

Ref:-JKB/BS/F3652/2017/146
Dated: 27th October, 2017

Board Secretariat



National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai - 400 001

Sub: - Board Meeting to consider Reviewed Financial Results of the Bank for the Quarter and Half Year ended 30th September, 2017

Dear Sirs,


Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Reviewed Financial Results of the Bank for the Quarter and Half Year ended 30th September, 2017.

The Results were taken on record by the Board of Directors at their meeting held on 27th October, 2017 at Srinagar.

The meeting ended at 2:20 P.M.

Thanking you

Yours faithfully
For The Jammu & Kashmir Bank Ltd.


(Mohammad Shafi Mir)
Company Secretary

O.P. Garg & Co. Chartered Accountants	Verma Associates Chartered Accountants	P. C. Bindal & Co. Chartered Accountants	K. K. Goel & Associates Chartered Accountants
--	---	---	--

**Limited Review Report on unaudited Financial Results of The Jammu and Kashmir Bank for
the Quarter / Period ended 30th September 2017**

To
The Board of Directors,
The Jammu & Kashmir Bank Ltd.
Corporate Headquarters
M.A Road Srinagar-190001

1. We have reviewed the accompanying statement of unaudited Standalone financial results of The Jammu & Kashmir Bank Limited (the "Bank ") for the quarter/period ended 30th September 2017. These financial results are the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim financial results 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 generally accepted 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.
3. The Financial Results incorporate the relevant returns of 40 Branches and Treasury operations reviewed by us , out of which 20 were reviewed through Core banking system of the bank and management inputs, 412 branches reviewed by other Chartered Accountants and Banks own officials(retired) acting as Concurrent auditors of the Bank and un-reviewed in respect of 452 branches. In the conduct of our Review, in addition to 40 Branches and Treasury operations reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Banks Concurrent Auditors aggregating 412 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 40 branches reviewed by us cover 51.19% of advances portfolio of the Bank and 84.85% of NPA of the bank.
4. Based on our review conducted as aforesaid, subject to limitations in scope as mentioned in para 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other prevailing recognized accounting practices and policies has not

disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

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

CA. Vikram Garg
Partner
M. No. 097038



Verma Associates
Chartered Accountants
FRN: 02717N

CA. Madan Verma
Partner
M. No. 081631



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

CA. Virender K. Maini
Partner
M. No. 088730



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

CA. Amit Goel
Partner
M. No. 098913



Place : Srinagar
Dated : October 27, 2017

BALANCE SHEET AS AT 30TH SEPTEMBER, 2017

(₹ IN LACS)

	As at 30.09.2017	As at 30.09.2016
CAPITAL AND LIABILITIES		
Capital	5570	4849
Reserves and Surplus*	599729	579596
Deposits	7038460	6988488
Borrowings	113053	92267
Other Liabilities and Provisions	179238	154372

TOTAL :-

7936050 7819572

ASSETS

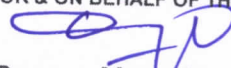
Cash and Balance with Reserve Bank of India	315824	284087
Balance with Banks & Money at Call & Short Notice ...	90995	81463
Investments	1890538	2241778
Advances	5134132	4755274
Fixed Assets	155276	78302
Other Assets	349285	378668

TOTAL :-

7936050 7819572

* Includes Profit/(Loss) for the half year Rs.10183 Lacs Previous corresponding half year Rs.(57952) Lacs

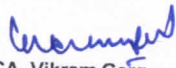
FOR & ON BEHALF OF THE BOARD


Parvez Ahmed
Chairman & CEO
DIN: 03467232

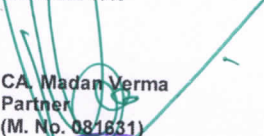
Place : Srinagar
Dated : 27th October, 2017

In terms of our report of even date annexed

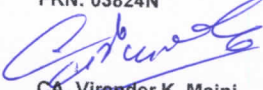
For O P Garg & Co
Chartered Accountants
FRN: 01194N


CA. Vikram Garg
Partner
(M. No. 097038)

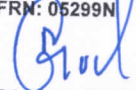
For Verma Associates
Chartered Accountants
FRN: 02717N

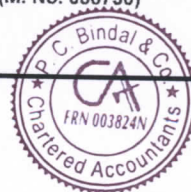

CA. Madan Verma
Partner
(M. No. 081631)

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


CA. Virender K. Maini
Partner
(M. No. 088730)

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


CA. Amit Goel
Partner
(M. No. 098913)





SEGMENT RESULTS

FINANCIAL RESULTS FOR THE QUARTER & HALF-YEAR ENDED 30TH SEPTEMBER, 2017							HALF-YEAR ENDED			SEGMENT RESULTS										
							3 Months Ended 30.09.2017		3 Months Ended 30.06.2017		3 Months Ended 30.09.2016		30.09.2017		30.09.2016		YEAR ENDED 31.03.2017			
S.No.	PARTICULARS	3 Months Ended 30.09.2017		3 Months Ended 30.06.2017		3 Months Ended 30.09.2016		HALF-YEAR ENDED		Description	3 Months Ended 30.09.2017		3 Months Ended 30.09.2016		3 Months Ended 30.09.2016		HALF-YEAR ENDED		YEAR ENDED 31.03.2017	
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)		
1	Interest Earned (a+b+c+d)	166643	168032	168032	168573	334675	335808	668580	1) Segment Revenue (Income)											
	a) Interest/Discount on Advances/Bills	124450	120721	122609	124695	245171	247435	478435	i) Treasury Operations	42442	50001	52992	92443	100251	209155					
	b) Income on Investments	36375	38595	42884	74970	82790	178261	178261	ii) Corporate/Wholesale Banking	57177	50934	60834	108111	123662	227140					
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	5811	8706	3080	14517	6259	11721	91375	iii) Retail Banking	91375	83343	80470	174718	163026	315478					
	d) Others	7	10	-	-	17	64	183	iv) Other Banking Business	1260	1074	1005	2334	2130	4529					
2	Other Income	10503	1021	-	-	17	64	183	Net Income from Operations	192254	185352	195301	377606	389069	756302					
3	Total Income (1 + 2)	177146	179053	181687	356199	360572	717866	717866	Less: Inter Segment Revenue	15108	6299	13634	21407	28497	38436					
4	Interest Expended	94381	96811	191192	208408	417386	417386	417386	2) Segment Results (Profit before tax)											
5	Operating Expenses (H+I)	46347	45393	39671	91740	79670	171046	171046	i) Treasury Operations	(515)	(3820)	(2672)	(4335)	(2830)	(13561)					
	I. Employees Cost	30802	30317	27807	61119	54683	112254	112254	ii) Corporate/Wholesale Banking	8904	7543	(30907)	16447	(30792)	(73304)					
	II. Other Operating Expenses	15545	15076	11864	30621	24987	58792	58792	iii) Retail Banking	3108	5334	(28488)	8442	(25362)	(64169)					
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	140728	142204	144104	282932	288078	588432	588432	iv) Other Banking Business	634	(73)	422	561	900	437					
7	Operating Profit before Provisions and Contingencies (3-6)	36418	36849	37563	73267	72494	129434	129434	Total Profit before tax	12131	8984	(61645)	21115	(58084)	(195987)					
8	Provisions (other than tax) and Contingencies	24287	27865	92208	52152	130578	280031	280031	3) Capital Employed											
9	Exceptional Items	-	-	-	-	-	-	-	(Segment assets-Segment Liabilities)											
10	Profit (+)/loss (-) from ordinary activities before tax (7-8-9)	12131	8984	(61645)	21115	(58084)	(150597)	(150597)	i) Treasury Operations	2216540	2572255	2544019	2216540	2544019	2511863					
11	Tax Expenses	4967	(17853)	(1405)	(12886)	(1132)	(12832)	(12832)	ii) Corporate/Wholesale Banking	439667	263369	(56309)	439667	(56309)	33824					
12	Net Profit (+)/Loss (-) from ordinary activities after tax (10-11)	7164	26837	(60240)	34091	(57952)	(163229)	(163229)	iii) Retail Banking	(2051027)	(2236364)	(1902317)	(2051027)	(1902317)	(2282248)					
13	Extraordinary items (net of tax expenses)	0	23818	-	33818	-	-	-	iv) Other Banking Business	(80)	(756)	(953)	(80)	(953)	(1389)					
14	Net Profit (+)/Loss (-) for the period (12-13)	7164	3019	(60240)	10183	(57952)	(163229)	(163229)	Total --	606300	598504	584445	605300	584445	567650					
15	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	5570	5570	4849	5570	4849	5215	5215	Notes:											
16	Reserves excluding revaluation reserves							562435	Note: The Bank has only one geographical segment i.e. domestic segment.											
17	Analytical Ratios								1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 26th October, 2017 and approved by the Board of Directors at its meeting held on 27th October, 2017. The same have been subjected to Limited review by the Statutory Central Auditors of the Bank. In line with the guidelines issued by Reserve Bank of India and as per the requirement of listing agreement with Stock Exchange											
	(i) Percentage of Shares held by Govt. of J&K	59.23%	59.23%	53.17%	59.23%	53.17%	56.45%	56.45%	2. The above results for the quarter and half year ended 30th September, 2017 have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March, 2017.											
	(ii) Capital Adequacy Ratio % (BASEL III) (CET1 Ratio)	11.09%	11.10%	11.05%	11.09%	11.05%	10.80%	10.80%	3. The results have been arrived at after considering provision for Standard Assets, Non-Performing Advances, Restructured Advances, SDR/SA Accounts / Depreciation / Provision for Investment on the basis of prudential norms and specific guidelines issued by Reserve Bank of India. Further, provision for exposures to entities with Unhedged Foreign Currency Exposures have been made as per RBI guidelines. Provision for Taxation (including Deferred Tax) has been calculated on actual basis.											
	(iii) Earning per share (EPS) ₹						8.70%	8.70%	4. During the previous quarter ended 30th June, 2017 the bank recognized Deferred Tax Asset (DTA) as per AS-22 on the difference in the provision for NPA as per books of accounts and Income Tax Act, 1961 amounting to ₹338.18 crores by including the same in tax expenses with a corresponding credit to extra ordinary income.											
	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)	1.29*	4.82*	(12.43)*	6.11*	(11.95)*	(33.59)	(33.59)	5. The bank has on 07.06.2017 allotted 3,55,25,321 equity shares of ₹1/- each on preferential basis to the Government of Jammu & Kashmir promoter and majority shareholder of the bank at a premium of ₹78.38 per equity share for a total consideration of ₹282.00 crores.											
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized)	1.29*	0.54*	(12.43)*	1.83*	(11.95)*	(33.59)	(33.59)	6. During the current quarter, depreciation on appreciated value of "Premises" amounting to ₹3.11 crores has been applied/ charged to Revaluation Reserve Fixed Assets account. Depreciation / Amortization on appreciated value of Land amounting to ₹0.58 crores has been charged to Revaluation Reserve Fixed Assets account.											
	(iv) NPA Ratio's								7. Provision for terminal benefits (Pension, Gratuity and Leave Salary Encashment) has been made as per actuarial valuation.											
	a) Amount of Gross NPAs	598287	564062	568296	598287	568296	600001	600001	8. Provision coverage ratio as at 30th September, 2017 is 69.23% after taking into account the floating provision of ₹348.72 crores held by the bank, the coverage ratio as on 30th September, 2016 was 53.94%.											
	b) Amount of Net NPAs	244259	226719	323639	244259	323639	242537	242537	9. Pursuant to section 135 of Companies Act, 2013, the bank is required to expend 2% of the average net profits (Profit before tax) made during three immediate preceding financial years for CSR activities. Accordingly, bank is required to spend ₹0.04 Crores for the FY 2017-18, however bank has spent ₹1.37 Crores during quarter ended 30th September, 2017 for the same (previous quarter ₹8.62 crores) totalling to ₹9.99 crores.											
	c) % of Gross NPAs to Gross Advances	10.87%	10.79%	11.33%	10.87%	11.33%	11.20%	11.20%	10. In terms of 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 requires 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.											
	d) % of Net NPAs to Net Advances	4.76%	4.65%	6.81%	4.76%	6.81%	4.87%	4.87%	11. In compliance to RBI letter no.DBR.No.BP.130/18/21.04.048/2015-16 dated April 12, 2016, bank is required to make a provision of ₹27.65 crores being 15% of the existing outstanding balance of ₹184.36 crores as on 30.09.2017 under Food credit availed by State Government of Punjab. The Bank has made necessary provision.											
	(v) Return on Assets (Annualized)	0.36%	0.15%	(1.49%)	0.26%	(1.49%)	(2.04%)	(2.04%)	12. In view of disturbance in the state of J&K in the previous year, RBI allowed relaxation in asset classification for all borrowal accounts of J&K state except those which are overdue as on after recovering the overdue amount as of July 07, 2016. In total, advances to the tune of ₹3265.83 crores have been rehabilitated / restructured for which an amount of ₹ 163.29 crores and ₹134.98 crores has been kept as provision and DIFV respectively as on 31.03.2017.											
18	Aggregate of Public Share Holding	227025360	227025360	227025360	227025360	227025360	227025360	227025360	13. RBI vide circular No. DBR.No.BP.BC.64/21.04.048/2016-17 dated April 18, 2017 has advised banks to make provision at higher rates in respect of advances to stressed sector of the economy by formulating a board approved policy. The bank has accordingly formulated a policy and decided to provide the said sector @1% (instead of 0.4% as stipulated) by the end of March 2018. As on 30.09.2017 the bank has provided an amount of ₹4.62 crores (additional 0.30% for BGS of ₹153.37 crores).											
	(i) No. of Shares	227025360	227025360	227025360	227025360	227025360	227025360	227025360	14. RBI vide circular No. DBR.No.BP.151/99/21.04.048/2016-17 dated June 23, 2017 has advised bank to make extra provision on accounts where insolvency proceedings has been initiated. Accordingly bank has identified 17 accounts having total exposures of ₹324.83 Crores and additional provision of ₹177.58 crores has been provided.											
	(ii) Percentage of Share Holding	40.77%	40.77%	46.83%	40.77%	46.83%	43.55%	43.55%	15. The number of investors complaints pending at the beginning of the quarter were nil, and no complaint was received during the quarter.											
19	Promoters and promoter group Shareholding								16. The above results are standalone and do not include that of subsidiary company.											
	a) Pledged/Encumbered								17. 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.											
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	18. The statement of Assets and Liabilities is appended.											
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	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	Nil												
	b) Non-encumbered																			
	- Number of Shares	329833032	329833032	257752660	329833032	257752660	294307711	294307711												
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	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%	53.17%	59.23%	53.17%	56.45%	56.45%												

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. 081634)



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

CA. Virender K. Maini
Partner
(M. No. 088730)



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

CA. Amit Goel
Partner
(M. No. 098913)



FOR & ON BEHALF OF THE BOARD

Parvez Ahmed
Chairman & CEO
DIN: 03467232

Place : Srinagar
Dated : 27th October, 2017