

## NOTICE OF POSTAL BALLOT

Pursuant to Sections 108 and 110 of the Companies Act, 2013 ('the Act') read with Rules 20 and 22 of Companies (Management and Administration) Rules, 2014.

Dear Members,

Notice is hereby given to the Members of the Jammu and Kashmir Bank Limited ('the Bank'), pursuant to Sections 108 and 110 of the Companies Act, 2013 ('the Act') read with Rules 20 and 22 of Companies (Management and Administration) Rules, 2014, as amended ('Management Rules'), General Circular Nos.14/2020, 03/2022 and 11/2022 dated 08<sup>th</sup> April, 2020, 05<sup>th</sup> May, 2022 and 28<sup>th</sup> December 2022, respectively, 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').

### ITEM NO. 01

#### **REGULARISATION OF ADDITIONAL DIRECTOR, MR. SUDHIR GUPTA (DIN: 09614492) AS A DIRECTOR ON THE BOARD OF THE BANK**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED** that in accordance with the applicable provisions of the Companies Act, 2013, Banking Regulations Act, 1949 and other applicable regulatory provisions {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force} and consequent upon the approval from the Reserve Bank of India for the appointment of **Mr. Sudhir Gupta (DIN: 09614492)** as an Executive Director of the Bank for a period of three years w.e.f December 14, 2022 to December 12, 2025 and who was appointed as an Additional Director by the Board in its meeting held on December 14, 2022 under section 161 of the Companies Act, 2013 read with Article 78 of the Articles of Association of the Bank, be and is hereby appointed, as a Whole Time Director designated as Executive Director on the Board of Directors of the Bank, the period of whose office shall be liable to retire by rotation, on the terms and conditions and remuneration as approved by the Reserve Bank of India."

### ITEM NO. 02

#### **REGULARISATION OF ADDITIONAL DIRECTOR, MS. SHAHLA AYOUB (DIN: 09834993) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE BANK**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Section 10A(2A)(i) of the Banking Regulation Act, 1949, Ms. Shahla Ayoub (DIN: 09834993), who was appointed as an Additional Director of the Bank with effect from December 26, 2022, pursuant to Section 161 of the Act and Article 78 of the Articles of Association of the Bank and who has submitted a declaration that she meets the criteria of Independence as provided under the Act and the Listing Regulations, be and is hereby, appointed as an Independent Director of the Bank not liable to retire by rotation to hold office for a term of upto 3 (three) consecutive years with effect from December 26, 2022 to December 25, 2025.”

### **ITEM NO. 03**

#### **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 and Sweat Equity) Regulations, 2021, 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 Managing Director & Chief Executive Officer and Executive Director (**“The Employees”**), as may be decided by the Board, aggregating up to **7000000 (Seven Crore)** 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, 2023 (hereinafter referred to as **“JKBESPS 2023**, 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 and Sweat Equity) Regulations, 2021 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 the listing of the equity shares issued and allotted under the **“JKBESPS 2023”**, 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 authorised to implement, formulate, evolve, decide upon and bring into effect the **“JKBESPS 2023”** 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 2023”, 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 2023” 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 2023” and to the shares to be issued pursuant to the proposed “JKBESPS 2023” 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 Managing Director & Chief Executive Officer, 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 and Sweat Equity) Regulations, 2021 and other applicable laws, rules and regulations.”

**By the Order of the Board**

**Mohammad Shafi Mir**  
**Company Secretary**  
**FCS:8516**

Date: January 27, 2023

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. Ghulam Jeelani Reshi (FCS 8720 : COP 10020) 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 only to those Members whose names appear in the Register of Members/List of Beneficial Owners as on Friday, January 20, 2023 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 issued subsequent to the outbreak of 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 is utilising the services of M/s Kfin Technologies 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](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of M/s Kfin Technologies Limited at [www.kfintech.com](http://www.kfintech.com).
7. All the material documents referred to in the Explanatory Statements shall be available for inspection through electronic mode, basis the request being sent on [sharedeptt\\_gc@jkbmail.com](mailto:sharedeptt_gc@jkbmail.com). Members who wish to inspect the documents are requested to send an email to [sharedeptt\\_gc@jkbmail.com](mailto: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, January 20, 2023. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Friday, January 20, 2023, 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 purposes 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, January 20, 2023, being the cut-off date fixed for the purpose.
10. The voting period will commence from Saturday, January 28, 2023 at 0900 hours IST and ends on Sunday, February 26, 2023 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 sending the duly filled in Form

ISR-1 (available on the Bank’s website/website of M/s KFin Technologies Limited) along with relevant proof to the RTA M/s KFin Technologies Limited, Unit: Jammu and Kashmir Bank Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana or the scanned copies of the documents may alternatively be mailed to M/s Kfin Technologies Limited (RTA) on the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with all the forms and proofs e-signed. Members holding shares in demat form who have not updated their email addresses with the depository/depository participant are requested to approach the concerned depository participant to update their email addresses.

12. The Scrutinizer will submit his report to the Managing Director & Chief Executive Officer after completion of the scrutiny and the results of the e-voting by postal ballot will be announced by or before Tuesday, February 28, 2023 at the registered office of the Bank at Corporate Headquarters, M. A Road Srinagar (J&K) - 190001. The Resolutions, if passed by the requisite majority shall be deemed to have been passed on Sunday, February 26, 2023 being the last date specified by the Bank for e-voting.

13. The declared results along with the report of the scrutinizer shall be forwarded to the BSE and NSE and shall be uploaded on the website of the Bank i.e. [www.jkbank.com](http://www.jkbank.com), website of M/s Kfin Technologies Limited at [www.kfintech.com](http://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:**

<u>NSDL</u>	<u>CDSL</u>
<p><b>1. User already registered for IDeAS facility:</b></p> <p>I. URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></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><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. URL:<a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></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><b>2. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>II. Select “Register Online for IDeAS”</p> <p>III. Proceed with completing the required fields.</p>	<p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p>
<p><b>3. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link: <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>ii. Proceed with completing the required fields.</p>	<p><b>3. By visiting the e-Voting website of CDSL</b></p> <p>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide demat Account Number and PAN No.</p>
<p><b>4. By visiting the e-Voting website of NSDL</b></p>	

<p>I. URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></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>III. System will authenticate user by sending OTP on registered Mobile &amp; 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>
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**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 the 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 Forgot 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: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Toll free no.’s: 1800 1020 990 1800 22 44 30	Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 Limited for the purpose of providing e-voting facility to all its members.

- i. The details of the process and manner for e-voting is given below:
  - a. Initial password is provided in the body of the email.
  - b. Launch the internet browser and type the [URL:https://evoting.kfintech.com](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 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 [cs.jeelani@gmail.com](mailto:cs.jeelani@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 Saturday January 28, 2023 (0900 hours) till Sunday, February 26, 2023 (1700 hours). 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://www.kfintech.com> or call M/s Kfin Technologies Limited.

## EXPLANATORY STATEMENT

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated January 27, 2023

### RESOLUTION - 01

The Reserve Bank of India upon the recommendations of the Nomination & Remuneration Committee & the Board of Directors of the Bank, accorded approval to the appointment of Mr. Sudhir Gupta (DIN: 09614492) as an Executive Director of the Bank for a period of three years vide letter no. DoR.GOV55830/08.39.001/2022-23 dated December 13, 2022. Consequently, the Board of Directors in their meeting held on December 14, 2022, appointed Mr. Gupta as an Additional Director and Executive Director of the Bank w.e.f December 14, 2022, to December 12, 2025. The terms and conditions of the appointment and remuneration payable to Mr. Gupta is provided in the annexure to this notice.

The Bank has also received consent in writing from Mr. Sudhir Gupta (DIN: 09614492) to act as Director pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of Companies Act, 2013.

Mr. Sudhir Gupta joined the services of the Bank as Probationary Officer in the year 1989 and has served the Bank in different capacities across the operational topography of the Bank ranging from business operations at the Branch, having headed three different Zones of Bank as Zonal Head and in leading important departments i.e Customer Care, Credit Audit, BSD /CCM at Corporate Headquarters.

Mr. Gupta has also demonstrated his leadership skills in J&K Grameen Bank where he was deputed as chairman for a period of two years. During his tenure as Chairman of J&K Grameen Bank, he accomplished the strategic targets within the defined timelines.

Carrying a paragon of capability, expertise, and professionalism to the chair that extends over thirty years, his areas of expertise include Credit, Finance, Corporate & Retail Banking, Customer Service, Trade Finance, Foreign exchange, Business continuity planning, etc.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience, and other attributes, that his induction on the Board would be of immense benefit to the Bank and it is desirable to avail his services as an Executive Director to strengthen the management of the Bank.

The Board, therefore, recommends the resolution as set out in Item No. 01 of the Notice for approval of Members as an ordinary resolution. The details of the Director seeking appointment through the Postal Ballot as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the annexure to this notice.

Except for the Director seeking appointment, none of the other Directors, Key Managerial Personnel of the Bank, or their relatives are in any way concerned or interested in the Resolution. Mr. Gupta is not related to any of the Directors or any Key Managerial Personnel of the Bank.

### RESOLUTION - 02

As per the requirements of Section 149(1)(b) and 149(4) of the Companies Act, 2013, every listed public company shall have at least one Woman Director and at least one-third of the total number of directors as Independent Directors respectively. As per Regulations 17(1)(a) and 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall have



an optimum combination of Executive and Non-Executive Directors with at least one independent woman director and not less than fifty percent of the Board of Directors shall comprise of Non-Executive Directors and where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors. Further, as per RBI Circular No.DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 regarding “Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board”, at least half of the directors attending the meetings of the Board shall be Independent Directors.

In view of aforesaid provisions and consequent upon the resignation of Mrs. Sushmita Chadha from the Board on September 27, 2022, the Board of Directors of the Bank in their endeavor to augment the composition of the Board, on December 26, 2022, subject to the approval of Shareholders have appointed Ms. Shahla Ayoub (DIN: 09834993) as an Additional Director in the category of Independent Directors on the Board of the Bank for a period of three years with effect from December 26, 2022 to December 25, 2025.

Ms. Shahla Ayoub (DIN: 09834993) is not disqualified from being appointed as a Director in terms of regulatory requirements and has given her consent to act as a Director of the Bank. The Bank has also received a declaration from the above Director that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Shahla Ayoub is a young Economist of J&K. She works presently as an Assistant Professor in Department of Higher Education, Government of J&K. Having worked as Assistant Director in Economics and Statistics, Department of Planning, Government of J&K before joining the Department of Higher Education, She brings to Board an affluence of Economic expertise and perspicacity.

She has a yearning and yawning interest in the field of economic research, especially in the areas of Conflict Economics, Financial Inclusion and Developmental Economics. She has to her credit a number of publications, out of which the following have carried more impact:

- Good Governance: Indian issues and concerns (published in European Academic research, Vol III, issue X; Jan 2016, ISSN No 2286-4822).
- Conflict and Economic warfare; Insights from Kashmir, (Golden research Thoughts, Vol. II, issue VII, Jan 2013, ISSN No 2231-5603) Jan 2016, ISSN No 2286-4822).
- A disparity in the sense of security causes disparity in economic welfare - A case study of conflict hit households in urban Srinagar” (published in European Academic research, Vol III, issue X, Jan 2016,ISSN NO 2286-4822)
- She has also presented a paper on “Response of Households to conflict: A case study of District Srinagar at an International seminar organized by Indian Economic Association (IEA), May 2012, and also on Financial Inclusion of Handicraftsmen in District Srinagar.

In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for her appointment as an Independent Director and is also independent of the management. Considering her qualification, experience and knowledge, the Board considers that her association would be of immense benefit to the Bank.

The Board, therefore, recommends the resolution as set out in Item No. 02 of the Notice for approval of Members as a special resolution. The details of the Director seeking appointment through the

Postal Ballot as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the annexure to this notice.

Except the Director seeking appointment, none of the other Directors, Key Managerial Personnel of the Bank, or their relatives are in any way concerned or interested in the Resolution. Ms. Shahla is not related to any of the Directors or any Key Managerial Personnel of the Bank.

### **RESOLUTION - 03**

With a view to enhance sense of belongingness and to motivate the Bank's Employees besides simultaneously augmenting the capital base of the Bank, the Bank proposes to issue new equity shares to its permanent serving employees including the Whole Time Directors 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 and to support the envisaged growth plans.

In compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**"SEBI (SBEB&SE)"**], the Bank is formulating a Scheme namely J&K Bank Employee Stock Purchase Scheme, 2023 ("**JKBESPS 2023**"). The Scheme will be administered by the Nomination and Remuneration Committee of the Board and shall be subject to compliance with the applicable laws.

The Board of Directors in their meeting held on January 23, 2023 subject to Shareholders and Regulatory approvals, approved the issuance and allotment of upto Seven Crore Equity Shares of face value of Re.1/- each (aggregating upto Rs.300 (Three Hundred) 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 and Sweat Equity) Regulations, 2021, the Bank is proposing the Special Resolution for issuance and allotment of new equity shares to Eligible Employees.

Pursuant to Part C of Schedule - I of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 70000000 (Seven Crore) new equity shares of face value of Re. 1/- each of the Bank to the Eligible Employees under J&K Bank Employee Stock Purchase Scheme, 2023 ("**JKBESPS 2023**") 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 70000000 (Seven Crore) new equity shares in aggregate are proposed to be offered to the Eligible Employees under the J&K Bank Employee Stock Purchase Scheme, 2023 ("**JKBESPS 2023**").

**C. IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE AND BE BENEFICIARIES IN THE J&K BANK EMPLOYEE STOCK PURCHASE SCHEME, 2023 (“JKBESPS 2023”):**

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&SE) 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 /Nomination and Remuneration Committee of the Board (NRC) 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/ Nomination and Remuneration Committee of Board fixes Offer / Purchase Price.

**G. EXERCISE PERIOD AND PROCESS OF EXERCISE:**

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

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

Eligible Employees as on the date of the offering will be entitled to participate subject to the applicable regulatory requirements and guidelines. Eligibility of the employees shall be determined by the NRC based on criteria fixed in the scheme. Employees against whom disciplinary action is eminent due to the establishment of charges, casually engaged employees, employees whose appointments are under investigation, employees who have been issued a notice of termination of service by the Bank etc. are not eligible to participate in the ESPS.

**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 up to 70000000 (Seven Crore) 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 at the rate as approved by the NRC. Other than equity shares issued to the Eligible Employees under the Scheme as indicated in para (I) 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 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 and Sweat Equity) Regulations, 2021.

**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-2023 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Board, therefore, recommends the resolution as set out in Item No. 03 of the Notice for approval of Members as a special resolution.

The Managing Director & Chief Executive Officer, Executive 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 also. Other Directors are not directly concerned or interested in the Resolution.

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

**Mohammad Shafi Mir  
Company Secretary  
FCS: 8516**

Date: January 27, 2023

Place: Srinagar

**Registered Office:**

Corporate Headquarters

M. A. Road

Srinagar, Jammu and Kashmir- 190001



## Annexure to Notice

### Details of Directors seeking appointment/re-appointment through the Postal Ballot as per SS - 2 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Details of Directors seeking appointment through the Postal Ballot	
Name	Sudhir Gupta	Shahla Ayoub
Category	Executive Rotational Director	Non-Executive Independent Director
DIN	09614492	09834993
Date of Birth	04-11-1967	14-06-1987
Qualification	BSc, LLB, CAIIB	M. A (Economics), B.Ed, SET
Nature of Expertise / Experience	Banking, Finance, Law, Human Resource, Agriculture & Rural Economy and Business Management	Economics, Academics
Terms and conditions of appointment	Appointment as an Executive Director for a period of three years with effect from 14 <sup>th</sup> December, 2022, subject to retirement by rotation.	Appointment as an Independent Director for a period of three years with effect from 26 <sup>th</sup> December, 2022, not liable to retire by rotation.
Details of Remuneration paid and last drawn remuneration (including sitting fees) during Financial Year 2022-2023	Salary of Rs.2,10,218.00 drawn as Executive Director from 14-12-2022. Being an Executive Director, he is not entitled for sitting fee.	Nil
Remuneration proposed to be paid	As an Executive Director, Mr. Sudhir Gupta will be entitled to fixed pay of Rs 45.05 Lacs (per annum) and performance based variable pay of Rs 45.05 Lacs (Per annum) which stands approved by Reserve Bank of India vide its no Dor.GOV55830/08.39.001/2022-23 dated 13.12.2022.	Non-Executive Directors (excluding Government Nominee Directors in active service; RBI Nominated Directors in active service; Directors in Active Service of Government) are paid the sitting fee of Rs. 70,000 for attending each meeting of the Board and Rs. 40,000 for a Committee thereof. In addition, the non-executive directors (as above) are also entitled to profit-related compensation to the extent of one percent of the profits of the Bank for the relevant financial year, subject to a maximum of Rs. 10 Lakhs per annum per Director. However, as on date, the Board of Directors has mutually decided to keep the sitting fee for attending a meeting of the Board as Rs. 40,000. Since Ms. Shahla Ayoub is presently in the employment of Govt. of UT of Jammu and Kashmir, the payment of remuneration to her shall be subject to clearance from Govt. of UT of Jammu and Kashmir and corresponding amendment in the Articles of Association of Bank.
Date of First Appointment on the Board	14 <sup>th</sup> December, 2022	26 <sup>th</sup> December, 2022
Shareholding in the Bank	5747 Shares	0
Relationship with other Directors, Key Managerial Personnel	Nil	Nil
No. of Board Meetings attended during the year 2022-2023	Attended 1 out of 2 meetings held during the period of his tenure (till the date of this Notice).	Attended 1 out of 1 meeting held during the period of her tenure (till the date of this Notice).
No. of Committee Meetings attended during the year 2022-2023	NA	NA
Directorships, Membership / Chairmanship of Committees of other Boards	Nil	Nil