

SEGMENT RESULTS

FINANCIAL RESULTS FOR THE QUARTER & NINE-MONTHS ENDED 31ST DECEMBER, 2014														
PARTICULARS	(₹ in Lacs)				(₹ in Lacs)				Description	Quarter Ended		Nine-Months Ended		Year Ended
	31.12.2014		30.09.2014		31.12.2013		31.12.2014			31.12.2013		31.03.2014		
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	(Audited)		
Interest Earned (a+b+c+d)	174962	179853	175552	531616	498950	676700	1) Segment Revenue (Income)	49882	48355	47228	151480	137051	184900	
a) Interest/Discount on Advances/Bills	126351	133904	126556	388229	369391	502126	i) Treasury Operations	71841	81375	77657	231205	233573	318105	
b) Income on Investments	46279	45548	43444	138554	125344	168556	ii) Corporate/Wholesale Banking	74080	74958	67940	220688	230716	273166	
c) Interest on Balance with R.B.I. & Other Inter Bank Funds	2332	401	1552	4833	4215	6018	iii) Retail Banking	861	616	652	2473	2408	3273	
d) Others	9892	8463	8745	31544	27916	39026	iv) Other Banking Business	196664	205304	193487	605846	573483	779463	
Total Income (1 + 2)	184944	188316	180297	563160	526866	715726	Total	184944	183716	180297	563160	526866	715726	
Interest Expended	111092	110659	106933	337482	300620	409252	Net Income from Operations	184944	183716	180297	563160	526866	715726	
Operating Expenses (H-I)	37769	34425	29320	102341	84415	117499	2) Segment Results (Profit before tax)	1753	1397	1281	4714	2659	112999	
I. Employees Cost	23147	22777	18781	68520	54021	74391	i) Treasury Operations	9747	17013	22500	35882	89921	112999	
II. Other Operating Expenses	12652	11648	10539	35821	30394	43108	ii) Corporate/Wholesale Banking	4090	7795	20492	39657	54627	112999	
Total Expenditure (H+I) (Including Provisions & Contingencies)	146891	145084	136213	437123	385035	525751	iii) Retail Banking	267	287	605	1473	1863	54627	
Items exceeding 10% of total expenditure excluding Int. Expenditure							iv) Other Banking Business	424	297	605	1473	1863	54627	
Operating Profit before Provisions and Contingencies (3-4)	38053	43232	44084	126037	141831	189975	Total Profit before tax	16014	28472	44544	62561	133100	175187	
Provisions (other than tax) and Contingencies	22039	16760	460	53476	8731	14768	3) Capital Employed							
Exceptional Items							(Segment Assets-Segment Liabilities)							
Profit (+) Loss (b) from ordinary activities before tax (7-8)	16014	26472	44544	62561	133100	175187	i) Treasury Operations	2118196	1796466	1856878	2118196	1856878	2212402	
Tax Expenses	5550	3242	12415	21882	39913	59040	ii) Corporate/Wholesale Banking	21592	175653	62983	21592	62983	62983	
Net Profit (+) Loss (c) from ordinary activities after tax (10-11)	10464	17230	32129	40699	93187	118247	iii) Retail Banking	(1526508)	(1369122)	(1440911)	(1526508)	(1440911)	(1607596)	
Extraordinary Items (net of tax expenses)							iv) Other Banking Business	(220)	(431)	707	(220)	707	199	
Net Profit (+) Loss (d) for the period (12-13)	10464	17230	32129	40699	93187	118247	Total :-	613060	602596	579657	613060	579657	572361	
Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	4849	4849	4849	4849	4849	4849								
Reserves excluding revaluation reserves	567512	567512	481620	567512	481620	567512								
(As per Balance Sheet of Previous Accounting year)														
Analytical Ratios														
(i) Percentage of Shares held by Govt. of J&K	53.17%	53.17%	53.17%	53.17%	53.17%	53.17%								
(ii) Capital Adequacy Ratio %	13.14%	13.09%	13.44%	13.14%	13.44%	12.91%								
(iii) Earning per share (EPS) ₹	12.78%	12.66%	13.01%	12.78%	13.01%	12.69%								
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)														
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 Ratios														
a) Amount of Gross NPAs	265788	218694	72507	265788	72507	78342								
b) Amount of Net NPAs	142819	9690	142819	142819	9690	10199								
c) % of Gross NPAs	5.81%	4.73%	1.65%	5.81%	1.65%	1.66%								
d) % of Net NPAs	0.57%	0.96%	0.22%	0.57%	0.22%	0.22%								
(v) Return on Assets (Annualized)														
Aggregate of Public Share Holding														
(i) No. of Shares	227025360	227025360	227025360	227025360	227025360	227025360								
(ii) Percentage of Share Holding	46.83%	46.83%	46.83%	46.83%	46.83%	46.83%								
Promoters and promoter group Shareholding														
a) Pledged/Encumbered														
b) Number of Shares														
c) Percentage of shares (as a % of the total shareholding of promoter and promoter group)														
d) Percentage of shares (as a % of the total share capital of the company)														
e) Non-encumbered														
f) Number of Shares	257752660	257752660	257752660	257752660	257752660	257752660								
g) Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%								
h) Percentage of shares (as a % of the total share capital of the total share capital of the company)	53.17%	53.17%	53.17%	53.17%	53.17%	53.17%								

1. The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on February 07, 2015. The same have been reviewed by the Statutory Central Auditors of the bank in line with the directions issued by the RBI and as per the requirements of listing agreement with Stock Exchange.

2. The results for the quarter and Nine Months ended 31st December, 2014 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2014.

3. The results have been arrived at after considering provision for Standard and Non-Performing Assets as per RBI guidelines, provision for Taxation including Deferred Tax and Wealth Tax). Depreciation on Fixed Assets has been made on an estimated basis as per existing accounting policy. However, the implementation of schedule-II of the Companies Act, 2013 effective from 01.04.2014 with regard to depreciation is under process.

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

5. In view of the ensuring settlement of wages 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 (₹ 21.00 crore previous quarter) totalling to ₹ 79.25 crores.

6. Provisioning coverage ratio as at 31st December, 2014 651.00%.

7. In terms of RBI circular No. DBOD.No.89/21.04.048/2013-14 dated February 07, 2014 Banks were allowed to utilize 33% of the floating provision held by them for making provision for non-performing assets. Bank has not utilized the floating provision of ₹ 52.90 crore available as at 31.12.2014 for making specific provision for NPA.

8. In accordance with RBI circular No. DBOD. BP. BC. 85/21.06.200/2013-14 dated 15th January, 2014 and circular No. DBOD.BP.BC.116/21.06.200/2013-14 dated 3rd June, 2014, banks are required to make additional provision in respect of borrowers with Unhedged Foreign Currency Exposures (UFCE) from April 2014 onwards. Accordingly based on available information provided by borrowers, the bank has estimated a provision requirement of ₹ 12.84 crores. However, in terms of aforesaid circular, RBI has allowed banks to spread the entire provision over the four quarters of FY 2014-15. Accordingly bank has provided liability of ₹ 3.06 crores. (Previous quarter ₹ 3.42 crores) towards Unhedged Foreign Currency Exposure (UFCE) to its constituents for the quarter, totalling to ₹ 9.63 crores. (Previous quarter ₹ 6.57 crore)

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

10. Pursuant to section 135 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. According to the bank is required to spend ₹ 22.40 crores for the nine months period and ₹ 7.46 crores for the quarter. The bank during the quarter expended an amount of ₹ 9.17 crores for the same (Previous quarter ₹ 0.54 crore) and the accumulated provision under this head is ₹ 12.66 crores (Previous quarter ₹ 14.36 crores)

11. During the recent devastating floods in the state of J&K few business units/offices were affected causing loss to the infrastructural peripherals installed there. Based on information of business units/offices the bank has lodged an insurance claim of ₹ 27.00 crores (Acquisition cost of damaged infrastructural peripherals) which is pending with the insurance company. Further, under rehabilitation plan approved in terms of RBI master circular No. RPOD.No.FSD.BC.07/05.04.02/2014-15 Dated 01.07.2014, the bank has restructured loan portfolio of ₹ 145.02 crores for which provision of ₹ 19.35 crores and ₹ 7.25 crores has been made for DIPV and standard provisioning respectively.

12. During the quarter ended December 2014, fraudulent transactions on account of counterfeit and fully provided for.

13. 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 76th Annual General Meeting of the bank held on 2nd August, 2014.

14. The number of investors complaints received during the quarter were 17 (Seventeen) and all have been disposed off.

15. Previous period figures have been re-casted /regrouped wherever necessary, to make them comparable.

FOR SIGN BEHALF OF THE BOARD
Mushfaq Ahmad
Chairman & CEO
DIN: 03226134

Place : Jammu
Dated : February 07, 2015

For Darshan Nagpal & Associates
Chartered Accountants
FRN: 014461N

CA-Rattan Singh
Partner
(M. No. 094845)

Raj & Co. * Chartered Accountants *
FRN: 014461N

For Darshan Nagpal & Associates
Chartered Accountants
FRN: 010122N

CA-Rattan Singh
Partner
(M. No. 094845)

Raj & Co. * Chartered Accountants *
FRN: 010122N (J&K)

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA. Karambir S Sethi
Partner
(M. No. 0971188)

ARORA VOHRA & CO. * CHARTERED ACCOUNTANTS *
JAMMU

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

CA. Madhusudan Meher
Partner
(M. No. 0974391)

DHAR TIKU & CO. * CHARTERED ACCOUNTANTS *
FRN: 003423N

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

CA. Vinay Saraf
Partner
(M. No. 096822)

GUPTA SHARMA & ASSOCIATES * CHARTERED ACCOUNTANTS *
FRN: 001466N