



## Board Secretariat

Ref:-JKB/BS/F3652/2020/388  
Date: 31<sup>st</sup> January, 2020

**National Stock Exchange of India Ltd**  
Exchange Plaza 5<sup>th</sup> Floor  
Plot No. C/1 G-Block  
BandraKurla Complex  
Bandra (E) Mumbai - 400 051  
Symbol: J&KBANK

**The BSE Ltd.**  
PhirozeJeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code:532209

**SUB: - REVIEWED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND HALF YEAR  
ENDED 30<sup>TH</sup> SEPTEMBER, 2019 (Standalone & Consolidated)**

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Reviewed Financial Results of the Bank for the Quarter and Half ended 30<sup>th</sup> September, 2019.

The Results were taken on record by the Board of Directors in their meeting held on 31<sup>st</sup> January, 2020 at Jammu.

The Meeting ended at 04:15 P.M.

Yours faithfully  
For Jammu & Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read 'Shafi Mir', is written over a horizontal line.

(Mohammad Shafi Mir)  
Company Secretary

**Independent Auditor's Review Report on Standalone Unaudited Financial Results for the period ended 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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

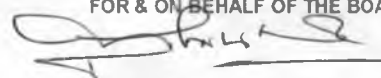
Dated: 31<sup>st</sup> January 2020

**STANDALONE BALANCE SHEET AS AT 30th SEPTEMBER, 2019**

( ₹ IN CRORES )

|   | As at<br>30.09.2019 | As at<br>30.09.2018 |
|---|---------------------|---------------------|
| <b>CAPITAL AND LIABILITIES</b>                    |                     |                     |
| 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             |
| <b>TOTAL :-</b>                                   | <b>102510.00</b>    | <b>94090.62</b>     |
| <b>ASSETS</b>                                     |                     |                     |
| 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             |
| <b>TOTAL :-</b>                                   | <b>102510.00</b>    | <b>94090.62</b>     |

FOR & ON BEHALF OF THE BOARD



**R.K. CHHIBBER**

**Chairman & Managing Director**

**DIN: 08190084**

**Place :Jammu**

**Dated : 31st January, 2020**

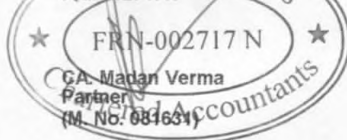
**In terms of our report of even date annexed**

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

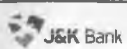


CA Anil Gupta  
Partner  
(M. No. 094713)

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



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



₹

SEGMENT RESULTS

( in Crores )

| 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 |            | 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 |            |
|   |   | 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    | 7875.56         | 1) Segment Revenue (Income)                              |                |                |                |                 |            |            |
|   | a) Interest/Discount on Advances/Bills  | 1699.88        | 1624.75        | 1444.92        | 3324.62         | 2772.11    | 5935.24         | i) Treasury Operations                                   | 462.52         | 490.39         | 369.18         | 952.91          | 813.46     | 1952.74    |
|   | b) Income on Investments  | 395.20         | 405.69         | 361.64         | 800.89          | 755.17     | 1551.99         | ii) Corporate/Wholesale Banking                          | 703.54         | 705.43         | 658.22         | 1408.97         | 1227.73    | 2672.41    |
|   | 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                                      | 1239.10        | 1289.42        | 1153.28        | 2528.52         | 2221.27    | 4879.67    |
|   | d) Others   | 0.00           | 0.05           | 0.04           | 0.05            | 0.79       | 28.54           | iv) Other Banking Business                               | 8.22           | 12.61          | 8.70           | 20.84           | 17.15      | 41.11      |
| 2   | Other Income  | 112.16         | 184.19         | 111.20         | 286.35          | 245.55     | 812.63          | v) Un-Allocated Business                                 | 0.00           | 0.00           | 0.00           | 0.00            | 0.00       | 0.00       |
| 3   | Total Income (1+2)  | 2262.94        | 2256.25        | 1951.26        | 4519.19         | 3848.50    | 8688.19         | Less: Inter Segment Revenue                              | 150.45         | 241.60         | 238.12         | 392.05          | 431.11     | 1057.74    |
| 4   | Interest Expended   | 1208.17        | 1189.89        | 1048.21        | 2378.08         | 2031.81    | 4281.83         | Net Income from Operations                               | 2262.94        | 2256.25        | 1951.26        | 4519.19         | 3848.50    | 8688.19    |
| 5   | Operating Expenses (1+II)   | 858.27         | 875.51         | 860.40         | 1733.78         | 1124.21    | 2478.66         | 2) Segment Results (Profit before tax)                   |                |                |                |                 |            |            |
|   | I. Employees Cost   | 464.32         | 463.88         | 367.54         | 928.20          | 742.78     | 1646.18         | i) Treasury Operations                                   | 41.38          | 26.11          | (59.74)        | 67.49           | (14.85)    | 132.60     |
|   | II. Other Operating Expenses  | 193.95         | 211.64         | 192.86         | 405.58          | 381.43     | 832.48          | ii) Corporate/Wholesale Banking                          | (876.58)       | 53.27          | 186.78         | (823.32)        | 228.94     | 350.67     |
| 6   | Total Expenditure (4+5)   | 1966.44        | 1865.40        | 1808.61        | 3711.84         | 3156.12    | 6770.29         | iii) Retail Banking                                      | 47.87          | 275.25         | 220.50         | 323.12          | 407.51     | 1024.55    |
| 7   | Operating Profit before Provisions and Contingencies (3-6)  | 396.51         | 410.85         | 342.65         | 807.35          | 882.38     | 1717.90         | iv) Other Banking Business                               | 8.22           | 12.61          | 8.29           | 20.83           | 16.19      | 41.11      |
| 8   | Provisions (other than tax) and Contingencies   | 1428.17        | 293.21         | 172.36         | 1721.38         | 427.39     | 1058.16         | v) Un-Allocated Business                                 | (252.56)       | (249.60)       | (185.56)       | (502.15)        | (372.80)   | (889.19)   |
|   | -Of which provisions for Non Performing Assets  | 1441.36        | 270.64         | 170.57         | 1712.00         | 436.16     | 1127.85         | Total Profit before tax                                  | (1031.87)      | 117.64         | 170.27         | (814.03)        | 284.89     | 658.74     |
| 9   | Exceptional Items   | 0.00           | 0.00           | 0.00           | 0.00            | 0.00       | 0.00            | c) Segment Assets  |                |                |                |                 |            |            |
| 10  | Profit (+/loss -) from ordinary activities before tax (7-9-0)   | (1031.87)      | 117.64         | 170.27         | (814.03)        | 284.89     | 658.74          | i) Treasury Operations                                   | 28736.23       | 29118.20       | 23932.93       | 28736.23        | 23932.93   | 27523.61   |
| 11  | Tax Expenses  | (114.88)       | 95.77          | 78.52          | (18.08)         | 118.85     | (19.88)         | ii) Corporate/Wholesale Banking                          | 28044.41       | 30416.66       | 32150.72       | 28044.41        | 32150.72   | 31834.11   |
|   | -Income Tax Provisions  | (123.16)       | 123.16         | 84.69          | 0.00            | 137.70     | 272.24          | iii) Retail Banking                                      | 45729.22       | 41316.29       | 38006.81       | 45729.22        | 38006.81   | 42048.57   |
|   | -Deferred Tax Asset/(Liability)   | 8.30           | (27.39)        | (8.17)         | (19.09)         | (77.39)    |                 | iv) Other Banking Business                               | 0.14           | 0.15           | 0.16           | 0.14            | 0.16       | 0.00       |
| 12  | Net Profit (+/Loss -) from ordinary activities after tax (10-11)  | (818.81)       | 21.87          | 93.75          | (894.84)        | 148.34     | 464.89          | v) Un-Allocated Business                                 | 0.00           | 0.00           | 0.00           | 0.00            | 0.00       | 0.00       |
| 13  | Extraordinary Items (net of tax expenses)   | 0.00           | 0.00           | 0.00           | 0.00            | 0.00       | 0.00            | Total:-  | 102510.01      | 100851.30      | 94090.82       | 102510.01       | 94090.82   | 101408.29  |
| 14  | Net Profit (+/Loss -) for the period (12-13)  | (818.81)       | 21.87          | 93.75          | (894.84)        | 148.34     | 464.89          | d) Segment Liabilities                                   |                |                |                |                 |            |            |
| 15  | Paid-up Equity Share Capital (Face Value Rs. 1/- per share)   | 55.70          | 55.70          | 55.70          | 55.70           | 55.70      | 55.70           | i) Treasury Operations                                   | 40.61          | 32.15          | 4194.72        | 40.61           | 4194.72    | 969.99     |
| 16  | Reserves excluding revaluation reserves   |                |                |                |                 |            | 5964.85         | ii) Corporate/Wholesale Banking                          | 27944.20       | 27197.10       | 25687.72       | 27944.20        | 25687.72   | 27741.73   |
| 17  | Revaluation reserves  |                |                | 0.00           |                 |            | 605.75          | iii) Retail Banking                                      | 68793.99       | 66973.81       | 57899.99       | 68793.99        | 57899.99   | 66068.47   |
| 18  | Analytical Ratios   |                |                |                |                 |            |                 | iv) Other Banking Business                               | 0.05           | 0.27           | 0.72           | 0.05            | 0.72       | 0.00       |
|   | (I) 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       | 0.00       |
|   | (II) Capital Adequacy Ratio % (BASEL III)   | 11.17%         | 11.76%         | 12.02%         | 11.17%          | 12.02%     | 12.46%          | Total:-  | 98778.85       | 94203.33       | 87783.06       | 98778.85        | 87783.06   | 84780.18   |
|   | (CET1 Ratio)  | 7.96%          | 8.73%          | 8.66%          | 7.96%           | 8.66%      | 9.13%           | 3) Capital Employed (Segment assets-Segment Liabilities) |                |                |                |                 |            |            |
|   | (TIER1 Ratio)   | 9.46%          | 10.14%         | 10.15%         | 9.46%           | 10.15%     | 10.60%          | i) Treasury Operations                                   | 28695.62       | 29086.05       | 19738.21       | 28695.62        | 19738.21   | 26553.62   |
|   | (III) Earning per Share (EPS) (Rs.)   |                |                |                |                 |            |                 | ii) Corporate/Wholesale Banking                          | 100.22         | 3219.56        | 6463.00        | 100.22          | 6463.00    | 4092.38    |
|   | 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            | iii) Retail Banking                                      | (23064.77)     | (25657.52)     | (18893.09)     | (23064.77)      | (18893.09) | (24019.90) |
|   | 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) Other Banking Business                               | 0.09           | (0.12)         | (0.56)         | 0.09            | (0.56)     | 0.00       |
|   | (iv) NPA Ratio's  |                |                |                |                 |            |                 | v) Un-Allocated Business                                 | 0.00           | 0.00           | 0.00           | 0.00            | 0.00       | 0.00       |
|   | a) Amount of Gross NPAs   | 7473.29        | 6030.84        | 9067.65        | 7473.29         | 6067.66    | 6221.35         | Total:-  | 5731.18        | 6647.87        | 8307.56        | 5731.18         | 6307.56    | 6828.10    |
|   | 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. 087038)

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<br>₹ '000' Omitted | FY 2018-19<br>₹ '000' Omitted |
|--|-------------------------------|-------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   | <b>8,585,959</b>              | <b>(29,954,276)</b>           |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   | <b>(595,586)</b>              | <b>(1,641,895)</b>            |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   | <b>(1,263,749)</b>            | <b>7,686,096</b>              |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | <b>8,726,624</b>              | <b>(23,910,075)</b>           |
| <b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                        | <b>58,618,756</b>             | <b>82,528,831</b>             |
| <b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                              | <b>65,345,380</b>             | <b>58,618,756</b>             |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                               |                               |
| Net Profit after Taxes   | (8,949,445)                   | 4,648,808                     |
| Add : Provision for Taxes  | (190,902)                     | 1,948,457                     |
| <b>Net profit before taxes (i)</b>   | <b>(9,140,347)</b>            | <b>6,597,265</b>              |
| <b>Adjustment for :</b>  |                               |                               |
| 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                     |
| <b>Total Adjustment (ii)</b>   | <b>19,041,057</b>             | <b>13,838,485</b>             |
| <b>Operating profit before change in Operating assets &amp; liabilities (i) + (ii)</b> | <b>9,900,710</b>              | <b>20,533,730</b>             |
| <b>Adjustment for changes in Operating Assets &amp; Liabilities</b>                    |                               |                               |
| 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)                   |
| <b>Net Cash flow from Operating activities (iii)</b>                                   | <b>(290,526)</b>              | <b>(50,130,036)</b>           |
| <b>Cash generated from operation (i + ii + iii)</b>                                    | <b>9,610,184</b>              | <b>(29,596,306)</b>           |
| Less : Tax paid  | 1,024,225                     | 357,970                       |
| <b>TOTAL : ( A )</b>   | <b>8,585,959</b>              | <b>(29,954,276)</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>  |                               |                               |
| a) Fixed Assets  | (595,586)                     | (1,641,895)                   |
| b) Investment in Subsidiary  | -                             | -                             |
| <b>TOTAL : ( B )</b>   | <b>(595,586)</b>              | <b>(1,641,895)</b>            |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>   |                               |                               |
| 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)                   |
| <b>TOTAL : ( C )</b>   | <b>(1,263,749)</b>            | <b>7,686,096</b>              |
| <b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                       |                               |                               |
| a) Cash in hand & Balance with R.B.I   | 48,749,687                    | 43,283,608                    |
| b) Balance with Banks & Money at Call & Short Notice                                   | 9,869,069                     | 39,245,223                    |
| <b>TOTAL : ( D )</b>   | <b>58,618,756</b>             | <b>82,528,831</b>             |
| <b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                             |                               |                               |
| 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                     |
| <b>TOTAL : ( E )</b>   | <b>65,345,380</b>             | <b>58,618,756</b>             |

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.

**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.

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)

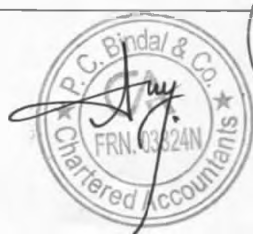
For K.K. Goyal & Associates  
Chartered Accountants  
FRN: 05264N  
CA. Amit Kumar Gupta  
Partner  
(M. No. 501373)



**"NOTES TO ACCOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2019"**

1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 30<sup>th</sup> January 2020 and approved by the Board of Directors at its meeting held on 31<sup>st</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 **30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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

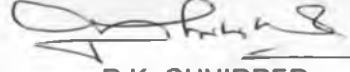
Place : Jammu  
Dated: 31<sup>st</sup> January 2020

**CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2019**

( ₹ IN CRORES )

|   | As at<br>30.09.2019 | As at<br>30.09.2018 |
|---|---------------------|---------------------|
| <b>CAPITAL AND LIABILITIES</b>                    |                     |                     |
| 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             |
| <b>TOTAL :-</b>                                   | <b>102507.21</b>    | <b>94089.57</b>     |
| <b>ASSETS</b>                                     |                     |                     |
| 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             |
| <b>TOTAL :-</b>                                   | <b>102507.21</b>    | <b>94089.57</b>     |

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)



₹ In Crores)

SEGMENT RESULTS

| CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2019 |   |                |                | HALF YEAR ENDED |            |           | YEAR ENDED |  |                | SEGMENT RESULTS |                |                 |            |            |
|---|---|----------------|----------------|-----------------|------------|-----------|------------|--|----------------|-----------------|----------------|-----------------|------------|------------|
| S.No.   | PARTICULARS   | 3 Months Ended | 3 Months Ended | 3 Months Ended  | 30.09.2019 |           | 31.03.2019 | Description  | 3 Months Ended | 3 Months Ended  | 3 Months Ended | HALF YEAR ENDED |            | YEAR ENDED |
|   |   | 30.09.2019     | 30.06.2019     | 30.09.2018      | Reviewed   | Reviewed  | Audited    |  | 30.09.2019     | 30.06.2019      | 30.09.2018     | 30.09.2019      | 30.09.2018 | 31.03.2019 |
| 1   | Interest Earned (net of cost)   | 2150.78        | 2072.06        | 1840.06         | 4222.84    | 3602.85   | 7875.57    | 1) Segment Revenue (Income)                              |                |                 |                |                 |            |            |
|   | a) Interest/Discount on Advances/Bills  | 1699.87        | 1624.75        | 1444.92         | 3324.62    | 2772.11   | 5935.24    | i) Treasury Operations                                   | 462.52         | 490.39          | 369.18         | 952.91          | 813.48     | 1952.74    |
|   | b) Income on Investments  | 395.20         | 405.69         | 361.64          | 800.89     | 755.17    | 1551.99    | ii) Corporate/Wholesale Banking                          | 704.09         | 706.30          | 656.21         | 1410.39         | 1227.73    | 2872.42    |
|   | 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        | 1269.72         | 1154.50        | 2528.99         | 2223.33    | 4884.51    |
|   | d) Others   | 0.01           | 0.04           | 0.04            | 0.05       | 0.80      | 26.54      | iv) Other Banking Business                               | 8.22           | 12.61           | 8.70           | 20.84           | 17.15      | 41.11      |
| 2   | Other Income  | 112.88         | 195.36         | 112.42          | 298.24     | 247.81    | 617.48     | v) Un-Allocated Business                                 | 0.00           | 0.00            | 0.00           | 0.00            | 0.00       | 0.00       |
| 3   | Total Income (1+2)  | 2263.66        | 2267.42        | 1952.48         | 4521.08    | 3850.56   | 8493.05    | Total  | 2414.11        | 2499.02         | 2190.59        | 4913.13         | 4281.67    | 9550.77    |
| 4   | Interest Expended   | 1208.07        | 1189.77        | 1048.30         | 2377.84    | 2031.72   | 4281.13    | Less: Inter Segment Revenue                              | 150.45         | 241.60          | 238.11         | 382.05          | 431.11     | 1057.74    |
| 5   | Operating Expenses (net)  | 659.98         | 677.84         | 561.82          | 1337.80    | 1127.21   | 2485.06    | Net Income from Operations                               | 2263.66        | 2257.42         | 1952.48        | 4521.08         | 3850.56    | 8493.04    |
|   | I. Employees Cost   | 485.53         | 465.41         | 366.54          | 930.94     | 744.73    | 1650.11    | 2) Segment Results (Profit before tax)                   |                |                 |                |                 |            |            |
|   | II. Other Operating Expenses  | 194.43         | 212.43         | 193.37          | 406.86     | 382.48    | 834.96     | i) Treasury Operations                                   | 41.38          | 26.11           | (19.94)        | 67.49           | 42.44      | 132.60     |
| 6   | Total Expenditure (4+5)   | 1868.03        | 1847.61        | 1610.21         | 3715.64    | 3158.93   | 6766.19    | ii) Corporate/Wholesale Banking                          | (874.89)       | 51.01           | 146.79         | (823.88)        | 169.21     | 350.31     |
| 7   | Operating Profit before Provisions and Contingencies (3-6)  | 395.63         | 408.61         | 342.27          | 805.44     | 691.63    | 1716.86    | iii) Retail Banking                                      | 46.50          | 279.01          | 227.48         | 324.51          | 411.16     | 1027.79    |
|   | Provisions (other than tax) and Contingencies   | 1428.17        | 293.21         | 172.39          | 1721.38    | 427.39    | 1058.16    | iv) Other Banking Business                               | 8.22           | 12.61           | 7.74           | 20.83           | 16.18      | 41.11      |
| 8   | Operating Profit after Provisions for Non Performing Assets   | 1441.38        | 270.64         | 170.57          | 1712.00    | 436.16    | 1127.85    | v) Un-Allocated Business                                 | (253.75)       | (251.14)        | (192.18)       | (504.89)        | (374.75)   | (893.11)   |
| 9   | Exceptional Items   | 0.00           | 0.00           | 0.00            | 0.00       | 0.00      | 0.00       | Profit / (Loss) from ordinary activities before tax      | (1032.54)      | 116.80          | 189.89         | (815.84)        | 264.24     | 658.69     |
| 10  | Profit/(Loss) from ordinary activities before tax (7-9)   | (1032.54)      | 116.80         | 189.89          | (815.84)   | 264.24    | 658.69     | vi) Share of Profit/(Loss) of Associate                  | (1.19)         | 2.97            | (0.07)         | 1.78            | 2.25       | 2.82       |
| 11  | Tax Expenses  | (114.54)       | 95.45          | 76.52           | (18.09)    | 118.65    | 194.85     | Total Profit   | (1033.73)      | 119.57          | 189.82         | (914.16)        | 266.49     | 661.51     |
|   | - Income Tax Provisions   | (123.18)       | 123.18         | 84.69           | 0.00       | 137.70    | 272.24     | c) Segment Assets  |                |                 |                |                 |            |            |
|   | - Deferred Tax Asset/(Liability)  | 8.30           | (27.39)        | (8.17)          | (18.09)    | (19.05)   | (77.39)    | i) Treasury Operations                                   | 26718.01       | 29098.20        | 23915.18       | 28718.01        | 23915.18   | 27503.81   |
| 12  | Net Profit/(Loss) from ordinary activities after tax (10-11)  | (918.00)       | 21.15          | 93.37           | (898.85)   | 145.60    | 463.85     | ii) Corporate/Wholesale Banking                          | 28052.61       | 30426.67        | 32157.80       | 28052.61        | 32157.80   | 31844.57   |
| 13  | Extraordinary Items (net of tax expense)  | 0.00           | 0.00           | 0.00            | 0.00       | 0.00      | 0.00       | iii) Retail Banking                                      | 45736.45       | 41322.80        | 38016.43       | 45736.45        | 38016.43   | 42056.66   |
| 14  | Net Profit/(Loss) for the period (12-13)  | (918.00)       | 21.15          | 93.37           | (898.85)   | 145.60    | 463.85     | iv) Other Banking Business                               | 0.14           | 0.15            | 0.16           | 0.14            | 0.16       | 0.00       |
| 15  | Share of Profit/(Loss) from Associate Concerns  | (1.19)         | 2.97           | (0.07)          | 1.78       | 2.25      | 2.82       | v) Un-Allocated Business                                 | 0.00           | 0.00            | 0.00           | 0.00            | 0.00       | 0.00       |
| 16  | Net Profit/(Loss) (after Share in Associates) (14+15)   | (919.19)       | 24.12          | 93.30           | (895.07)   | 147.85    | 466.67     | Total:-  | 102507.21      | 100847.82       | 94099.57       | 102507.21       | 94099.57   | 101404.84  |
| 17  | Paid-up Equity Share Capital (Face Value Rs. 1/- per share)   | 55.70          | 55.70          | 55.70           | 55.70      | 55.70     | 55.70      | d) Segment Liabilities                                   |                |                 |                |                 |            |            |
| 18  | Reserves excluding revaluation reserves   |                |                |                 |            |           | 5880.31    | i) Treasury Operations                                   | 40.61          | 32.15           | 4194.72        | 40.61           | 4194.72    | 969.99     |
| 19  | Revaluation reserves  |                |                |                 |            |           | 605.75     | ii) Corporate/Wholesale Banking                          | 27945.12       | 27198.24        | 25689.06       | 27945.12        | 25689.06   | 27743.48   |
| 20  | Analysed Ratios   |                |                |                 |            |           |            | iii) Retail Banking                                      | 68794.14       | 66974.99        | 57899.41       | 68794.14        | 57899.41   | 68089.80   |
| 21  | (f) 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           | 0.26            | 0.72           | 0.05            | 0.72       | 0.00       |
|   | (g) Capital Adequacy Ratio % (BASEL III) (CET1 Ratio) (Tier1 Ratio)   | 11.21%         | 11.76%         | 12.02%          | 11.21%     | 12.02%    | 12.48%     | v) Un-Allocated Business                                 | 0.00           | 0.00            | 0.00           | 0.00            | 0.00       | 0.00       |
|   | (h) Earning per Share (EPS) (Rs.)   | 9.48%          | 10.14%         | 10.15%          | 9.48%      | 10.15%    | 10.60%     | Total:-  | 96779.92       | 94205.64        | 87783.91       | 96779.92        | 87783.91   | 94783.07   |
|   | 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 annualised) | (16.51)*       | 0.43*          | 1.68*           | (16.07)*   | 2.66*     | 8.43       | 3) Capital Employed (Segment assets-Segment Liabilities) |                |                 |                |                 |            |            |
|   | b) Basic and diluted EPS after Extraordinary Items for the year to date and for the previous year (' not annualised)  | (16.51)*       | 0.43*          | 1.68*           | (16.07)*   | 2.66*     | 8.43       | i) Treasury Operations                                   | 26877.40       | 29066.05        | 19720.46       | 26877.40        | 19720.46   | 26533.62   |
|   | (i) NPA Ratio   |                |                |                 |            |           |            | ii) Corporate/Wholesale Banking                          | 107.49         | 3228.43         | 6468.74        | 107.49          | 6468.74    | 4101.09    |
|   | a) Amount of Gross NPAs   | 7473.29        | 6030.94        | 6067.66         | 7473.29    | 6067.66   | 6221.35    | iii) Retail Banking                                      | (23057.69)     | (25652.19)      | (19882.99)     | (23057.69)      | (19882.99) | (24012.94) |
|   | b) Amount of Net NPAs   | 2942.04        | 2962.30        | 2488.82         | 2942.04    | 2488.82   | 3239.61    | iv) Other Banking Business                               | 0.09           | (0.11)          | (0.56)         | 0.08            | (0.56)     | 0.00       |
|   | c) % of Gross NPAs to Gross Advances  | 10.64%         | 8.48%          | 9.00%           | 10.64%     | 9.00%     | 8.97%      | v) Un-Allocated Business                                 | 0.00           | 0.00            | 0.00           | 0.00            | 0.00       | 0.00       |
|   | d) % of Net NPAs to Net Advances  | 4.48%          | 4.36%          | 3.91%           | 4.48%      | 3.91%     | 4.89%      | Total:-  | 5727.29        | 6647.18         | 6305.86        | 5727.29         | 6305.86    | 8621.71    |
|   | (j) Return on Assets (Annualised)   | (3.59%)        | 0.09%          | 0.41%           | (1.78%)    | 0.32%     | 0.49%      |  |                |                 |                |                 |            |            |
| 22  | Aggregate of Public Share Holding   |                |                |                 |            |           |            |  |                |                 |                |                 |            |            |
|   | (f) No. of Shares   | 227025360      | 227025360      | 227025360       | 227025360  | 227025360 | 227025360  |  |                |                 |                |                 |            |            |
|   | (g) Percentage of Share Holding   | 40.77%         | 40.77%         | 40.77%          | 40.77%     | 40.77%    | 40.77%     |  |                |                 |                |                 |            |            |
| 23  | 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 P C 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. 084713)

For R.K. Goel & Associates  
Chartered Accountants  
FRN: 05299N  
CA. Amif Kuma / Chartered  
Partner  
(M. No. 501373)

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

|  | 30.09.2019<br>₹ '000' Omitted | FY 2018-19<br>₹ '000' Omitted |
|--|-------------------------------|-------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   | 8,564,236                     | (29,917,074)                  |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   | (596,394)                     | (1,846,378)                   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   | (1,263,750)                   | 7,886,066                     |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | 6,704,092                     | (23,877,356)                  |
| <b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                        | 58,723,089                    | 82,600,445                    |
| <b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                              | 65,427,181                    | 58,723,089                    |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                               |                               |
| Net Profit after Taxes   | (8,968,492)                   | 4,638,461                     |
| Add Provision for Taxes  | (190,902)                     | 1,948,457                     |
| <b>Net profit before taxes (i)</b>   | <b>(9,159,394)</b>            | <b>6,586,918</b>              |
| 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                     |
| <b>Total Adjustment (ii)</b>   | <b>19,042,198</b>             | <b>13,938,349</b>             |
| <b>Operating profit before change in Operating assets &amp; liabilities (i) + (ii)</b> | <b>9,882,804</b>              | <b>20,525,267</b>             |
| 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)                   |
| <b>Net Cash flow from Operating activities (iii)</b>                                   | <b>(295,232)</b>              | <b>(50,084,766)</b>           |
| <b>Cash generated from operation (i + ii + iii)</b>                                    | <b>9,587,572</b>              | <b>(28,559,499)</b>           |
| Less : Tax paid  | 1,023,336                     | 357,575                       |
| <b>TOTAL : ( A )</b>   | <b>8,564,236</b>              | <b>(29,917,074)</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>  |                               |                               |
| a) Fixed Assets  | (596,394)                     | (1,846,378)                   |
| b) Investment in Subsidiary  | -                             | -                             |
| <b>TOTAL : ( B )</b>   | <b>(596,394)</b>              | <b>(1,846,378)</b>            |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>   |                               |                               |
| 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)                   |
| <b>TOTAL : ( C )</b>   | <b>(1,263,750)</b>            | <b>7,886,066</b>              |
| <b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                       |                               |                               |
| 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                    |
| <b>TOTAL : ( D )</b>   | <b>58,723,089</b>             | <b>82,600,445</b>             |
| <b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                             |                               |                               |
| 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                     |
| <b>TOTAL : ( E )</b>   | <b>65,427,181</b>             | <b>58,723,089</b>             |

R K Chhibber  
Chairman & MD  
DIN 08190084

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.C. Bindal & 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. Goel & Associates  
Chartered Accountants  
FRN: 05299N  
CA. Amit Kumar Gupta  
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 30<sup>TH</sup> 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 30<sup>th</sup> January 2020 and approved by the Board of Directors at its meeting held on 31<sup>st</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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.

