

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended on 31st December 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our Review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim financial information consist 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.

The financial results incorporate the relevant returns of 23 branches reviewed by us, 331 branches reviewed by other Chartered Accountants and Bank's own Officials acting as Concurrent Auditors of the Bank and un-reviewed returns in respect of 407 branches. In the conduct of our Review, in addition to 23 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 331 branches. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank. The 23 branches reviewed by us cover 52.73% of advances portfolio of the Bank. Moreover, the review reports of 354 (23+331) branches including 23 branches reviewed by us cover 89.78 % of advances portfolio of the Bank and 97.26% of Non Performing Assets of the Bank (NPAs) as on 31st December 2013.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with applicable Financial Reporting framework issued by the Institute of Chartered Accountants of India and other recognized Accounting Practices and Policies and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

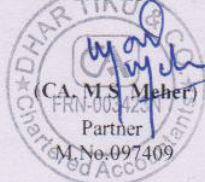
For Gupta Sharma & Associates

Chartered Accountants
FRN:001466N



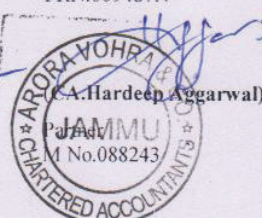
For Dhar Tiku & Co.

Chartered Accountants
FRN:003423N



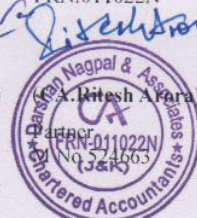
For Arora Vohra & Co

Chartered Accountants
FRN:009487N



For Darshan Nagpal & Associates

Chartered Accountants
FRN:011022N



For Dharam Raj & Co

Chartered Accountants
FRN:014461N



Place : Jammu

Dated : February 08, 2014

BALANCE SHEET AS AT 31ST DECEMBER, 2013

	As at 31.12.2013	As at 31.12.2012
(₹ IN LACS)		
CAPITAL AND LIABILITIES		
Capital	4849	4849
Reserves and Surplus *	574808	484971
Deposits	6315711	5707455
Borrowings	115000	80087
Other Liabilities and Provisions	126670	102238
TOTAL :-	7137038	6379600
ASSETS		
Cash and Balance with Reserve Bank of India	252635	238275
Balance with Banks & Money at Call & Short Notice ...	91401	152956
Investments	2271351	2268092
Advances	4331784	3565770
Fixed Assets	51004	44083
Other Assets	138863	110424
TOTAL :-	7137038	6379600

* Includes profit for the 9-Months (Rs.93187 Lac) Previous corresponding year 9-Months (Rs.80502 Lac)

In terms of our report of even date annexed

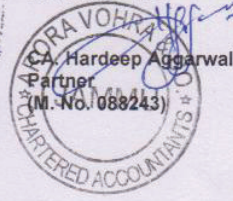
For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N



For Dhar Tiku & Co.
Chartered Accountants
FRN: 003423N



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N



For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N



For Dharam Raj & Co
Chartered Accountants
FRN: 014461N

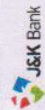


FOR & ON BEHALF OF THE BOARD

Mushtaq Ahmad
Chairman & CEO

Place : Jammu

Dated : February 08, 2014



FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31st DECEMBER, 2013

S.No.	PARTICULARS	(₹ in Lacs)				Year Ended 31.03.2013 (Audited)	(₹ in Lacs)				Year Ended 31.03.2013 (Audited)
		31.12.2013 (Reviewed)	30.09.2013 (Reviewed)	31.12.2012 (Reviewed)	31.12.2013 (Reviewed)		31.12.2012 (Reviewed)	30.09.2013 (Reviewed)	31.12.2012 (Reviewed)	31.12.2013 (Reviewed)	
1	Interest Earned (a+b+c+d) a) Interest/Discount on Advances/Bills b) Income on investments c) Income on Balance with R.B.I. & Other Inter Bank Funds d) Other Income	171652 120556 43444 1552	164974 124390 39609 959	153224 109950 42111 2263	489850 317850 125344 7164	613680 431758 172258 9654	141958 170519 295231 269213				
2	Other Income	8745	9948	9053	27916	27482	48373				
3	Total Income (1+2)	180397	174922	162377	518266	502325	150331				
4	Interest Expended	106893	96792	93904	300220	292751	48572				
5	Operating Expenses (A+B) A) Employees Cost B) Other Operating Expenses	29320 18781	28498 16380	24998 16380	84415 54021	88961 44489	98941 58226				
6	Total Expense (4+5) (Excluding Provisions & Contingencies) Items exceeding 10% of the total expenditure excluding int. Expenditure	136213	126274	118900	385035	351220	480977				
7	Operating Profit before Provisions and Contingencies (3-6)	44084	48648	43477	127262	181076	102353				
8	Provisions (other than tax) and Contingencies	-460	5568	2238	8731	10556	28417				
9	Exceptional Items	-	-	-	-	-	-				
10	Profit (+) / Loss (-) from ordinary activities before tax (7-8-9)	44544	44080	41239	116706	152659	73936				
11	Tax Expenses	12415	13814	12259	39913	36204	47149				
12	Net Profit (+) / Loss (-) from ordinary activities after tax (10-11)	32129	30265	28980	93187	80502	105510				
13	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-				
14	Net Profit (+) / Loss (-) for the period (12-13)	32129	30265	28980	93187	80502	105510				
15	Paid-Up Equity Share Capital (Face Value Rs. 10/- per share)	4849	4849	4849	4849	4849	4849				
16	Reserves excluding revaluation reserves	481620	404469	481620	481620	404469	481620				
17	Analytical Ratios (i) Percentage of Shares held by Govt. of J&K (Based-II) (ii) Capital Adequacy Ratio % (Based-III) (iii) Earning per share (EPS) ₹ a) Basic and diluted EPS before Extraordinary Items (net of tax expenses) for the period, for the year to date and for the date and for the previous year ("not annualized") b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year ("not annualized") (iv) NPA Ratio's a) Amount of Gross NPAs b) Amount of Net NPAs c) % of Gross NPAs d) % of Net NPAs (v) Return on Assets (Annualized) a) Aggregate of Public Share Holding (i) No. of Shares (ii) Percentage of Share Holding Promoters and promoter group Shareholding a) Pledged/Encumbered - Number of Shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) b) Non-encumbered - Number of Shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) c) Percentage of shares (as a % of the total share capital of the company)	53.17% 13.44% 13.01% 66.28* 66.28* 72507 9690 1.65% 0.22% 1.88% 22702539 46.83% NII NII NII 25775266 100% 53.17%	53.17% 13.44% 13.01% 62.43* 62.43* 70993 7758 1.69% 0.19% 1.86% 22702536 46.83% NII NII NII 25775266 100% 53.17%	53.17% 13.44% 13.01% 192.23* 192.23* 72507 9690 1.65% 0.22% 1.88% 22702536 46.83% NII NII NII 25775266 100% 53.17%	53.17% 13.44% 13.01% 192.23* 192.23* 72507 9690 1.65% 0.22% 1.88% 22702536 46.83% NII NII NII 25775266 100% 53.17%	53.17% 12.83% 217.65 217.65 64377 5527 1.62% 0.14% 1.70% 22702536 46.83% NII NII NII 25775266 100% 53.17%					

1. The above results have been arrived at after considering provision for Non-Performing Assets as per RBI guidelines. Provision for Taxation including (Deferred Tax and Wealth Tax), Depreciation on Fixed Assets have been made on estimated basis.

2. Provision for terminal benefits (Pension, Gratuity and Leave salary Encashment) has been made as per actuarial valuation.

3. In view of the ensuing settlement of wage revision which shall have effect from November 2012, an adhoc amount of ₹ 21.00 Crore has been provided in respect of the same in this quarter (₹ 20.25 crore previous quarter).

4. Provisioning coverage ratio as at 31st December, 2013 is 90.24%.

5. The bank w.e.f April 01, 2013 changed the accounting policy with regard to appropriation of recovery in Non-Performing Assets. The recovery in NPA accounts has been first appropriated towards amount of principal and thereafter towards amount of interest. The impact in the opinion of the management of such change in accounting policy on the financial statements would not be material.

6. In this quarter the valuation of investments reveal a reduction in provision for depreciation of Rs. 4.98 crores and accordingly stands reversed. Hence the deferred provision for depreciation on investments of Rs. 12.24 crores interms of RBI circular no. DBOD.BP.NO.141/2013-14 dt. 23.08.2013 is nullified and not required to be provided for.

7. The number of investors complaints received during the quarter were ten and all have been disposed off.

8. Banks are required to disclose capital adequacy ratio under Basel-III capital regulations from the quarter ended June 30, 2013. Accordingly comparable details for previous periods are not given.

9. Previous period figures have been recasted/regrouped wherever necessary, to make them comparable.

10. The above results are stand alone and do not include that of subsidiary company.

11. The above results for the quarter ended 31st December, 2013 have been subjected to limited review by the auditors and taken on record by the Board in its meeting held on February 08, 2014.

FOR & ON BEHALF OF THE BOARD

(Signature)
Chairman & CEO
Place : Jammu
Dated : February 08, 2014

FOR DARSHAN NAGAL & ASSOCIATES
Chartered Accountants
FRN: 011022N
(Signature)
CA Darshan Nagal
Partner
(M. No. 524863)
JAMMU

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN: 008487N
(Signature)
CA Arora Vohra & Co.
Partner
(M. No. 688243)
JAMMU

FOR GUPTA SHARMA & ASSOCIATES
Chartered Accountants
FRN: 003423N
(Signature)
CA Gupta Sharma & Associates
Partner
(M. No. 6093224)
JAMMU

FOR DIHARAM RAI & CO.
Chartered Accountants
FRN: 011022N
(Signature)
CA Diharam Rai & Co.
Partner
(M. No. 524863)
JAMMU

FOR GUPTA SHARMA & ASSOCIATES
Chartered Accountants
FRN: 001466N
(Signature)
CA Gupta Sharma & Associates
Partner
(M. No. 6093224)
JAMMU

FOR GUPTA SHARMA & ASSOCIATES
Chartered Accountants
FRN: 003423N
(Signature)
CA Gupta Sharma & Associates
Partner
(M. No. 6093224)
JAMMU

FOR DIHARAM RAI & CO.
Chartered Accountants
FRN: 011022N
(Signature)
CA Diharam Rai & Co.
Partner
(M. No. 524863)
JAMMU

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN: 008487N
(Signature)
CA Arora Vohra & Co.
Partner
(M. No. 688243)
JAMMU

FOR DARSHAN NAGAL & ASSOCIATES
Chartered Accountants
FRN: 011022N
(Signature)
CA Darshan Nagal & Associates
Partner
(M. No. 524863)
JAMMU

FOR & ON BEHALF OF THE BOARD

(Signature)
Chairman & CEO
Place : Jammu
Dated : February 08, 2014

FOR DIHARAM RAI & CO.
Chartered Accountants
FRN: 011022N
(Signature)
CA Diharam Rai & Co.
Partner
(M. No. 524863)
JAMMU

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN: 008487N
(Signature)
CA Arora Vohra & Co.
Partner
(M. No. 688243)
JAMMU

FOR GUPTA SHARMA & ASSOCIATES
Chartered Accountants
FRN: 003423N
(Signature)
CA Gupta Sharma & Associates
Partner
(M. No. 6093224)
JAMMU

FOR DIHARAM RAI & CO.
Chartered Accountants
FRN: 011022N
(Signature)
CA Diharam Rai & Co.
Partner
(M. No. 524863)
JAMMU

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN: 008487N
(Signature)
CA Arora Vohra & Co.
Partner
(M. No. 688243)
JAMMU

FOR DARSHAN NAGAL & ASSOCIATES
Chartered Accountants
FRN: 011022N
(Signature)
CA Darshan Nagal & Associates
Partner
(M. No. 524863)
JAMMU

FOR & ON BEHALF OF THE BOARD

(Signature)
Chairman & CEO
Place : Jammu
Dated : February 08, 2014

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED