

Ref:-JKB/BS/F3652/2017-18/207  
Dated: 31<sup>st</sup> January, 2018

**Board Secretariat**



**National Stock Exchange of India Ltd**  
Exchange Plaza 5<sup>th</sup> 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: - Reviewed Financial Results of the Bank for the Quarter and Nine Months ended 31<sup>st</sup> December, 2017**

Dear Sir,

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 Nine Months ended 31<sup>st</sup> December, 2017.

The Results were taken on record by the Board of Directors at their meeting held on 31<sup>st</sup> January, 2018 at Jammu.

The meeting ended at 04:00 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

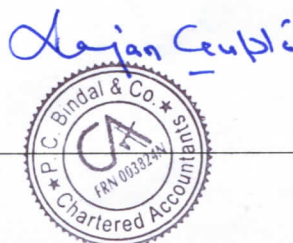
P. C. Bindal & Co.  
Chartered Accountants

K. K. Goel & Associates  
Chartered Accountants

### Limited Review Report

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 ended 31<sup>st</sup> December 2017 ("the Statement"). The disclosures relating to "Pillar-3 under Basel III Capital Regulations", "Leverage Ratio", and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statement have not been reviewed by us.
2. This Statement is the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on this statement based on our review.
3. 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 accompanying statements 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 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.
4. The statement incorporate the relevant returns of 30 Branches and Treasury operations reviewed by us, out of which 10 were reviewed through Core banking system of the bank and management inputs, 422 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 30 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 422 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 30 branches reviewed by us cover 51.10% of advances portfolio of the Bank and 84.62% of NPA of the bank.





5. We draw attention to matter set out in Note No.4, that 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 Rs.238.18 Crores by including the same in tax expenses with a corresponding credit to extra-ordinary income.
6. Based on our review conducted as aforesaid, subject to limitations in scope as mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement 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. Rajan Gupta  
Partner  
M. No. 090330



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



CA. Amit Goel  
Partner  
M. No. 098913



Place : Jammu

Dated : January 31, 2018

**BALANCE SHEET AS AT 31ST DECEMBER, 2017**

( ₹ IN LACS )


	As at 31.12.2017	As at 31.12.2016
<b>CAPITAL AND LIABILITIES</b>		
Capital .....	5570	4849
Reserves and Surplus* .....	606608	529749
Deposits .....	7315506	7418651
Borrowings .....	400453	92157
Other Liabilities and Provisions .....	178316	174490
<b>TOTAL :-</b>	<b>8506453</b>	<b>8219896</b>

**ASSETS**

Cash and Balance with Reserve Bank of India .....	308981	314554
Balance with Banks & Money at Call & Short Notice ...	22897	345552
Investments .....	1849591	2606649
Advances .....	5792869	4508560
Fixed Assets .....	158724	89797
Other Assets .....	373391	354784
<b>TOTAL :-</b>	<b>8506453</b>	<b>8219896</b>

\* Includes Profit/(Loss) for the Nine Months Rs.17430 Lacs Previous corresponding Nine Months Rs.(107799) Lacs

FOR & ON BEHALF OF THE BOARD

  
**Parvez Ahmed**  
 Chairman & CEO  
 DIN: 03467232

 Place : Jammu  
 Dated : 31st January, 2018

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

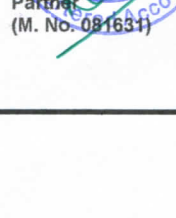
For O P Garg & Co  
 Chartered Accountants  
 FRN: 01194N

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



For Verma Associates  
 Chartered Accountants  
 FRN: 02717N

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

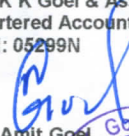


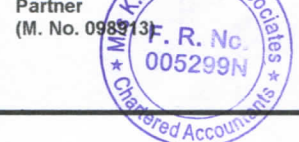
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 CA. Rajan Gupta  
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 (M. No. 090330)



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

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





**SEGMENT RESULTS**

(₹ In Lacs)

Sl.No	PARTICULARS	3 MONTHS FINANCIAL RESULTS					YEAR FINANCIAL RESULTS				
		31.12.2017	30.09.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2017	30.09.2017	31.12.2016	31.12.2015	31.12.2014
1	Interest Earnings (Net)	148327	148443	148433	148433	148380	148380	148380	148380	148380	
a)	Interest on Advances	130891	130891	130891	130891	130891	130891	130891	130891	130891	
b)	Income on Securities	14311	14311	14311	14311	14311	14311	14311	14311	14311	
c)	Income on Bankers' B/L & Other Bank Funds	3324	3324	3324	3324	3324	3324	3324	3324	3324	
2	Other Income	10780	10780	10780	10780	10780	10780	10780	10780	10780	
3	Total Income (1+2)	159107	159107	159107	159107	159107	159107	159107	159107	159107	
4	Interest Expended	178077	177146	177020	177020	177886	177886	177886	177886	177886	
5	Operating Expenses (Net)	96278	96278	96278	96278	96278	96278	96278	96278	96278	
6	Operating Expenses (Net)	41081	41081	41081	41081	41081	41081	41081	41081	41081	
7	Operating Expenses (Net)	30802	30802	30802	30802	30802	30802	30802	30802	30802	
8	Operating Expenses (Net)	17144	17144	17144	17144	17144	17144	17144	17144	17144	
9	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	140803	140728	140728	140728	140803	140803	140803	140803	140803	
10	Operating Profit before Provisions and Contingencies (2-9)	38274	38274	38274	38274	38274	38274	38274	38274	38274	
11	Provision (Other than Tax and Contingencies)	28911	28911	28911	28911	28911	28911	28911	28911	28911	
12	Profit (Loss) (10-11) from ordinary activities before tax (2-9)	9363	9363	9363	9363	9363	9363	9363	9363	9363	
13	The Expenses	6816	6816	6816	6816	6816	6816	6816	6816	6816	
14	Net Profit (Loss) from ordinary activities after tax (10-11)	2547	2547	2547	2547	2547	2547	2547	2547	2547	
15	Net Profit (Loss) from ordinary activities after tax (10-11)	7247	7247	7247	7247	7247	7247	7247	7247	7247	
16	Net Profit (Loss) for the period (12-13)	5570	5570	5570	5570	5570	5570	5570	5570	5570	
17	Reserve according to resolution passed	5570	5570	5570	5570	5570	5570	5570	5570	5570	
18	Reserve according to resolution passed	5570	5570	5570	5570	5570	5570	5570	5570	5570	

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

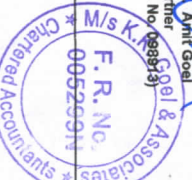
For O P Gang & Co  
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For Verma Associates  
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FRN: 02717N

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

For K K Goel & Associates  
Chartered Accountants  
FRN: 06299N

FOR & ON BEHALF OF THE BOARD  
Parvez Ahmed  
Chairman & CEO  
DIN: 03467232  
Place : Jammu  
Dated : 31st January, 2018



1. The above consolidated financial results have been reviewed by the Audit Committee of the Board in their meeting held on 30th January, 2018 and approved by the Board of Directors at the meeting held on 31st January, 2018. 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. The consolidated financial statements for the year ended 31st March, 2017.

2. The results have been arrived at after considering provision for Standard Assets, Non-performing Advances, Restructured Advances, SDRS-A Accounts/ Depreciation Provision for Exposures have been made as per RBI guidelines. Provision for Taxation (including Deferred Tax Asset (DTA)) has been calculated on actual basis.

3. During the quarter ended 30th June, 2017 the bank recognized Deferred Tax Asset (DTA) of ₹ 45.22 on the difference in the provision for NPA as per books of account and income tax. The bank has on 07.06.2017 allotted ₹ 35.25, ₹ 21.21 share of ₹ 71, each on preferential basis to the government of Jammu & Kashmir promoter and majority shareholder of the bank at a premium of ₹ 71.38 per equity share for a total consideration of ₹ 202.00 crore.

4. The bank has been charged Formulation Reserve (Finance) account amounting to ₹ 31.11 crore and depreciation/ amortisation on revalued value of land amounting to ₹ 2.58 crore. The same have been charged to Formulation Reserve (Finance) account.

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

6. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

7. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

8. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

9. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

10. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

11. In view of disturbance in the state of J&K in the previous year, RBI allowed relaxation in asset classification for all borrowal accounts for NPA status except those which are overdue as on 07.07.2016 in terms of RBI Master Directions issued for Relief Measures by Banks in areas affected by Natural Calamities. Accordingly, bank has transferred ₹ 2000.00 crore to the relief measures account. The same has been reversed on 31.03.2017. The reclassified amount which was ₹ 6069.35 crore as on 30th September, 2017 has been reversed to the provision and DPA' respectively as on 31.03.2017. The reclassified amount which was ₹ 6069.35 crore as on 30th September, 2017 has been reversed to the provision and DPA' respectively as on 31.03.2017. The reclassified amount which was ₹ 6069.35 crore as on 30th September, 2017 has been reversed to the provision and DPA' respectively as on 31.03.2017.

12. In terms of RBI circular No. DRB No. DP. 3/21.06.2015 dated 01.07.2015 on 'BASEL-III capital regulator' read together with the RBI Circular No. 2015-18 dated 12.08.2015, the bank has been required to include the provisions of 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 limited review.

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14. During this quarter bank has raised capital by way of BASEL-III compliant. The I Bonds for strengthening Tier II capital for an amount of ₹ 2000.00 crore. The same has been issued on 09.12.2017 from FTM to MS category. This resulted in lowering of depreciation on investments of the bank by an amount of ₹ 24.00 crore.

15. The number of investor complaints pending at the beginning of the quarter were nil, and the complaints received during the quarter were 19 (nineteen) and all have been disposed off. The above results are standalone and do not include that of subsidiary company.

16. The number of previous period/year have been reclassified/reinstated/rescoped whenever necessary to make them comparable with the figures of the period under review.

17. The statement of Assets and Liabilities is appended.

