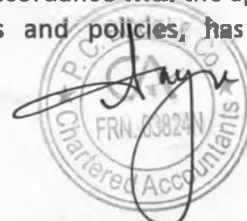


Independent Auditor's Review Report on Standalone Unaudited Financial Results for the period ended 30th September 2019 of the Jammu & Kashmir Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Jammu and Kashmir Bank Limited
Srinagar

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Jammu and Kashmir Bank Limited ('the Bank') for the period ended 30th September 2019 being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended), including relevant circular issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 30th September 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The financial results incorporate the relevant returns of 87 branches and Treasury operations reviewed by us, out of which 67 branches were reviewed through Core Banking System('CBS') of the Bank and management inputs, 301 branches reviewed by other Chartered Accountants and Banks' own officials(retired) acting as Concurrent auditors of the Bank and un-reviewed in respect of 562 branches. In the conduct of our Review, in addition to 87 branches and Treasury operations reviewed by us, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of aggregating 301 branches. These review reports cover 83.54.% (of which 54.49% covered by us) of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from un-reviewed branches/other offices and generated through centralized database of the Bank's Head Office.
5. Based on our review conducted as above, subject to limitations in scope as mentioned in para 3 above and read with Notes to Accounts, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the



information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6. Emphasis of Matter

We draw attention to note no.3 to the financial results.

Due to imposition of restrictions in J&K w.e.f August 5, 2019 on account of re-organization of J&K State, all the business activities came to a halt thereby adversely impacting the cash flows in all sectors as a result of which a large number of accounts came under stress. The Bank approached Reserve Bank of India with the request to continue the standard asset classification of distressed MSME accounts of J&K. Expecting a favourable disposal of the request the Bank deferred to run the System Level Asset Classification (SLAC) on September 30, 2019 in respect of MSME borrowers of J&K spread over 21668 accounts involving Rs.1451.44 Crores. However, System Level Asset Classification (SLAC) was carried out on all other accounts and the Bank downgraded Rs.1340.92 cores during the Quarter ended September 30, 2019. The Bank carried System Level Asset Classification (SLAC) across all sectors (including MSME accounts in J&K) on December 31, 2019 and downgraded MSME accounts amounting to Rs.329.01 Crores which were given effect from 30.09.2019 because these were under stress at that point of time as well. Non-Performing Assets of the bank deviated more than 25% from the average of four quarters of the immediately preceding Financial Year 2018-19.

Our conclusion is not modified in respect of this matter.

For O P Garg & Co.
Chartered Accountants
FRN:01194N



(CA. Vikram Garg)
Partner
M.No.097038
UDIN:20097038AAAAAP7883

For Verma Associates.
Chartered Accountants
FRN:02717N



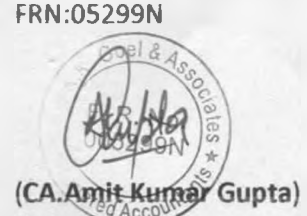
(CA. Madan Verma)
Partner
M.No.081631
UDIN:20081631AAAAAB9716

For P C Bindal & Co.
Chartered Accountants
FRN:03824N



(CA. Anil Gupta)
Partner
M.No.094713
UDIN:20094713AAAAAE3028

For K.K.Goel & Associates.
Chartered Accountants
FRN:05299N



(CA. Amit Kumar Gupta)
Partner
M.No.501373
UDIN:20501373AAAAABE6279

Place : Jammu

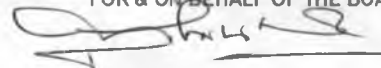
Dated: 31st January 2020

STANDALONE BALANCE SHEET AS AT 30th SEPTEMBER, 2019

(₹ IN CRORES)

	As at 30.09.2019	As at 30.09.2018
CAPITAL AND LIABILITIES		
Capital	55.70	55.70
Reserves and Surplus	5675.45	6251.86
Deposits	91620.22	81429.22
Borrowings	2621.77	4137.65
Other Liabilities and Provisions	2536.86	2216.19
TOTAL :-	102510.00	94090.62
ASSETS		
Cash and Balance with Reserve Bank of India	4497.93	3626.59
Balance with Banks & Money at Call & Short Notice	2036.61	183.63
Investments	22974.38	20542.22
Advances	65609.51	63691.19
Fixed Assets	1677.91	1603.41
Other Assets	5713.66	4443.59
TOTAL :-	102510.00	94090.62

FOR & ON BEHALF OF THE BOARD



R.K. CHHIBBER

Chairman & Managing Director

DIN: 08190084

Place :Jammu

Dated : 31st January, 2020

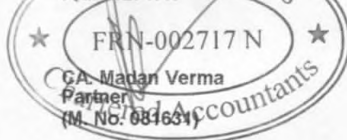
In terms of our report of even date annexed

For O P Garg & Co
Chartered Accountants
FRN: 01194N



CA Vikram Garg
Partner
(M. No. 097038)

For Verma Associates
Chartered Accountants
FRN: 02717N



CA Madan Verma
Partner
(M. No. 081631)

For P C Bindal & Co
Chartered Accountants
FRN: 03824N



CA Anil Gupta
Partner
(M. No. 094713)

For K K Goel & Associates
Chartered Accountants
FRN: 05299N



CA Amit Kumar Gupta
Partner
(M. No. 501373)



₹
(in Crores)

SEGMENT RESULTS

STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2019							SEGMENT RESULTS						
S.No.	PARTICULARS	3 Months Ended	3 Months Ended	3 Months Ended	HALF YEAR ENDED		Description	3 Months Ended	3 Months Ended	3 Months Ended	HALF YEAR ENDED		YEAR ENDED
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018		31.03.2019	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018
1	Interest Earned (a+b+c+d)	2150.78	2072.06	1840.06	4222.84	3602.95	7875.56						
	a) Interest/Discount on Advances/Bills	1699.88	1624.75	1444.92	3324.62	2772.11	5935.24						
	b) Income on Investments	395.20	405.69	361.64	800.89	755.17	1551.99						
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	55.70	41.58	33.46	97.28	74.88	159.79						
	d) Others	0.00	0.05	0.04	0.05	0.79	28.54						
2	Other Income	112.16	184.19	111.20	286.35	245.55	812.63						
3	Total Income (1+2)	2262.94	2256.25	1951.26	4509.19	3848.50	8688.19						
4	Interest Expended:	1208.17	1189.89	1048.21	2378.08	2031.81	4281.83						
5	Operating Expenses (1+4)	858.27	875.51	860.40	1733.78	1124.21	2478.66						
	I. Employees Cost	464.32	463.88	367.54	928.20	742.78	1646.18						
	II. Other Operating Expenses	193.95	211.64	192.86	405.58	381.43	832.48						
6	Total Expenditure (4+5)	1966.44	1845.40	1808.61	3711.84	3156.12	6770.29						
7	Operating Profit before Provisions and Contingencies (3-6)	396.51	410.85	342.65	807.35	882.38	1717.90						
8	Provisions (other than tax) and Contingencies	1428.17	293.21	172.36	1721.38	427.39	1058.16						
	-Of which provisions for Non Performing Assets	1441.36	270.64	170.57	1712.00	436.16	1127.85						
9	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00						
10	Profit (+/loss -) from ordinary activities before tax (7-9-0)	(1031.67)	117.64	170.27	(814.03)	264.99	859.74						
11	Tax Expenses	(114.88)	95.77	78.52	118.08	118.85	194.85						
	-Income Tax Provisions	(123.16)	123.16	84.69	0.00	137.70	272.24						
	-Deferred Tax Asset/(Liability)	8.30	(27.39)	(8.17)	(19.09)	(19.05)	(77.39)						
12	Net Profit (+/Loss -) from ordinary activities after tax (10-11)	(818.81)	21.87	93.75	(894.84)	146.34	464.89						
13	Extraordinary Items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00						
14	Net Profit (+/Loss -) for the period (12-13)	(818.81)	21.87	93.75	(894.84)	146.34	464.89						
15	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	55.70	55.70	55.70	55.70	55.70	55.70						
16	Reserves excluding revaluation reserves						5964.85						
17	Revaluation reserves			0.00			605.75						
18	Analytical Ratios												
	(I) Percentage of Shares held by Govt. of J&K	59.23%	59.23%	59.23%	59.23%	59.23%	59.23%						
	(II) Capital Adequacy Ratio % (BASEL III)	11.17%	11.76%	12.02%	11.17%	12.02%	12.46%						
	(CET1 Ratio)	7.96%	8.73%	8.66%	7.96%	8.66%	9.13%						
	(TIER1 Ratio)	9.46%	10.14%	10.15%	9.46%	10.15%	10.60%						
	(III) Earning per Share (EPS) (Rs.)												
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the date and for the previous year (* not annualized)	(16.46)*	0.39*	1.68*	(16.07)*	2.63*	8.35						
	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (* not annualized)	(16.46)*	0.39*	1.68*	(16.07)*	2.63*	8.35						
	(iv) NPA Ratio's												
	a) Amount of Gross NPAs	7473.29	6030.84	9067.65	7473.29	6067.66	6221.35						
	b) Amount of Net NPAs	2942.04	2962.30	2488.82	2942.04	2488.82	3239.61						
	c) % of Gross NPAs to Gross Advances	10.64%	8.48%	9.00%	10.64%	9.00%	8.97%						
	d) % of Net NPAs to Net Advances	4.48%	4.36%	3.91%	4.48%	3.91%	4.89%						
	(v) Return on Assets (Annualized)	3.59%	0.09%	0.41%	(1.76%)	0.32%	0.49%						
19	Aggregate of Public Share Holding												
	(i) No. of Shares	227025360	227025360	227025360	227025360	227025360	227025360						
	(ii) Percentage of Share Holding	40.77%	40.77%	40.77%	40.77%	40.77%	40.77%						
20	Promoters and promoter group Shareholding												
	a) Pledged/Encumbered												
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil						
	- Percentage of shares (as a % of the total share capital) of the company)	Nil	Nil	Nil	Nil	Nil	Nil						
	b) Non-encumbered:												
	- Number of Shares	329833032	329833032	329833032	329833032	329833032	329833032						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%						
	- Percentage of shares (as a % of the total share capital) of the total share capital of the company)	59.23%	59.23%	59.23%	59.23%	59.23%	59.23%						

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER
Chairman & Managing Director
DIN: 08190084

Place : Jammu
Dated : 31st January, 2020

For O P Garg & Co.
Chartered Accountants
FRN: 01194N

CA Vikram Garg
Partner
(M. No. 097038)

For Verma Associates
Chartered Accountants
FRN: 02717N

FRN-002717N
CA. Madan Verma
Partner
(M. No. 081631)

For P C BINDAL & CO.
Chartered Accountants
FRN: 03824N

CA. Anil Gupta
Partner
(M. No. 094713)

For K K Goel & Associates
Chartered Accountants
FRN: 05299N

CA Anil Kumar Gupta
Partner
(M. No. 501373)

STANDALONE CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 2019

	30.09.2019 ₹ '000' Omitted	FY 2018-19 ₹ '000' Omitted
A CASH FLOW FROM OPERATING ACTIVITIES	8,585,959	(29,954,276)
B CASH FLOW FROM INVESTING ACTIVITIES	(595,586)	(1,641,895)
C CASH FLOW FROM FINANCING ACTIVITIES	(1,263,749)	7,686,096
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,726,624	(23,910,075)
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	58,618,756	82,528,831
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	65,345,380	58,618,756
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after Taxes	(8,949,445)	4,648,808
Add : Provision for Taxes	(190,902)	1,948,457
Net profit before taxes (i)	(9,140,347)	6,597,265
Adjustment for :		
Depreciation charges	563,464	1,040,863
loss on sale of fixed Assets		
Provision for NPA's	15,656,365	10,535,129
Provision on Standard Assets	(215,094)	(388,144)
Provision for salary revision		
Depreciation on investment	102,464	(262,406)
Amortisation on investment		
Provision for Non-Performing investment	1,678,733	1,131,478
Provision for other assets		
Provision on RRB's		
Other provisions	(8,626)	(434,359)
Deffered revenue Expenditure written off during the year		
Dividend from subsidines(Investing activities)		
Interest paid on subordinate Bonds (Financing Activities)	1,263,750	2,313,904
Total Adjustment (ii)	19,041,057	13,838,485
Operating profit before change in Operating assets & liabilities (i) + (ii)	9,900,710	20,533,730
Adjustment for changes in Operating Assets & Liabilities		
Increase / (Decrease) in Deposits	19,813,280	96,323,981
Increase / (Decrease) in Borrowings	(21,898)	(43,796)
Increase / (Decrease) in Other liabilities & provisions	(1,259,833)	5,504,299
(Increase) / Decrease in investments	1,758,783	(42,542,328)
(Increase) / Decrease in Advances	(9,036,410)	(103,678,320)
(Increase) / Decrease in Other Assets	(11,544,447)	(5,893,872)
Net Cash flow from Operating activities (iii)	(290,526)	(50,130,036)
Cash generated from operation (i + ii + iii)	9,610,184	(29,596,306)
Less : Tax paid	1,024,225	357,970
TOTAL : (A)	8,585,959	(29,954,276)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
a) Fixed Assets	(595,586)	(1,641,895)
b) Investment in Subsidiary	-	-
TOTAL : (B)	(595,586)	(1,641,895)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
a) Share Capital	-	-
b) Equity Share Warrants	-	-
c) Share Premium	-	-
d) Tier I & II Bonds	-	10,000,000
e) Dividend & Dividend Tax Paid	-	-
f) Interest Paid on Subordinate Debt	(1,263,749)	(2,313,904)
TOTAL : (C)	(1,263,749)	7,686,096
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
a) Cash in hand & Balance with R.B.I	48,749,687	43,283,808
b) Balance with Banks & Money at Call & Short Notice	9,869,069	39,245,223
TOTAL : (D)	58,618,756	82,528,831
E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
a) Cash in hand & Balance with R.B.I	44,979,280	48,749,687
b) Balance with Banks & Money at Call & Short Notice	20,366,100	9,869,069
TOTAL : (E)	65,345,380	58,618,756

R.K Chhibber
 Chairman & MD
 DIN: 05190084

Place: Jammu
 Dated: 31st January, 2020

The above Cash Flow Statement has been taken on record by the Board of Directors in its meeting held on 31st January, 2020 at Jammu.

 For O.P. Garg & Co. Chartered Accountants FRN: 051947 CA. Vikram Garg Partner (M. No. 097038)	 For Verma Associates Chartered Accountants FRN: 02717N CA. Madan Verma Partner (M. No. 091531)	 For P.C. Bindra & Co. Chartered Accountants FRN: 05524N CA. Anil Gupta Partner (M. No. 094113)	 For K.K. Goyal & Associates Chartered Accountants FRN: 05264N CA. Amit Kumar Gupta Partner (M. No. 501373)
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Auditors Certificate

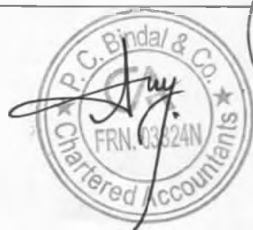
We have verified the attached Standalone Cash Flow Statement of THE JAMMU & KASHMIR BANK LIMITED which has been compiled from and is based on the Audited Financial Statements for the period ended September 30th, 2019 and Audited Financial Statements of March 31st, 2019. To the best of our knowledge and belief and according to the information and explanations given to us, it has been prepared pursuant to clause 32 of the Listing Agreement with the Stock Exchanges.

Place: Jammu
 Dated: 31st January, 2020.

"NOTES TO ACCOUNTS FOR THE PERIOD ENDED 30th SEPTEMBER 2019"

1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 30th January 2020 and approved by the Board of Directors at its meeting held on 31st January, 2020. The same have been reviewed by the Statutory Auditors in accordance with the guidelines issued by RBI and as per the requirement of SEBI Listing Regulations.
2. As a consequence of unforeseen events post Aug 5 2019, State Level Bankers Committee(SLBC) had sought permission from RBI for extending the rehabilitation benefits in accordance with "Master Directions on Relief Measures by banks in areas affected by natural calamities". The proposal being under consideration at RBI, the Bank was constrained to defer finalization of September, 2019 (Quarterly/Half yearly) results till receipt of approval or otherwise from the RBI. Permission for extending the rehabilitation benefits to the borrowers affected by disturbance/events in the UT of J&K was accorded by RBI on 31st Dec 2019.
3. The above results for the period have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March, 2019.
4. Due to imposition of restrictions in J&K w.e.f August 5, 2019 on account of re-organization of J&K State, all the business activities came to a halt thereby adversely impacting the cash flows in all sectors as a result of which a large number of accounts came under stress. The Bank approached Reserve Bank of India with the request to continue the standard asset classification of distressed MSME accounts of J&K. Expecting a favourable disposal of the request, the Bank deferred to run the System Level Asset Classification (SLAC) on September 30, 2019 in respect of MSME borrowers of J&K spread over 21668 accounts involving Rs.1451.44 Crores. However, System Level Asset Classification (SLAC) was carried out on all other accounts and the Bank downgraded Rs.1340.92 cores during the Quarter ended September 30, 2019. The Bank carried System Level Asset Classification (SLAC) across all sectors (including MSME accounts in J&K) on December 31, 2019 and downgraded MSME accounts amounting to Rs.329.01 Crores which were given effect from 30.09.2019 because these were under stress at that point of time as well. Non-Performing Assets of the bank deviated more than 25% from the average of four quarters of the immediately preceding Financial Year 2018-19.
5. Risk Assessment Report (RAR) of the RBI reported following divergence in Assets Classification and Provisioning by the Bank, which has been fully recorded in the Financial Results for the period under Review.

Sn.	Particulars	(Rs. in Crores)
1	Gross NPAs as on March 31, 2019 as reported by the bank	6,221
2	Gross NPAs as on March 31, 2019 as assessed by RBI	6,416
3	Divergence in Gross NPAs (2-1)	195
4	Net NPAs as on March 31,2019 as reported by the bank	3,240
5	Net NPAs as on March 31, 2019 as assessed by RBI	2,551
6	Divergence in Net NPAs (5-4)	(689)
7	Provisions for NPAs as on March 31, 2019 as reported by the bank	2,868
8	Provisions for NPAs as on March 31, 2019 as assessed by the RBI	3,752
9	Divergence in Provisioning (8-7)	884
10	Reported Net Profit after Tax (PAT) for the Year ended March 31, 2019	465
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning.	(110)



6. The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by the Reserve Bank of India.
7. Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of Rs.57.21 Crores has been provided during the quarter ended 30th September 2019 towards wage revision on estimated basis.
8. RBI circular No.DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 on "BASEL-III capital regulations" read together with the RBI Circular No. DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015 on Prudential Guidelines on Capital Adequacy and Liquidity standard amendments require the banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under BASEL-III framework. Accordingly, these disclosures are being made available on bank's website i.e. www.jkbank.net. These disclosures have not been subjected to review by the auditors.
9. MTM Provision:

MTM Provision Details	Rs.Crores
MTM Provision held on 31.03.2019	48.44
MTM Provision required on 30.09.2019	58.69
MTM Provision held on 30.09.2019	58.69

10. Provision coverage ratio as at 30th September 2019 is 71.46% after taking into account the floating provision of Rs.348.72 Crores held by the bank.
11. The number of investors complaints pending at the beginning of the quarter were NIL, and the complaints received during the quarter were 6(Six) and all have been disposed-off.
12. A penalty of Rs.50 Lakhs was imposed by RBI during the period July-September 2019 for delay in reporting of a fraud case.
13. The cash flow for the corresponding period ended 30th September 2018 has not been presented as the requirement for the previous period were not applicable.
14. The above results are standalone and do not include that of subsidiary companies.
15. Figures of previous period/year have been rearranged/reclassified/regrouped wherever considered necessary to make them comparable with the figures of the period under review.
16. The statement of Assets and Liabilities is appended.



Independent Auditor's Review Report on Consolidated Unaudited Financial Results of the Jammu & Kashmir Bank Limited for the period ended 30th September 2019 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Jammu & Kashmir Bank Limited
Srinagar

1. We have reviewed the accompanying Statement of **Consolidated Unaudited Financial Results of Jammu & Kashmir Bank Limited**("the Parent"/"the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/loss after tax for the period ended **30th September 2019**("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sn.	Name of Company	Relation
1.	The Jammu & Kashmir Bank Ltd	Parent
2.	JKB Financial Services Limited	Subsidiary
3.	J&K Grameen Bank	Associate



The Bank along with Government of Jammu & Kashmir have incorporated a company 'Jammu and Kashmir Asset Reconstruction Limited on 28.04.2017. The Bank has subscribed capital to the tune of Rs.98 Lakhs whereas the Government of J&K has subscribed Rs.102 Lakhs. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited are yet to release their respective shares towards the subscribed share capital of the company. The Company has not yet commenced operations and as such has not been consolidated.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6. **Emphasis of Matter**

We draw attention to note no.4 to the financial results.

Due to imposition of restrictions in J&K w.e.f August 5, 2019 on account of re-organization of J&K State, all the business activities came to a halt thereby adversely impacting the cash flows in all sectors as a result of which a large number of accounts came under stress. The Bank approached Reserve Bank of India with the request to continue the standard asset classification of distressed MSME accounts of J&K. Expecting a favourable disposal of the request the Bank deferred to run the System Level Asset Classification (SLAC) on September 30, 2019 in respect of MSME borrowers of J&K spread over 21668 accounts involving Rs.1451.44 Crores. However, System Level Asset Classification (SLAC) was carried out on all other accounts and the Bank downgraded Rs.1340.92 cores during the Quarter ended September 30, 2019. The Bank carried System Level Asset Classification (SLAC) across all sectors (including MSME accounts in J&K) on December 31, 2019 and downgraded MSME accounts amounting to Rs.329.01 Crores which were given effect from 30.09.2019 because these were under stress at that point of time as well. Non-Performing Assets of the bank deviated more than 25% from the average of four quarters of the immediately preceding Financial Year 2018-19.

Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial results and other financial information of the entity included in the Group, whose results reflect total assets of Rs.18.62 Crores as at 30th September 2019 and total revenues of Rs.0.83 Crores and total net loss after tax of Rs.0.59 Crores for the period ended 30th September 2019. The interim financial results and other financial information of the entity have been reviewed by the other auditor whose report has been furnished to us by the management and our conclusion in so far as it relates to the amounts and disclosures included in respect of the entity is based solely on the report of other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.



8. The consolidated figures for the corresponding quarters ended September 30, 2018 of and March 31, 2019, of 'Subsidiary' as reported in these financial results have not been subjected to review/audit.

Our conclusion is not modified in respect of these matters.

For O P Garg & Co.
Chartered Accountants
FRN:01194N



(CA. Vikram Garg)
Partner
M.No.097038
UDIN: 20097038AAAAAP7113

For Verma Associates.
Chartered Accountants
FRN:02717N



(CA. Madan Verma)
Partner
M.No.081631
UDIN: 20081631AAAAAB9716

For P C Bindal & Co.
Chartered Accountants
FRN:03824N



(CA. Anil Gupta)
Partner
M.No.094713
UDIN: 20094713AAAAAE3028

For K.K.Goel & Associates.
Chartered Accountants
FRN:05299N



(CA. Amit Kumar Gupta)
Partner
M.No.501373
UDIN: 20501373AAAAABE6279

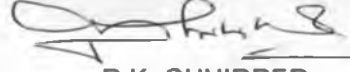
Place : Jammu
Dated: 31st January 2020

CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2019

(₹ IN CRORES)

	As at 30.09.2019	As at 30.09.2018
CAPITAL AND LIABILITIES		
Capital	55.70	55.70
Reserves and Surplus	5671.57	6249.96
Deposits	91618.52	81426.49
Borrowings	2621.77	4137.65
Other Liabilities and Provisions	2539.65	2219.76
TOTAL :-	102507.21	94089.57
ASSETS		
Cash and Balance with Reserve Bank of India	4497.93	3626.59
Balance with Banks & Money at Call & Short Notice	2044.79	190.68
Investments	22956.15	20524.46
Advances	65609.51	63691.19
Fixed Assets	1678.50	1604.17
Other Assets	5720.33	4452.48
TOTAL :-	102507.21	94089.57

FOR & ON BEHALF OF THE BOARD



R.K. CHHIBBER

Chairman & Managing Director

DIN: 08190084

Place : Jammu

Dated : 31st January, 2020

In terms of our report of even date annexed

For O P Garg & Co
Chartered Accountants
FRN: 01194N



CA Vikram Garg
Partner
(M. No. 097038)

For Verma Associates
Chartered Accountants
FRN: 02717N



CA Madan Verma
Partner
(M. No. 081631)

For P C Bindal & Co
Chartered Accountants
FRN: 03124N



CA Anil Gupta
Partner
(M. No. 094713)

For K K Goel & Associates
Chartered Accountants
FRN: 05299N



CA Anil Kumar Gupta
Partner
(M. No. 501373)

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2019

	30.09.2019 ₹ '000' Omitted	FY 2018-19 ₹ '000' Omitted
A CASH FLOW FROM OPERATING ACTIVITIES	8,564,236	(29,917,074)
B CASH FLOW FROM INVESTING ACTIVITIES	(596,394)	(1,846,378)
C CASH FLOW FROM FINANCING ACTIVITIES	(1,263,750)	7,886,066
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,704,092	(23,877,356)
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	58,723,089	82,600,445
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	65,427,181	58,723,089
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after Taxes	(8,968,492)	4,638,461
Add Provision for Taxes	(190,902)	1,948,457
Net profit before taxes (i)	(9,159,394)	6,586,918
Adjustment for :		
Depreciation charges	564,606	1,042,747
loss on sale of fixed Assets		
Provision for NPA's	15,656,365	10,535,129
Provision on Standard Assets	(215,094)	(388,144)
Provision for salary revision		
Depreciation on investment	102,464	(262,406)
Amortisation on investment		
Provision for Non-Performing investment	1,678,733	1,131,478
Provision for other assets		
Provision on RRB's		
Other provisions	(8,626)	(434,359)
Deffered revenue Expenditure written off during the year		
Dividend from subsidiaries(Investing activities)		
Interest paid on subordinate Bonds (Financing Activities)	1,263,750	2,313,904
Total Adjustment (ii)	19,042,198	13,938,349
Operating profit before change in Operating assets & liabilities (i) + (ii)	9,882,804	20,525,267
Adjustment for changes in Operating Assets & Liabilities		
Increase / (Decrease) in Deposits	19,816,862	96,322,992
Increase / (Decrease) in Borrowings	(21,898)	(43,796)
Increase / (Decrease) in Other liabilities & provisions	(1,281,352)	5,528,877
(Increase) / Decrease in investments	1,741,027	(42,542,328)
(Increase) / Decrease in Advances	(9,036,410)	(103,678,320)
(Increase) / Decrease in Other Assets	(11,513,480)	(5,672,191)
Net Cash flow from Operating activities (iii)	(295,232)	(50,084,766)
Cash generated from operation (i + ii + iii)	9,587,572	(28,559,499)
Less : Tax paid	1,023,336	357,575
TOTAL : (A)	8,564,236	(29,917,074)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
a) Fixed Assets	(596,394)	(1,846,378)
b) Investment in Subsidiary	-	-
TOTAL : (B)	(596,394)	(1,846,378)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
a) Share Capital	-	-
b) Equity Share Warrants	-	-
c) Share Premium	-	-
d) Tier I & II Bonds	-	10,000,000
e) Dividend & Dividend Tax Paid	-	-
f) Interest Paid on Subordinate Debt	(1,263,750)	(2,313,904)
TOTAL : (C)	(1,263,750)	7,886,066
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
a) Cash in hand & Balance with R.B.I	48,749,687	43,283,608
b) Balance with Banks & Money at Call & Short Notice	9,973,402	39,316,837
TOTAL : (D)	58,723,089	82,600,445
E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
a) Cash in hand & Balance with R.B.I	44,979,280	48,749,687
b) Balance with Banks & Money at Call & Short Notice	20,447,901	9,973,402
TOTAL : (E)	65,427,181	58,723,089


 R K Chhibber
 Chairman & MD
 DIN 08190064

Place : Jammu
Dated : 31st January, 2020

The above Consolidated Cash Flow Statement has been taken on record by the Board of Directors in its meeting held on 31st January, 2020 at Jammu.


 For P.O.E. Goyal & Co.
 Chartered Accountants
 FRN: 01194N
 CA Vikram Garg
 Partner
 (M. No. 097039)


 For Verma Associates
 Chartered Accountants
 FRN: 002717N
 CA Madan Verma
 Partner
 (M. No. 081631)


 For P.C. Bindal & Co.
 Chartered Accountants
 FRN: 03624N
 CA Amit Gupta
 Partner
 (M. No. 094743)


 For K.K. Goyal & Associates
 Chartered Accountants
 FRN: 05299N
 CA Amit Kumar Goyal
 Partner
 (M. No. 691373)

Auditors Certificate

We have verified the attached Consolidated Cash Flow Statement of THE JAMMU & KASHMIR BANK LIMITED which has been compiled from and is based on the Reviewed Financial Statements for the period ended September 30th, 2019 and Audited Financial Statements of March 31st, 2019. To the best of our knowledge and belief and according to the information and explanations given to us, it has been prepared pursuant to clause 32 of the Listing Agreement with the Stock Exchanges.

Place : Jammu
Dated : 31st January, 2020

"NOTES TO CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2019"

1. The consolidated financial statements of the 'Group' comprise the financial statements of :

Sn.	Name of Company	Relation
1.	The Jammu & Kashmir Bank Limited	Parent
2.	JKB Financial Services Limited	Subsidiary
3.	J&K Grameen Bank	Associate

The Bank alongwith Government of Jammu & Kashmir have incorporated a company 'Jammu and Kashmir Asset Reconstruction Limited on 28.04.2017. The Bank has subscribed capital to the tune of Rs.98 Lakhs whereas the Government of J&K has subscribed Rs.102 Lakhs. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited are yet to release their respective shares towards the subscribed share capital of the company The Company has not yet commenced operations and as such has not been consolidated.

2. As a consequence of unforeseen events post Aug 5 2019, State Level Bankers Committee(SLBC) had sought permission from RBI for extending the rehabilitation benefits in accordance with "Master Directions on Relief Measures by banks in areas affected by natural calamities". The proposal being under consideration at RBI, the Bank was constrained to defer finalization of September, 2019 (Quarterly/Half yearly) results till receipt of approval or otherwise from the RBI. Permission for extending the rehabilitation benefits to the borrowers affected by disturbance/events in the UT of J&K was accorded by RBI on 31st Dec 2019.
3. The above financial results represent the consolidated financial results for The Jammu & Kashmir Bank Limited and its subsidiaries/associate constituting the 'Group'. The above consolidated financial results have been reviewed by the Audit Committee of the Board held on 30th January 2020 and approved by the Board of Directors at its meeting held on 31st January 2020. The same have been subjected to "Limited Review" by the Statutory Auditors of the Bank in accordance with the guidelines issued by RBI and as per the requirement SEBI Listing Regulations.
4. The above results of the period have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March, 2019.
5. Due to imposition of restrictions in J&K w.e.f August 5, 2019 on account of re-organization of J&K State, all the business activities came to a halt thereby adversely impacting the cash flows in all sectors as a result of which a large number of accounts came under stress. The Bank approached Reserve Bank of India with the request to continue the standard asset classification of distressed MSME accounts of J&K. Expecting a favourable disposal of the request the Bank deferred to run the System Level Asset Classification (SLAC) on September 30, 2019 in respect of MSME borrowers of J&K spread over 21668 accounts involving Rs.1451.44 Crores. However, System Level Asset Classification (SLAC) was carried out on all other accounts and the Bank downgraded Rs.1340.92 cores during the Quarter ended September 30, 2019. The Bank carried System Level Asset Classification (SLAC) across all sectors (including MSME accounts in J&K) on December 31, 2019 and downgraded MSME accounts amounting to Rs.329.01 Crores which were given effect from 30.09.2019 because these were under stress at that point of time as well. Non-Performing



Assets of the bank deviated more than 25% from the average of four quarters of the immediately preceding Financial Year 2018-19.

6. Risk Assessment Report (RAR) of the RBI reported following divergence in Assets Classification and Provisioning by the Bank, which has been fully recorded in the Financial Results for the period under Review.

Sn.	Particulars	(Rs. in Crores)
1	Gross NPAs as on March 31, 2019 as reported by the bank	6,221
2	Gross NPAs as on March 31, 2019 as assessed by RBI	6,416
3	Divergence in Gross NPAs (2-1)	195
4	Net NPAs as on March 31, 2019 as reported by the bank	3,240
5	Net NPAs as on March 31, 2019 as assessed by RBI	2,551
6	Divergence in Net NPAs (5-4)	(689)
7	Provisions for NPAs as on March 31, 2019 as reported by the bank	2,868
8	Provisions for NPAs as on March 31, 2019 as assessed by the RBI	3,752
9	Divergence in Provisioning (8-7)	884
10	Reported Net Profit after Tax (PAT) for the Year ended March 31, 2019	465
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning.	(110)

7. The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by the Reserve Bank of India.
8. A penalty of Rs.50 Lakhs was imposed by RBI during the period July-September 2019 for delay in reporting of a fraud case.
9. Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of Rs.57.21 Crores has been provided during the quarter ended 30th September 2019 towards wage revision on estimated basis.
10. RBI circular No.DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 on "BASEL-III capital regulations" read together with the RBI Circular No. DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015 on Prudential Guidelines on Capital Adequacy and Liquidity standard amendments require the banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under BASEL-III framework. Accordingly, these disclosures are being made available on bank's website i.e. www.jkbank.net. These disclosures have not been subjected to review by the auditors.

11. MTM Provision

MTM Provision Details	Rs.Crores
MTM Provision held on 31.03.2019	48.44
MTM Provision required on 30.09.2019	58.69
MTM Provision held on 30.09.2019	58.69

12. Provision coverage ratio as at 30th September 2019 is 71.46% after taking into account the floating provision of Rs.348.72 Crores held by the bank.



13. The number of investors complaints pending at the beginning of the quarter were NIL, and the complaints received during the quarter were 6 (Six) and all have been disposed-off.
14. The cash flow for the corresponding period ended 30th September 2018 has not been presented as the requirement for the previous period were not applicable.
15. Figures of previous period/year have been rearranged/reclassified/regrouped wherever considered necessary to make them comparable with the figures of the period under review.
16. The statement of Assets and Liabilities is appended.

