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 Asssets 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.

FRN:02717N

For O P Garg & Co. **Chartered Accountants**

FRN:01194N

(CA. Vikram Garg)

Partner M.No.097038

UDIN:20097038AAAAAP7\$\$₹

For Verma Associates. **Chartered Accountants**

Associates 0027

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:20501373AAAABE6279

Place: Jammu

Dated: 31st January 2020



THE JAMMU & KASHMIR BANK LTD. CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR CIN:L65110JK1938SGC000048

STANDALONE BALANCE SHEET AS AT 30th SEPTEMBER, 2019

Investments Advances	22974.38	20542.22
Balance with Banks & Money at Call & Short Notice	2036.61	183.63
Cash and Balance with Reserve Bank of India	4497.93	3626.59
ASSETS		
TOTAL:-	102510.00	94090.62
Other Liabilities and Provisions	2536.86	2216.19
Borrowings	2621.77	4137.6
Deposits	91620.22	81429.2
Reserves and Surplus	5675.45	6251.86
CAPITAL AND LIABILITIES Capital	55.70	55.70
CARITAL AND LIABILITIES	30.09.2019	30.09.2018
	As at	As a
	(;	IN CRORES

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER

Chairman & Managing Director

DIN: 08190084

Place :Jammu

ered Acc

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 Charlered Accountants FRN: 02717N

FRN-002717 N

CA Madan Verma Pantner W. No. 1884 634 COUNTAINS For P C Bindal & Cosindal & Chartered Accountants
FRN: 03824N

CA. Anil Supta Partner (M. No. 094718) For K K Goel & Associates Chartered Accountants FRN 05299N

CA Amie rumar Cupta Partner5299N (M. No. 501373)



THE JAMMU & KASHMIR BANK LTD. CORPORATE HEADQUARTERS M. A. ROAD, SRINAGAR-190001 CIN:L65110JK1938SGC000048

(in Crores)

SEGMENT RESULTS

					(in Crores)									
S	TANDALONE FINANCIAL RESULTS FOR THE HALF YEAR	3 Months Ended	3 Months Ended	3 Months Ended	HALF YEA	AR ENDED	YEAR ENDED	Description	3 Months Ended	3 Months Ended	3 Months Ended	HALF YE	AR ENDED	YEAR ENDED
	ENDED 30th SEPTEMBER, 2019	30,09,2019	30.06.2019	30.09 2018	30.09.2019	30.09.2018	31.03.2019	Description	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
S.No.	PARTICULARS	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	(Audited)		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	(Audited)
1	Interest Earned (a+b+c+d)	2150.78	2072.06	1840.06	4222.84	3602.95	7875.58	1) Segment Revenue (Income)						
	a) Interest/Discount on Advances/Bills	1599.88	1624.75	1444.92	3324.62	2772.11	5935.24	i) Treasury Operations	462.52	490.39	369.18	952.91	813.46	1952.7
	b) Income on Investments	395.20	405.69	361.64	800.89	755.17	1551.99	il) Corporate/Wholesale Banking	703.54	705.43	658.22	1408.97	1227.73	2672.4
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	55.70	41.58	33.46	97.28	74.88	159.79	ir) Retail Banking	1239.10	1289.42	1153.28	2528.52	2221.27	4879.6
2	d) Others	0.00	0.05	0.04	0.05	0.79	28.54	lv) Other Banking Business	8.22	12.61	8.70	20.84	17.15	41.1
3	Other Income	112.16	184.19	111.20	296.35	245.55	B12.63	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	0.0
4	Total Income (1 + 2) Interest Expended	2262.94 1208.17	2258.25 1189.89	1951.26 1049.21	4519.19	3848.50	8488.19	Total	2413.39	2497.85	2189.38	4911.24	4279.62	9545.8
5	Operating Expenses (I+II)	858.27	875.51	580.40	2378.08 1333.78	2031.91 1124.21	4291.63 2478.68	Less: Inter Segment Revenue Net Income from Operations	150.45 2262.94	241.60 2266.25	238.12 1951.26	392.05 4519.19	431.11 3848.50	1,057.7
	I. Employees Cost	464.32	463.88	367.54	928.20	742.78	1646.18	Segment Results (Profit before tax)	2202.84	2200.20	1901.20	4318.19	3848,30	3488.1
	II. Other Operating Expenses	193.95	211.64	192.86	405.58	381.43	832.48	i) Treasury Operations	41.38	26.11	(59.74)	67.49	(14.85)	132.6
6	Total Expenditure (4+5)	1956,44	1845.40	1608.61	3711.84	3156.12	8770.29	ii) Corporate/Afholesale Banking	(876.58)	53.27	186.78	(823.32)	228.94	350.6
	(Excluding Provisions & Contingencies)							iii) Retail Banking	47.87	275.25	220.50	323.12	407.51	1024.5
7	Operating Profit before Provisions and Contingencies (3-6)	396.51	410.85	342.65	807.35	692.3B	1717.90	iv) Other Banking Business	8.22	12.61	8.29	20.83	16.19	41.1
8	Provisions (other than tax) and Contingencies	1428.17	293.21	172.38	1721.38	427.39	1058.16	v) Un-Allocated Business	(252.56)	(249.60)	(185.56)	(502.15)	(372.80)	(889.1
	-Of which provisions for Non Performing Assets	1441.36	270.64	170.57	1712.00	436.16	1127.85					(,	(,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	Total Profil before tax	(1031.67)	117.64	170.27	(914.03)	264.99	659.7
10	Profit (+)/loss (-) from ordinary activities before tax (7-8-8)	(1031.67)	117.64	170.27	(914.03)	264.99	659.74	c) Segment Assets	T					
11	Tax Expenses	(114.86)	95.77	76.52	(19.09)	118.65	194.85	i) Treasury Operations	28736.23	29118.20	23932.93	28736.23	23932.93	27523.6
_	-Income Tax Provisions	(123.16)	123.16	84.69	0.00	137.70	272.24	ii) Concorate/Wholesale Banking	28044.41	30416.66	32150.72	28044.41	32150.72	31834.1
40	-Deffered Tax Asset/(LiabBity)	8.30	(27.39)	(8.17)	(19.09)	(19.05)	(77.39)	iii) Retail Banking	45729.22	41316.29	38306.81	45729.22	38006.81	42048.5
12	Net Profit (+)/Loss (-) from ordinary activities after tax (10-11)	(916.81)	21.97	93.75	(894.94)	146.34	464.89	iv) Other Banking Business	0.14	0.15	0.16	0.14	0.16	0.00
13	Extraordinary Rems (net of tax expenses)	(918.81)	0.00	0.00	0.00	0.00	0.00	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	0.0
	Net Profit (+)/Loss (-) for the period (12-13) Paid-up Equity Share Capital (Face Value Rs. 1 /- per share)	55.70	21.87 55.70	93.75	(884.94)	146.34	464.89	Total:-	102510.01	100851.30	94090.62	102510.01	94090.62	101406.2
18	Reserves excluding revaluation reserves	55.70	55.70]	55.70	55.70	55,70	55.70	d) Segment Liabilities	10.04					
17	Revaluation reserves			0.00		1	5964.65 605.75	i) Treasury Operations	40.61 27944.20	32.15 27197.10	4194.72 25687.72	40.61 27944.20	4194.72 25687.72	969.9
18	Analytical Ratios			9.00			603.73	Corporate/Wholesale Banking Retail Banking	68793.99	66973.81	57899.90	68793.99	20687.72 57899.90	27741.73 660 68 .47
	(i) Percentage of Shares held by Govt. of J&K	59.23%	59.23%	59.23%	59.23%	59.23%	59.23%	iv) Other Banking Business	0.05	0.27	0.72	0.05	0.72	0.00
	(ii) Capital Adequacy Ratio % (8ASEL III)	11.17%	11.76%	12.02%	11.17%	12.02%	12.46%	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.72	0.00
	(CET1 Ratio)	7.96%	8.73%	8.66%	7.96%	8.66%	9.13%	Total:-	96778.85	94203.33	87783.06	96779.95	87783.06	94790.11
	(TIER1 Ratio)	9.46%	10.14%	10.15%	9.46%	10.15%	10.60%							
	(iii) Earning per Share (EPS) (Rs.)							3) Capital Employed						
	Basic and diluted EPS before Extraordinary items				1			(Segment assets-Segment Liabilities)						
	(net of tax expense) for the period, for the year to date and for the							i) Treasury Operations	28695.62	29086.05	19738.21	28695.62	19738.21	26553.6
	tlate and for the previous year (* not annualized)	(18.46)*	0.39*	1.68*	(16.07)*	2.63°	8.35	ii) Corporate/Wholesale Banking	100.22	3219.56	6463.00	100.22	6463.00	4092.3
	 b) Basic and diluted EPS after Extraordinary items for the period, 							iii) Retail Banking	(23064.77)	(25657.52)	(19893.09)	(23064.77)	(19893.09)	(24019.9)
	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) Other Banking Business	0.09	(0 12)	(0.56)	0.09	(0.56)	0.0
	(iv) NPA Ratio's a) Amount of Gross NPAs	7473.29	6030.84	6067.66	7473.29	6067.66	0004.05	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	0.00
	b) Amount of Net NPAs	2942.04	2962.30	2488.82	2942.04	2488.82	6221.35	Total :-	5731.18	6647.97	8307.56	5731.16	6307.56	6828.10
	c) % of Gross NPAs to Gross Advances	10.64%	8.48%	9.00%	10.64%	9.00%	3239.61 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%1	0.49%							
19	Aggregate of Public Share Holding	10,55 %)	0.0570	0.41701	(1.70%)	0.32.70	0.4370							
	(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			10.1.77	40.7770	10,117	40.1170							
	a) Pledged/Encumbered													
	- Number of Shares	NII	Nii	NB	Nil	Nil	Nit							
	- Percentage of shares (as a % of the total shareholding of promoter	"				7 411								
	and promoter group)	Nil	NII	Nil	Nil	Nil	Nil							
	- Percentage of shares (as a % of the total share capital of the company)	Nil	NII	Nil	NIII	Nii	Nil !							
	b) Non-encumbered	1					140							
	- 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%							
		77.20%		50.2570	00.2070	00.4070	90.2376							

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For O P Garg & Co. Chartered Accountants FRN: 01/194N

PED ACCC

CA Vikram Garg Partnet (M. No. 097038)

For Verma Associates. Chartered Accountants Co FRN: 02717N

*

FRN-002717/N (M. No. 08163 1) Countaints

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

ered Accou

CA. Anil Gupta Partner (M. No. 094713) For K K Goel & Associates Chartered Accountants FRN: 05299N

Partner (M. No. 501373)

FOR & ON BEHALF OF THE BOARD

R.K CHHIBBER Chairman & Managing Director

DIN: 08190084

Place : Jammu

Dated: 31st January, 2020



		30.09.2019	FY 2018-19
		₹ '000' Omitted	₹ '000' Omitted
-	CASH FLOW FROM OPERATING ACTIVITIES	8,585,959	(29,954,276
	CASH FLOW FROM INVESTING ACTIVITIES	(595,586)	(1,641,895
_	CASH FLOW FROM FINANCING ACTIVITIES	(1,263,749)	7,686,096
	NET CHANGE IN CASH AND CASH EQUIVALENTS	6,726,624	(23,910,075
_	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	58,618,756	82,528,831
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR CASH FLOW FROM OPERATING ACTIVITIES:	65,345,380	58,618,756
	Net Profit after Taxes	(0.040.445)	4.040.000
	Add: Provision for Taxes	(8,949,445)	4,648,808
	Net profit before taxes (i)	(190,902) (9,140,347)	1,948,457 6,597,265
	Adjustment for :	(3,140,347)	0,397,200
	Depreciation charges	563,464	1,040,863
	loss on sale of fixed Assets	303,404	1,040,000
	Provision for NPA's	15 656 365	10,535,129
	Provision on Standard Assets	(215,094)	(388,144
	Provision for salary revision	(213,054)	(300,14-
	Depreciation on investment	102,464	(262.40)
	Amortaisation on investment	102,404	(262,406
	Provision for Non-Performing investment	1,678,733	1,131,478
	Provision for other assets	1,070,755	1,131,470
	Provision on RRB's		
	Other provisions	(8,626)	(434,356
	Deffered revenue Expenditure written off during the year	(0,020)	(-0-,004
	Dividend from subsidines(Investing activities)		
	Interest paid on subordinate Bonds (Financing Activities)	1,263,750	2.313.90
_	Total Adjustment (ii)	19,041,057	13,936,46
_	Operating profit before change in Operating assets & liabilities (i)+(ii)	8,900,710	20,533,73
	Adjustment for changes in Operating Assets & Liabilities	0,044,110	20,000,100
	Increase / (Decrease) in Deposits	19,813,280	96,323,98
	Increase / (Decrease) in Borrowings	(21,898)	(43,79
	Increase / (Decrease) in Other liabilities & provisions	(1,259,833)	5,504,299
	(Increase) / Decrease in investments	1,758,783	(42,542,32)
	(Increase) / Decrease in Advances	(9,036,410)	(103,678,326
	(Increase) / Decrease in Other Assets	(11,544,447)	(5,693,87)
	Net Cash flow from Operating activities (iii)	(290,526)	(50,130,030
	Cash generated from operation (i + ii + iii)	9,610,184	(29,596,30
	Less : Tax paid	1.024.225	357,970
	TOTAL:(A)	8,585,959	(29,954,27)
	CASH FLOW FROM INVESTING ACTIVITIES :	0,000,000	120,000,120
	a) Fixed Assets	(595,586)	(1,641,89
	b) Investment in Subsidiary	(000,000)	(1,011,001
	TOTAL:(B)	(595,598)	(1,641,89)
_	CASH FLOW FROM FINANCING ACTIVITIES:	(0.0)000/	(1,000,000
	a) Share Capital		
	b) Equity Share Warrants	_	_
	c) Share Premium		
	d) Tier I & II Bonds		10,000,00
	e) Dividend & Dividend Tax Paid	_	10,000,00
	Interest Paid on Subordinate Debt	(1,283,749)	(2,313,90
	TOTAL:(C)	(1,263,749)	7,686,09
_	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(1,200,140)	7,000,00
	a) Cash in hand & Balance with R.B.I	48,749,687	43,283,60
	b) Balance with Banks & Money at Call & Short Notice	9 869 069	
-	TOTAL:(D)	58,618,756	39,245,22 82,528,83
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	30,010,730	02,920,63
	VACUADO VACUE EQUITALLISTS AT THE END OF THE TEAR		
	a) Cash in hand & Ralance with P.R.I.	44 070 200	49 740 69
	a) Cash in hand & Batance with R.B.I b) Belance with Banks & Money at Call & Short Notice	44,979,280 20,366,100	48,749,68 9,869,06

R.K Chhibbs Charman & MD DIN 08190084

Place Jammu Dated:318t January, 2020

The above Cash Flow Statement has be en taken on record by the Board of Directors in its m eting held on 31st January, 2020 at Jammu

Por O B Garg & Co Chartered Accountal FRN: 01154A

CA Vikram Garg Partner (M. No. 097038)

Auditors Certificate

We have verified the attached Standalone Cash Flow Statement of THE JAMMU & KASHMIR BANK UNITED which he Statements for the period ended September 30th, 2019 and Audited Financial Statements of March 31st, 2019. To Information and explanations given to us, it has been prepared pursuant to chuse 32 of the Listing Agreement with

Place: Jammu Deted, 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,	(110)
RG&	2019 after taking into account the divergence in provisioning.	

S FRN. 03824N

* FRN-002717N *

Chartered Accountants

- 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.









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 ED ACO M.No.097038

UDIN: 20097038AAAAAP7#3

For Verma Associates. **Chartered Accountants**

Associates

RN-002717 N

(CA.Madan Verma

Partner M.No.081631

UDIN: 20081631AAAAAB9716

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

(CA. Anil Gupta) Partner

M.No.094718

UDIN: 20094713AAAAAE3028

For K.K.Goel & Associates. **Chartered Accountants**

FRN:05299N

(CA.Amit Kumar Gupta) Partner

M.No.50137

UDIN: 20501373AAAABE6279

Place : Jammu

Dated: 31st January 2020



THE JAMMU & KASHMIR BANK LTD. CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR CIN:L65110JK1938SGC000048

CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2019

	(1	IN CRORES
	As at	As a
	30.09.2019	30.09.201
CAPITAL AND LIABILITIES		
Capital	55.70	55.7
Reserves and Surplus	5671.57	6249.9
Deposits	91618.52	81426.4
Borrowings	2621.77	4137.6
Other Liabilities and Provisions	2539.65	2219.
TOTAL:-	102507.21	94089.
ASSETS		
Cash and Balance with Reserve Bank of India	4497.93	3626.
Balance with Banks & Money at Call & Short Notice	2044.79	190.
Investments	22956.15	20524.
Advances	65609.51	63691.
Fixed Assets	1678.50	1604.
Other Assets	5720.33	4452.
TOTAL :-	102507.21	94089.

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

ED ACC

CA Vikram Garg Partner (M. No. 097038)

For Verma Associates Chartered Accountants
FRN: 02717N

FRN-002717 N SA. Madan Verma Partner IM. 000-0816311 COUNTAINS

For P C Bindal & Co Chartered Accountants

CA. Anil Guota Partner (M. No. 094713) For K K Goor & Associates Chartered Accountants FRN: 05299N

ar Gupta (M. No. 501373)

JEK Bank

THE JAMMU & KASHMR BANK LTD.

CORPORATE HEADQUARTERS M. A. ROAD, SRINAGAR-190001

SEGMENT RESULTS

-	CIN:L65110JK1938S	GC000048			₹ In Crore	9)								
	CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR	3 Months Ended	3 Months Ended	3 Months Ended	HALF YE	UR ENDED	YEAR ENDED	Description	3 Months Ended	3 Months Ended	3 Months Ended	HALF YE	AR ENDED	YEAR ENDED
	ENDED 30th SEPTEMBER, 2019	30,09,2019	30.96.2919	30.09.2018	30.09.2019	30,09,2018	31.03.2019	3000,000	30.00.2019	30.06.2019	30.09.2018	36.09.2019	30.09.2018	31.03.2019
S.Ho.	PARTICULARS	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	(Audited)		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	(Audited)
1	Interest Earned (a+b+c+d)	2150.78	2072.06	1840.06	4222.84	3602.95	7675.57	1) Segment Revenue (Income)						
	a) interest/Discount on Advences/Bits	1699.87	1624.75	1444.92	3324.62	2772.11	5935.24	i) Trassury Operations	462.52	490.39	369.18	952.91	813.46	195
	b) Income on Investments	395.20	405.69	361.64	800.89	755.17	1551.99	ii) Corporate/Afholesale Banking	704.09	706.30	658.21	1410.39	1227.73	267
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	55.70	41.58	33.46	97.28	74.88	159.79	iii) Retail Banking	1239.28	1289.72	1154.50	2528.99	2223.33	48
2	d) Others	0.01	0.04	0.04	0.05	0.80	28.54	M) Other Banking Business	8.22	12.61	8.70	20.84	17.15	
3		112.88	185.36	112.42	298,24	247.61	817.48	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	
4		2263.68	2257.42	1952.48	4521.08	3850.56	8493.05	Total	2414.11	2499.02	2190.59	4913.13	4281.67	95
1	Interest Expended	1208.07	1169.77	1048,30	2377.84	2031.72	4291.13	Less; Inter Segment Revenue	150.45	241.60	238.11	392.05	431.11	10
9	Operating Expenses (HII)	659.98	677.84	561.92	1337.80	1127.21	2485.06	Net Income from Operations	2263.66	2257.42	1952.48	4521.08	3850.56	84
_	I. Employees Cost	465.53	465.41	368.54	930.94	744.73	1650.11	2) Segment Results (Profit before tax)						
6	II. Other Operating Expenses Total Expenditure (445)	194.43	212.43	193.37	406.86	382.48	834.96	i) Treesury Operations	41.38	26.11	(19.94)	67.49	42.44	1
-	Excluding Provisions & Contingencies)	1868.03	1847.61	1610.21	3715.64	3158.93	6776.19	ii) Corporate/Wholesale Banking	(874.89)	51.01	146.79	(823.88)	169.21	3
								iii) Retail Banking	46.50	278.01	227.48	324.51	411.16	10
8		395.63	400.81	342.27	805.44	691.63	1716.86	Other Banking Business	8.22	12.61	7.74	20.83	16.18	
	Provisions (other than tax) and Contingencies	1428.17	293.21	172.38	1721.38	427.39	1058.16	v) Un-Allocated Business	(253.75)	(251.14)	(192.18)	(504.89)	(374.75)	(8
9	-Of which provisions for Non Performing Assets	1441.38	270.64	170.57	1712.00	436.16	1127.85	Profit / (Loss) from ordinary activities before tax	(1032.54)	116.60	169.89	(215,94)	264.24	
	Exceptional items	0.00	0.00	0.00	0.00	0.00		vi) Share of Profit/Loss(-) of Associate	(1.19)	2.97	(0.07)	1.78	2.25	
	Profit (4)floss (-) from ordinary activities before tex (7-8-8)	[1032.54]	116.80	169.89	(915.94)	264.24	858.69	Total Profit	(1033.73)	119.57	169.82	(914.1B)	266.49	
12	Tex Expenses	(114.54)	95.45	76.52	(19.09)	118.65	194.85	c) Segment Assets						
	-income Tex Provisions	(123.16)	123.16	84.69	0.00	137.70	272.24	i) Treesury Operations	28718.01	29098.20	23915.18	28718.01	23915.18	275
	-Deffered Tax Asset/(Liability)	8.30	(27.39)	(8.17)	(19.09)	(19.05)	(77.39)	ii) CorporateAMholesale Banking	28052.61	30426.67	32157.80	28052.61	32157.80	318
13	Net Profit (*)4, oss (-) from Ordinary activities after tax (10-11)	(918.00)	21.15	93.37	(896.85)	145,60	463.85	iii) Retail Banking	45738.45	41322.80	38016.43	45736.45	38016.43	420
	Extraordinary items (not of tag expenses)	0.00	0.00	0.00	0.00	0.00	0.00	M) Other Banking Business	0.14	0.15	0.16	0.14	0.16	
	Net Profit (*)/Loss (-) for the period (12-13)	(918.00)		93.37	(898.85)	145,60	463.85	v) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	
	Share of Proft/Loss(-) From Associate Concerns	(1,19)		(0.07)	1.78	2.25	2,82	Total:-	102507.21	100847.82	94089.57	102507.21	94089.57	1014
	Net Profit (NALose (-)after Share in Associates(15+18)	(919.13)		93.30	(895.07)	147.85	486.87	d) Segment Liabilities						
18	Paid-up Equity Share Capital (Pace Value Rs. 1 /- per share)	55.70	55.70	55.79	55,70	55.70	55.70	i) Treetury Operations	40.61	32.15	4194.72	40.61	4194,72	9
18	Reserves excluding revaluation reserves						5960.31	ii) Corporate/Wholesale Banking	27945.12	27198.24	25689.06	27945.12	25689.06	277
20	Revaluation reserves						605.75	(II) Retail Benidng	68794.14	66974.99	57899.41	68794.14	57899.41	680
21	Analytical Ratios							(v) Other Banking Business	0.05	0.26	0.72	0.05	0.72	
	(f) Percentage of Shares held by Govt. of J&K	59.23%	59.23%	59.23%	59.23%	59.23%	59.23%	V) Un-Allocated Business	0.00	0.00	0.00	0.00	0.00	
	(ii) Capital Adequacy Ratio % (BASEL III)	11.21%	11.76%	12.02%	11.21%	12.02%	12.46%	Total:-	96779.92	94205.64	87783.91	96779.92	87783.91	947
	(CET1 Ratio)	7.98%	8.73%	8.66%	7.98%	8.66%	9.13%	3) Capital Employed						
	(TIER1 Ratio)	9.48%	10.14%	10.15%	9.48%	10.15%	10.60%	(Segment assets-Segment Liabilities)						
	(iii) Earning per Share (EPS) (Re.)							I) Tressury Operations	28677.40	29066.05	19720.46	28677.40	19720.48	265
	n) Basic and diluted EPS before Extraordinary items							II) Corporate/Wholesale Banking	107.49	3228.43	6468.74	107.49	6468.74	41
	(net of tex expense) for the period, for the year to date and for the							iii) Retail Banking	(23057,69)	(25652.19)	(19882.99)	(23057.69)	(19882.99)	(240
	date and for the previous year (* not annualized)	(16.51)*	0.43°	1.68°	(16.07)°	2.66*	8.43	M) Other Benking Business	0.09	(0.11)	(0.56)	0.09	(0.56)	(4-7)
	b) Basic and diketed EPS after Extreordinary items for the period.		57.0	,,,,,	(10.01)	2.00	0.10	v) Un-Allocated Business	0.00	0.00	(0.50)	0.00	(0.30)	
	for the year to date and for the previous year (* not annualized)	(16.51)°	0.43*	1.68*	(16.07)*	2.66*	8.43	Total:-	5727.29	6642.18	6305.68	5727.29	6305.66	86
	(N) NPA Ratio's										313000	7101129	00.00	
	Amount of Gross NPAs	7473.29	6030 84	6067.66	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 Advences	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%							
22	Aggregate of Public Share Holding	(0.0070)	0.0076	9.7170	(1.7070)	V.JZ78	V.+070							

IN TERMS OF CHE REPORT OF EVEN DATE ANNEXED

- Percentage of shares (as a % of the total shareholding of promoter

- Percentage of shares (as a % of the total shareholding of promoter

. Percentage of sheres (se a % of the total shere capital of the total shere capital of the company)

- Percentage of shares (as a % of the total share capital of the company)

GARG For O P Garg & Co Chartered Accountar FRI: 01194N CAVIkram Garg Partner (M. No. 097038)

(i) No. of Shares

(I) Percentage of Shere Holding

and promoter group)

and promoter group)

b) Non-encumbered

- Number of Shares

23 Promoters and promoter group Shareholding a) Pledged/Encumbered - Number of Shares



227025360

40.77%

NII

Nil Nil

329833032

100%

59.23%

227025360

40.77%

Nil

Nil Nil

329833032

100%

59.23%

227025360

329833032

100%

59.23%

40.77%

Nil

227025360

40.77%

NII

NII

Nii

329833032

100%

59.23%

227025360

329833032

100%

59.23%

40,77%

227025360

329833032

100%

59.23%

40.77%

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

CA. Anii Gupta Partner (M. No. 994713)

For KK Goel & Associate Chartered Accountants CA.Amit Numar Gho Partner

(M. No. 501373)

FOR & ON BEHALF OF THE BOARD

R.K CHHIBBER Chairman & Managing Director DIN: 08190084

Place : Jammu

Dated: 31st January, 2020



		30.09.2019	FY 2018-19
		₹ '000' Omitted	₹ '000' Omitted
4	CASH FLOW FROM OPERATING ACTIVITIES	8,564,236	(29,917,0
3	CASH FLOW FROM INVESTING ACTIV ITIES	(596,394)	(1,646,3
	CASH FLOW FROM FINANCING ACTIVITIES	(1,263,750)	7.686,0
	NET CHANGE IN CASH AND CASH EQUIVALENTS	6,704,092	(23.877,3
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	58,723,089	82,600,4
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	65,427,181	58,723,0
	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	(8,968,492)	4,638,4
	Add Provision for Taxes	(190,902)	1 948,4
	Net profit before taxes (i)	(9,159,394)	6,586,9
	Adjustment for :		
	Depreciation charges	564,606	1,042,7
	loss on sale of fixed Assets		,
	Provision for NPA's	15,656,365	10,535,1
1	Provision on Standard Assets	(215,094)	(388,1
	Provision for salary revision	\\=/	(200)
	Depreciation on investment	102,464	(262,4
	Arnortalisation on investment	102,404	(202,4
	Provision for Non-Performing investment	1,678,733	1,131.4
	Provision for other assets	1,070,733	1,131,4
	Provision on RRB's		
	Other provisions	(0.000)	(404.0
	·	(8,626)	(434,3
	Deffered revenue Expenditure written off during the year		
	Dividend from subsidiries(Investing activities)		
	Interest paid on subordinate Bonds (Financing Activities)	1,263,750	2,313,9
	Total Adjustment (ii)	19,042,198	13,938,3
	Operating profit before change in Operating assets & liabilities (i)+(ii)	9,882,804	20,525,2
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	19,816,882	96,322,9
	Increase / (Decrease) in Borrowings	(21,898)	(43,7
1	Increase / (Decrease) in Other liabilities & provisions	(1,281,352)	5,528,8
-	(Increase) / Decrease in investments	1,741,027	(42,542,3
	(Increase) / Decrease in Advances	(9,036,410)	(103,678,3
	(Increase) / Decrease in Other Assets	(11,513,480)	(5,672,1
	Net Cash flow from Operating activities (iii)	(295,232)	(50,084,7
	Cash generated from operation (i + ii + iii)	9,587,572	(29,559,4
	Less : Tax paid	1,023,336	357,5
	TOTAL:(A)	8,564,236	(29,917,0
	CASH FLOW FROM INVESTING ACTIVITIES :	0,507,500	7-2001110
	a) Fixed Assets	(596,394)	(1,846,3
	b) Investment in Subsidiary	(380,384)	(1,040,3
	TOTAL: (B)	(500 204)	/4 8 40 5
	CASH FLOW FROM FINANCING ACTIVITIES:	(596,394)	(1,646,3
	a) Share Capital		
	b) Equity Share Warrants	-	_
	c) Share Premium	•	-
	d) Tier I & II Bonds	•	10,000,0
	e) Dividend & Dividend Tax Paid	-	•
	f) Interest Paid on Subordinate Debt	(1,263,750)	(2,313,9
	TOTAL:(C)	(1,283,750)	7,886,0
	TOTAL :(C) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(1,283,750)	7,696,0
		(1,283,750) 48,749,687	
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		43,283,6
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR a) Cash in hand & Balance with R.B.I	48,749,687	7,886,03 43,283,6 39,316,8 82,600,4
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR a) Cash in hand & Balance with R.B.I b) Balance with Banks & Money at Call & Short Notice	48,749,687 9,973,402	43,283,6 39,316,8
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR a) Cash in hand & Balance with R.B.I b) Balance with Banks & Money at Call & Short Notice TOTAL:(D) CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	48,749,687 9,973,402 58,723,089	43,283,6 39,316,8 82,600,4
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR a) Cash in hand & Balance with R.B.I b) Balance with Banks & Money at Call & Short Notice TOTAL: (D)	48,749,687 9,973,402	43,283,6 39,316,8

R K Chhibber « Chairman & MD DIN 08190084

Place : Jammu Dated : 31st January, 2020

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

FOR B Case & Co
Chartered Accountants
FRN: 01194N
CA Vikram Gard
(M. No. 097039)

For Verma Associates
Chartered Accountants
FRAN-002717 N
CAl Madan Verma
Partner (M. No.081631)
Artered Accountants



For K K God/& Associated Chartered Accountants FRN: 05299N
CA Amit Runare Gupta Accountant (M. Na. 681373)

Auditors Certificate

We have rewrited the attached Cossolidated Cash Flow Statement of THE JAMMU & KASHMIR BANK UNITED which has been compiled from and is based on the Reviewed 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	(110)
	31, 2019 after taking into account the divergence in provisioning.	

- 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.
- 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.







