

LIMITED REVIEW REPORT FOR THE QUARTER ENDED 30TH JUNE 2015

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended **30th JUNE 2015** 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 reviewed 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.

Scope of 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" issued by the Institute of Chartered Accountants of India. 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 37 branches reviewed by us, 384 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 404 branches. In the conduct of our Review, in addition to 37 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 384 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 37 branches reviewed by us cover 50.56% of advances portfolio of the Bank and 77.95% of Non Performing Assets of the bank and moreover, the review reports of 421 (37+384) branches including 37 branches reviewed by us cover 88.31% of advances portfolio of the Bank and 99.17% of Non Performing Assets of the Bank (NPAs) as on 30th June 2015.

Conclusion:

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


(CA. Vinay Saraf)
Partner
M.No.087262

For Dhar Tiku & Co.

Chartered Accountants
FRN:003423N


(CA. R. K. Dhar)
Partner
M.No.080935

For Arora Vohra & Co

Chartered Accountants
FRN:009487N


(CA. Vinod Gupta)
Partner
M.No.090347

For Darshan Nagpal & Associates

Chartered Accountants
FRN:011022N


(CA. Vishal Rometra)
Partner
M.No.501333

For Dharam Raj & Co

Chartered Accountants
FRN.014461N


(CA. Dharam Raj)
Partner
M.No.094108

Place : Srinagar

Dated : August 10, 2015



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

BALANCE SHEET AS AT 30TH JUNE, 2015

(₹ IN LACS)

As at 30.06.2015 As at 30.06.2014

CAPITAL AND LIABILITIES

Capital	4849	4849
Reserves and Surplus*	622032	580517
Deposits	6226491	6365194
Borrowings	181667	183633
Other Liabilities and Provisions	212026	181369

TOTAL :- 7247065 7315562

ASSETS

Cash and Balance with Reserve Bank of India	269927	268914
Balance with Banks & Money at Call & Short Notice ...	81542	152372
Investments	2359855	2274768
Advances	4326728	4443073
Fixed Assets	69853	53834
Other Assets	139160	122601

TOTAL :- 7247065 7315562

* Includes profit for the quarter 1st. (Rs.15876Lacs) Previous corresponding quarter (Rs.13005 Lacs)

FOR & ON BEHALF OF THE BOARD


Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Srinagar
Dated : 10th August, 2015

In terms of our report of even date annexed

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

CA. Vinay Sarda
Partner
(M. No. 087262)



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

CA. R. K. Dhar
Partner
(M. No. 080935)



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA. Vinod Gupta
Partner
(M. No. 096347)



For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

CA. Vishal Rometra
Partner
(M. No. 501333)



For Dharam Raj & Co
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
(M. No. 084108)



S.No.	PARTICULARS	Quarter/Ended				Year-Ended	Description	Quarter/Ended				Year-Ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2014			31.03.2016	30.06.2016	31.03.2016	30.06.2014	
1	Interest Earned (a+b+c+d)	175272	174447	176801	176113	706113	1) Segment Revenue (Income)	54200	52785	52785	62343	
	a) Interest Earned on Advances/Bills	125400	125924	125794	125704	516104	ii) Treasury Operations	70358	70321	70321	77889	
	b) Interest on Investments	48972	45782	46727	46727	184336	iii) Corporate/Wholesale Banking	9368	9368	9368	71850	
	c) Interest on Balances with R.B.I. & Other Bank Funds	810	847	2100	5674	5674	iv) Retail Banking	79856	1872	1403	998	
	d) Others	-	-	-	-	-	v) Other Banking Business	205785	205785	218477	203878	
2	Other Income	13633	27553	13099	59397	13099	Total	188335	188335	188335	188335	
3	Total Income (1+2)	188835	202350	189900	765510	765510	Less: Inter Segment Revenue	(188335)	(188335)	(188335)	(188335)	
4	Interest Expended	105788	105240	113031	113031	441022	Net Income from Operations	205444	205444	205444	205444	
5	Operating Expenses (I+II)	37216	32716	32117	140905	140905	2) Segment Results (Profit before tax)	2016	5327	5327	15641	
	I. Employee Cost	25258	22863	20566	69403	69403	ii) Treasury Operations	10832	10832	10832	9122	
	II. Other Operating Expenses	11558	9853	11551	51502	51502	iii) Corporate/Wholesale Banking	10996	10996	13068	8607	
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	143004	144804	145148	581927	581927	iv) Retail Banking	897	897	792	792	
7	Items exceeding 10% of the total expenditure excluding int. expenditure	45931	57248	44752	133553	133553	v) Other Banking Business	24544	24544	24544	24544	
8	Provisions (Other than Tax) and Contingencies	21287	38076	24872	101552	101552	Total Profit before tax	232670	232670	232670	232670	
9	Expenditure on Tax	18470	18470	20075	82031	82031	3) Capital Employed	(89010)	(89010)	(89010)	(89010)	
10	Profit (Loss) (10 less 9)	15678	15678	13003	50880	50880	i) Treasury Operations	(63538)	(63538)	(63538)	(63538)	
11	Tax Expenses	10161	10161	13003	50880	50880	ii) Corporate/Wholesale Banking	(254)	(254)	(254)	(254)	
12	Net Profit (Loss) (11 less 10)	5517	5517	1000	1000	1000	iii) Retail Banking	62681	62681	62681	62681	
13	Extraordinary Items (net of tax expenses)	15678	15678	13003	50880	50880	iv) Other Banking Business	81002	81002	81002	81002	
14	Net Profit (Loss) (for the period) (12+13)	10161	10161	13003	50880	50880	Total	62681	62681	62681	62681	
15	Paid-up Equity Share Capital (Face Value Rs. 1/- Per Share)	4848	4848	4848	4848	4848	Note: The Bank has only one geographical segment i.e. domestic segment.					
16	Reserves excluding revaluation reserves	606156	606156	606156	606156	606156						
17	As per Balance Sheet of Previous Accounting Year											
	Analysis Ratio											
	(i) Percentage of Shares held by Govt. of J&K	53.17%	53.17%	53.17%	53.17%	53.17%						
	(ii) Capital Adequacy Ratio % (Barellii)	13.11%	12.67%	13.28%	12.67%	12.67%						
	(iii) Earning per share (EPS) ₹	12.93%	12.57%	12.93%	12.57%	12.57%						
	a) Basic and diluted EPS before Extraordinary Items (net of tax expense) for the period, for the year to date and for the previous year (* not annualized)	3.27*	2.10*	2.89*	10.49	10.49						
	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (* not annualized)	3.27*	2.10*	2.89*	10.49	10.49						
	(iv) NPA Ratios											
	a) Amount of Gross NPAs	299450	276408	188799	278408	278408						
	b) Amount of Net NPAs	127676	129332	99840	123632	123632						
	c) % of Gross NPAs	6.63%	5.91%	4.16%	3.97%	3.97%						
	d) % of Net NPAs	2.77%	2.18%	0.72%	2.77%	2.77%						
	(v) Felium on Assets (Annualized)	0.89%	0.59%	0.72%	0.70%	0.70%						
18	Aggregate of Public Share Holding	227025980	227025980	227025980	227025980	227025980						
	(i) No. of Shares	48.83%	48.83%	48.83%	48.83%	48.83%						
	(ii) Percentage of Share Holding											
19	Promoter and promoter group Shareholding											
	a) Pledged/Encumbered	NIL	NIL	NIL	NIL	NIL						
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL						
	b) Non-pledged	257752980	257752980	257752980	257752980	257752980						
	- Number of Shares	100%	100%	100%	100%	100%						
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	53.17%	53.17%	53.17%	53.17%	53.17%						
	- Percentage of share (as a % of the total share capital of the total share capital of the company)											

1. The above financials results have been reviewed by the Audit Committee of the Board in their meeting held on 9th August, 2015 and approved Board of Directors at its meeting held on 10th August, 2015. The same have been subjected to Limited review by the Statutory Central Auditors of Bank, in line with the guidelines issued by Reserve Bank of India and as per the requirement of listing agreement with Stock Exchange.

2. The above results for the quarter ended 30th June, 2015 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2015.

3. The results have been arrived at after considering provision for Standard Assets, Non-Performing Assets, Restructured Assets, Depreciation / Provision for Depreciation on Computers (including ATMs), along with software forming integral part of computers is charged at the rate of 33.33% on estimated basis.

4. Depreciation on Fixed Assets has been calculated on a straight line method based on useful life of assets pursuant to Schedule 'II' of Companies Act, 2013. However, Depreciation on Computers (including ATMs) along with software forming integral part of computers is charged at the rate of 33.33% straight line method as per RBI guidelines.

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

6. Non Performing loan provisioning coverage ratio as at 30th June, 2015 is 60.68%.

7. Pursuant to wage revision from 1st November, 2012, the bank is holding ₹231.25 crores as on 30.06.2015 towards settlement of wage revision, includes an amount of ₹31.00 crores provided during the current quarter (₹21.00 crores in previous quarter). Amount of ₹230.93 crores has already paid towards wage revision arrears pending final payment.

8. In accordance with RBI circular No. DBOD/BC/85/21.06.200/2013-14 dated 15th January, 2014 and circular No. DBOD/BC/116/21.06.200/ dated 3rd June 2014, banks are required to make additional provision in respect of borrowers with Unhedged Foreign Currency Exposures (UCF) in 2014 onwards. Accordingly based on available information and declaration from borrowers wherever received, the bank has estimated a provision requirement of ₹3.48 crores which has been fully provided.

9. Pursuant to section 133 of Companies Act, 2013, it is required to expend 2% of the average net profits made during three immediate preceding financial years for CSR activities. Accordingly the bank is required to spend ₹27.53 Crores for FY 2015-16. The bank has during the quarter expended ₹27.53 Crores for CSR activities. Accordingly the bank is required to spend ₹27.53 Crores for FY 2015-16. The bank has during the quarter expended ₹27.53 Crores for CSR activities.

10. As per section 20(1) of the Companies Act, 2013, the bank has to disclose the details of the directors of the bank that are in the category of fraud in the financial statements for the year ended 31st March, 2015. The bank has no directors in the category of fraud in the financial statements for the year ended 31st March, 2015. The bank has no directors in the category of fraud in the financial statements for the year ended 31st March, 2015. The bank has no directors in the category of fraud in the financial statements for the year ended 31st March, 2015.

11. In terms of RBI circular No. DBOD/BC/221.06.2012/2013-14 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL-III regulations. Further RBI has made certain amendments vide circular No. DBOD/BC/38/21.06.2012/2014-5 dated 01.09.2014 in disclosure requirements. Accordingly, Pillar 3 disclosures under BASEL-III capital regulations are being made available on bank's website i.e. www.jkbank.com. These disclosures have not been subjected to audit.

12. The bank has sub-divided each equity share of the face value of ₹10/- into ten (10) equity shares of face value of ₹1/- each effective from 5th September, 2014 approved by the share holders in the 7th Annual General Meeting of the bank held on 2nd August, 2014.

13. The number of investors/complainants received during the quarter were 12 (Twelve) and all have been disposed off.

14. The above results are standalone and do not include that of subsidiary company.

15. Previous period figures have been rechecked/reprojected wherever necessary to make them comparable.

16. The statement of Assets and Liabilities is appended:

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For Gupta Sharma & Associates
Chartered Accountants
FRN: 0014601

For Dhar Tiwari & Co.
Chartered Accountants
FRN: 0034233

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N

For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

For Dharam Rai & Co.
Chartered Accountants
FRN: 014461N

FOR & O. BEHALF OF THE B
Mishra Anand
Chairman & CEO
DIN: 87226134

Place: Srinagar
Dated: 10th August, 2015