (vide their email dated 16th June, 2020) have waived off the penalty levied for late submission of the financial results for the quarter ended 30th September, 2019.</p>

B. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

C. The following are the details of action taken against the listed entity/ its promoters/ directors/ material subsidiaries SEBI by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

Sl. No.	Action taken by	Details of Violation	Details of Action taken e.g., fines, warning letter, debarment etc.	Observations / Remarks of the Practicing Company Secretary, if any
1	a. BSE Ltd b. National Stock Exchange of India Limited	Non-compliance with Regulation 33 (3) of the SEBI (LO&DR) Regulations, 2015 ('Listing Regulations')	<p>Fine imposed by:</p> <ul style="list-style-type: none"> • BSE Ltd. Rs.1,06,200/- • NSE Ltd. Rs. 1,06,200/- 	Keeping in view, the unprecedented and extraordinary reasons for non-compliance with the Regulation 33 (3) of the SEBI

For DSMR & ASSOCIATES
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		<p>relating to delay in submission of reviewed Financial Results of the Bank for the quarter and half year ended September 30, 2019 within the stipulated period.</p>	<p>regulations, the Bank had filed an application before SEBI for one-time relaxation from strict enforcement of the aforesaid Regulations and waiver of penalty levied by the Stock Exchanges. SEBI has referred the application made by the Bank to the Stock Exchanges for a decision in the matter. The National Stock Exchange of India Limited (vide their email dated 16th June, 2020) and BSE Limited (vide their email dated 2nd July, 2020) have granted waiver of penalty for non-compliance with the provisions of Regulation 33 (3) of the listing regulations.</p>
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D. There were no observations made in the previous report given for the financial year 2018-19

E. Due to the existing circumstances and restrictions placed on inter-state movement, we are unable to verify the partial information physically, therefore we rely on the information provided by the Bank in electronic mode.

Place: Hyderabad
Date: 27th July, 2020

For DSMR & Associates
Company Secretaries



D S M Ram
Proprietor

C. P. No. 4239

UDIN: A014939B000506606