

Board Secretariat



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Dated 08.08.2011

National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai – 400 051

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai – 400 001

Sub :- Clause 31 (d) of the Listing Agreement

Dear Sirs,

Pursuant to **Clause 31 (d)** of the Listing Agreement entered by the Bank with the Stock Exchanges, we are herewith enclosing a copy of the proceedings of Annual General Meeting of the Bank held on 09-07-2011.

Thanking you,

Yours Faithfully,
For The Jammu & Kashmir Bank Ltd.


(Parvez Ahmed)
President & Secretary

PROCEEDINGS OF THE 73RD ANNUAL GENERAL MEETING
OF THE SHAREHOLDERS OF
THE JAMMU AND KASHMIR BANK LIMITED
HELD ON SATURDAY, 09TH JULY, 2011 AT 11.00 AM
AT SHER-I-KASHMIR INTERNATIONAL CONFERENCE CENTER, SRINAGAR.

PRESENT

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|----------------------------------|----------------|-------------|
| 01. Mr. Mushtaq Ahmad | } In the Chair | |
| 02. Mr. Sudhanshu Pandey, IAS | | |
| 03. Mr. Mohammad Ibrahim Shahdad | | } Directors |
| 04. Mr. Abdul Majid Matto | | |
| 05. Mr. Vikrant Kuthiala | | |
| 06. Mr. R. K. Gupta | | |
| 07. Mr. Nihal C. Garware | | |

And 308 Members present in person
And 119 Members present in Proxy

Mr. Parvez Ahmed, Secretary was also present.

Mr. Mushtaq Ahmad, Chairman and Members of the Board present at the meeting took their chair. After ascertaining that requisite quorum for the meeting was present, Chairman called the meeting to order.

At the onset, Chairman read out his address to the Shareholders as re-produced hereunder:

Dear Stakeholders,

It is my privilege to address the 73rd Annual General Meeting of the Shareholders of the J&K Bank.

On behalf of the Board of Directors, the management, officers and employees of the Bank I welcome all of you to this AGM.

At the outset, I express my gratitude to you all for your continued support and patronage. The J&K Bank has shaped its glorious path through your trust and support. Your faith in the Bank and expectations from it are a continuous motivation for us to perform and serve.

The financial year 2010-11, as all of us know, has been a turbulent one. The world economy is now on a slow recovery path after the chaotic situation that the economic meltdown caused. It has definitely exhibited a positive change but there are still some concerns, some worries and some question marks.

The global scenario too has had impact on the Indian economy. It is also confronted with high inflation, particularly in food items and commodities. As a result, the Reserve Bank of India had to intervene to tackle the situation. There are indications of a slowdown in the economy, and achieving a growth rate of 8% in the current year will not be an easy task.

Despite the unstable economic scenario and disturbances in the State, particularly in Kashmir Valley, the J&K Bank has successfully demonstrated its inherent strengths and resilience by recording unprecedented growth in all spheres.

The Annual Report for 2010-11, already in your hands, demonstrates quality in terms of financial results. The results reflect professionalism and excellence of the Bank in the Indian banking industry. The bank recorded a total business of ` 70,870 Crores and Net Profit of ` 615.20 Crores. The Provisioning Coverage Ratio of 92.71% has been the best in the industry and its Net NPAs are just 0.20%. At the same time, Return on Net Worth at 18.96% and Dividend Yield of 3.21% have made the Bank among best across the country. This has been possible because of the continuous efforts and high degree of professionalism, and also providing better and improved banking services. Our prime objective is to bring about transformation in the society driven by social and economic development with J&K at the centre stage. The J&K Bank has been successful in establishing its presence as an iconic institution in the State and the country. With efficient products and services, we have set new standards in customer service and convenience.

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The Bank has set an ambitious target for garnering a business of ` 100,000 Crores by March 2013 with a Net Profit figure of ` 1,000 Crores. Achievement of this important milestone is planned to coincide with the Platinum Jubilee celebrations of the Bank in 2013. We gear up for the next phase of growth through various initiatives. Plans for largescale increase in branch network, especially in unbanked and under-banked areas in J&K State and at all important commercial centers of the country have been drawn. The increased business volume is targeted for achievement with customer satisfaction, and in consistency with regulatory prescriptions with focused attention on bridging the gap between credit demand and supply in J&K State.

The J&K Bank, in line with its policy stance, envisages providing basic banking services to the unbanked population of the State at their doorsteps through a combination of Brick & Mortar and Business Correspondent Model. A comprehensive Financial Inclusion Plan formulated for this purpose will provide basic banking services in 1,250 unbanked villages of the State by March 2013. With a view to supplementing these efforts and providing convenience to its customers, the Bank has undertaken massive expansion of its ATM network.

The J&K Bank is always on the lookout for making effective use of technology in its operations and services. The proliferation of technology has revolutionized every sector including banking. It shall be our endeavor to intensify our efforts aimed at providing the best quality services to our customers through optimum and appropriate use of technology.

At the J&K Bank, we always realize that we are more than a bank. Hence, we have undertaken self-assigned social responsibilities. Our Corporate Social Responsibility initiatives are unparalleled and the State shall continue to act as a platform for these activities. The steps taken in this direction include identification and coaching of talented youth in the field of sports, promoting adventure sports, healthcare and education, tree plantation drives, conservation of environment and promotion of rich culture and heritage of the State.

The Bank is emerging as a strong bank with sound fundamentals. The credit for this achievement goes not only to the top management, but to all employees of the Bank. The dedication and commitment of the employees has made it possible to effectively encounter the challenges faced by the Bank from time to time.

I acknowledge with gratitude the unstinting support from Government of Jammu & Kashmir. After switching over to the Ways & Means arrangement with Reserve Bank of India, the close bond between the Bank and the State has become stronger. All transactions relating to receipts and payments of State Government business are now being handled by the Bank in its capacity as Agent of Reserve Bank of India.

I also express my gratitude for the valuable guidance and support provided by Reserve Bank of India. The Bank also acknowledges with thanks the assistance and co-operation from NABARD, SIDBI, IBA, Stock Exchanges, Department of Company Affairs, Registrar of Companies, Comptroller & Auditor General and Government of India.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our stakeholders, who have reposed their trust in us and extended their constant support.

Looking forward to your valuable co-operation

Secretary then read out the Auditor's Report alongwith relevant comments of the Comptroller and Auditor General of India (C&AG) on the Balance Sheet and Profit & Loss Account of the Bank.

Secretary, thereafter, apprised the shareholders, the replies of the Management to various queries raised by some of the shareholders, on the Accounts of the Bank.

Secretary then provided a brief background of each item to be transacted at the meeting. Referring to the item relating to appointment of directors under Section 257 of the Companies Act, 1956, Secretary informed the members that pursuant to the RBI Directives Nomination Committee of the Board in its meeting held on 8th July, 2011 conducted the due diligence of the proposed candidates and had desired some further information to determine their fit & proper criteria. Secretary further informed that the said information is still awaited and in view of the same the item relating to appointment of directors under Section 257 will not be considered in this meeting.

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ITEM NO. 5 :

REMUNERATION OF AUDITORS

Proposed by : Mr. Manzoor Shah, Shareholder
Seconded by : Mr. A. M. Matto, Shareholder

“Resolved that pursuant to the provisions of Section 224 (8) (aa) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors, be and are hereby empowered to pay Remuneration to Statutory Auditors for the financial year ended 31st March 2012, as per the schedule of RBI applicable to Public Sector Banks, including remuneration for the Limited Review of Quarterly Reviewed Financial Results for the period ending 30th June, 2011, 30th September, 2011 and 31st December, 2011.”

The resolution was put to vote and passed unanimously.

ITEM NO. 6

: AMENDMENT OF ARTICLES OF ASSOCIATION.

Proposed by : Mr. Manzoor Shah, Shareholder
Seconded by : Mr. B. L. Dogra, Shareholder

To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution;

“RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and such approvals, consents, permissions and sanctions, as may be necessary from appropriate authority, approval of the members of the Bank, be and is hereby accorded for amending the Articles of Association as under:-

In Article 70(ii) of the Articles of Association,

- i) After the sub-clause (c) new sub-clause be inserted as (d) Executive Director(s)
- ii) At the end of sub-clause (b) the word “and” be deleted and the same be inserted at the end of sub-clause (c)
- iii) Figure “10,000/-” be substituted by the figure “15,000/-”

For the purpose of clarity the Article 70(ii) after the amendment as proposed above will be read as under:

70 (ii) Sitting fee payable to a Director other than:

- a) Chairman and Chief Executive Officer,
- b) Director nominated by State Government and who is in the employment of Government,
- c) Additional Director appointed by Reserve Bank of India and who is in the employment of RBI, and
- d) Executive Director(s);

For attending a meeting of Board or Committee irrespective of the number of days for which the meeting may continue, shall be Rs. 15,000/-

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Besides a fee admissible to a Director for attending the meeting, any Director who comes to attend a Board Meeting or a meeting of a Committee of the Board held at a place other than the place of his usual residence, shall, besides the traveling allowances admissible, be entitled to halatage as shown in the Article 70(A) for the day/s the Director has to stay at such place, in connection with a meeting and also for any extra day or days or onward or return journey connected with the meeting and involving air and/or rail travel.

The resolution was put to vote and passed unanimously.

This was followed by a Question-Answer session wherein Members of the Bank sought explanations/information from the Chairman on various matters relating to establishment of Branches at different locations, future strategy to Compete with other Banks operating in the J&K State, future outlook of the Bank for expansion of Business, lending pattern of the Bank in and outside the J&K State, Customer Relation, Social Responsibility of the Bank etc

The meeting was thereafter, declared as closed.

Recorded By


(Parvez Ahmed)
President & Secretary