

Board Secretariat

Ref:-JKB/BS/F3652/2014/

Dated: 12th November, 2014

255



The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers
Dalal street
Mumbai – 400 001

**Sub: - Clause 41 of the Listing Agreement
Financial Results for the Quarter & Half year ended 30th September, 2014**

Dear Sir

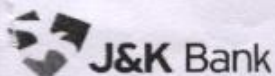
Pursuant to Clause 41 of the Listing Agreement entered into by the Bank with the Stock Exchanges, we are enclosing herewith a copy of the Reviewed Financial Results of the Bank for the quarter & Half year ended 30th September 2014. The results were taken on record by the Board of Directors at their meeting held on 12th November, 2014 at Jammu

Thanking you

Yours Faithfully

For The Jammu & Kashmir Bank Ltd.


(Abdul Majid Bhat)
Company Secretary



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

BALANCE SHEET AS AT 30TH SEPTEMBER, 2014

(₹ IN LACS)

	As at 30.09.2014	As at 30.09.2013
CAPITAL AND LIABILITIES		
Capital	4849	4849
Reserves and Surplus*	597747	542679
Deposits	6297235	6117115
Borrowings	291421	134593
Other Liabilities and Provisions	165737	136544
TOTAL :-	7356989	6935780
ASSETS		
Cash and Balance with Reserve Bank of India	257971	241454
Balance with Banks & Money at Call & Short Notice ...	17619	182259
Investments	2362616	2231625
Advances	4507237	4112081
Fixed Assets	54345	49451
Other Assets	157201	118910
TOTAL :-	7356989	6935780

* Includes profit for the Half-Year (Rs 30235 Lacs) Previous corresponding Half-Year (Rs.61058 Lacs)

In terms of our report of even date annexed

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

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



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

CA. Madhusudan, Member
Partner
(M. No. 087409)



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

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



For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

CA. Nitin Mahajan
Partner
(M. No. 513028)



For Dharam Raj & Co
Chartered Accountants
FRN: 014461N

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



FOR & ON BEHALF OF THE BOARD

Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Jammu
Dated : November 12, 2014

REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the quarter and half year ended **30th September 2014** 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 29 branches reviewed by us, 364 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 409 branches. In the conduct of our Review, in addition to 29 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 364 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 29 branches reviewed by us cover 51.21% of advances portfolio of the Bank and 70.23% of Non Performing Assets of the bank and moreover, the review reports of 393 (29+364) including 29 branches reviewed by us cover 89.39% of advances portfolio of the Bank and 97.06% of Non Performing Assets of the Bank (NPAs) as on 30th September 2014.

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.

Emphasis of Matter:

We draw attention to note 11 to the financial results regarding loss of infrastructural peripherals and also impact on classification of Advances effected due to devastating floods in J & K. Our opinion is not qualified on this matter.

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 : November 12, 2014

(C) in LACS

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not provided by the statistical authorities. The results are the net contribution of the sector and are broken by the base of differentiation to its trading level on September 11, 2014. The same base is used for the quarterly and half-year results. The results are broken by the sector with the six directions issued by the RBI and as per the requirements of listing agreements with Stock Exchange statements for the year ended 31 March, 2014.

10. 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 accelerated basis.

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

12. In view of the ensuing settlement of wage relation which will have effect from November 2012, an accrual amount of ₹ 21.00 crore has been provided in respect of the same in this quarter. (₹ 21.00 crore previous quarter) (totaling ₹ 158.35 crore).

13. Provisioning coverage ratio as at 30th September, 2014 is 54.91%.

14. In terms of RBI circular No. DDO/CN No. SP/02/10-04/2013, dated February 07, 2014 banks were allowed to reduce 15% of the floating provision held by them for making provision for non-performing assets. DCCB has not utilized the floating provision of ₹ 55.90 crore available as at 30.09.2014 for the purpose of making provision for NPA.

15. In accordance with RBI circular No. DDO/CN No. SP/02/10-04/2013 dated 15th January, 2014 and circular No. PD/03/ BP/BC/11/07/26-100/2013 dated 30th June, 2014, banks are required to make additional provision in respect of customers with Unutilised foreign currency exposures (UnUCF) from April 2014 onwards. RBI has accordingly issued the following information provided by customers, the bank has estimated a provision impairment of ₹ 11.25 crore. However, in terms of general circular, RBI has allowed banks to suppress the estimate provision for the four quarters of FY 2014-15. Accordingly bank has provided liability of ₹ 3.42 Crores towards Unutilised foreign currency exposures (UnUCF) to its constituents for the quarter ending to 30.09.2014.

16. The above results are approximate and do not include that of subsidiary company.

17. Pursuant to section 135 of Companies Act, 2013, it is required to spend 2% of the average net profits made during three immediately preceding financial years for CSR activities. Accordingly the bank has expended ₹ 3.34 crore for the same and made provision for balance amount of ₹ 6.92 Crores for the quarter on proportionate basis and the accumulated provision under the head ₹ 14.53 crore (previous quarter ₹ 3.44 crore).

18. During the recent restructuring floods in the state of J&K two business units/offices were affected causing loss to the aforementioned peripherals installed there. The actual loss and consequential damage from insurance Companies is still under process, in the opinion of the management the impact of loss on the financial results would not be significant. Further impact on classification of advances effected due to this has not been considered in view of the ensuing rehabilitation plan approved under RBI master circular No. PCCMD/PD/50, J&K 07/95 dated 01/01/15 dated 01/01/15.

19. The bank has paid dividend cash equity share of the face value of ₹ 10/- into ten (10) equity shares of face value of ₹ 1/- each effective from 30th September, 2014 approved by the board of directors in the 70th annual General Meeting of the bank held on 21st August, 2014.

20. The number of compliance complaints received during the quarter were 9 (Nine) and all have been disposed off.

21. Previous period figures have been omitted / aggregated wherever necessary, to make them comparable.

Price : 240000
 Dated : November 12, 2014

FOR A CONFERENCE OF THE BOARD
 Members: Abner

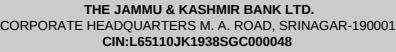
Chairman: ~~Dr. C. H. Brown~~
Date: 01/25/1934

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Price: \$14.95
Dated: November

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(in Lacs)

(` in Lacs)

FINANCIAL RESULTS FOR THE QUARTER & HALF-YEAR ENDED 30TH SEPTEMBER, 2014							Quarter Ended		Half-Year Ended		Year Ended		
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014	Quarter Ended		Half-Year Ended		Year Ended	
S.No.	PARTICULARS	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	179853	176801	164974	356654	327398	676700	1) Segment Revenue (Income)					
	a) Interest/Discount on Advances/Bills	133904	127974	124396	261878	242835	502126	i) Treasury Operations	48355	53243	43051	101598	184900
	b) Income on Investments	45548	46727	39609	92275	81900	168556	ii) Corporate/Wholesale Banking	81375	77989	79020	159364	318105
	c) Interest on Balance with R.B.I. & Other Inter Bank Funds	401	2100	969	2501	2663	6018	iii) Retail Banking	74958	71650	69767	146608	273185
	d) Others	-	-	-	-	-	-	iv) Other Banking Business	616	996	871	1612	3273
2	Other Income	8463	13099	9948	21562	19171	39026	Total	205304	203878	192709	409182	779463
3	Total Income (1 + 2)	188316	189900	174922	378216	346569	715726	Less: Inter Segment Revenue	16988	13978	17787	30966	63737
4	Interest Expended	110659	113031	96792	223690	193727	408252	Net Income from Operations	188316	189900	174922	378216	715726
5	Operating Expenses (H+I)	34425	32117	28482	66542	55095	117499	2) Segment Results (Profit before tax)					
	I. Employees Cost	22777	20596	17676	43373	35240	74391	i) Treasury Operations	1397	1564	406	2961	5097
	II. Other Operating Expenses	11648	11521	10806	23169	19955	43108	ii) Corporate/Wholesale Banking	17013	9122	31318	26135	112999
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	145084	145148	125274	290232	248822	525751	iii) Retail Banking	7795	8607	11805	16402	54627
	Items exceeding 10% of the total expenditure excluding int'l. Expenditure	43232	44752	49648	87984	97747	189975	iv) Other Banking Business	267	782	551	1049	2454
7	Operating Profit before Provisions and Contingencies (3-6)	43232	44752	49648	87984	97747	189975	Total Profit before tax	26472	20075	44080	46547	175187
8	Provisions (other than tax) and Contingencies	16760	24677	5568	41437	9191	14788	3) Capital Employed					
9	Exceptional Items	-	-	-	-	-	-	(Segment assets-Segment Liabilities)					
10	Profit (+)/Loss (-) from ordinary activities before tax (7-8-9)	26472	20075	44080	46547	88556	175187	i) Treasury Operations	1796466	1933528	1952594	1796466	2212402
11	Tax Expenses	9242	7070	13814	16312	27498	56940	ii) Corporate/Wholesale Banking	175683	155182	1442	175683	32641
12	Net Profit (+)/Loss (-) from ordinary activities after tax (10-11)	17230	13005	30266	30235	61058	118247	iii) Retail Banking	(1369122)	(1503402)	(1406483)	(1369122)	(1607596)
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	iv) Other Banking Business	(431)	58	(25)	(431)	196
14	Net Profit (+)/Loss (-) for the period (12-13)	17230	13005	30266	30235	61058	118247	Total :-	602596	585368	547528	602596	572361
15	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	4849	4849	4849	4849	4849	4849	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 November 12, 2014. 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 half year ended ended 30th September, 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. 4. Provision for terminal benefits (Pension, Gratuity and Leave salary Encashment) has been made as per actuarial valuation. 5. 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 ( ` 21.00 crore previous quarter) totalling to ` 158.25 crores. 6. Provisioning coverage ratio as at 30th September, 2014 is 54.85% 7. In terms of RBI circular No. DOBOD.No.BP.95/21.04.048/2013-14 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 30.09.2014 for making specific provision for NPA. 8. In accordance with RBI circular no DOBOD. BP. BC. 85/21.06.200/2013-14 dated 15th January, 2014 and circular no DOBOD.BP.BC.116/21.06.200/2013-14 dated 3rd June, 2014, banks are required to make additional provision in respect of customers with Unhedged Foreign Currency Exposures (UFCE) from April 2014 onwards. Accordingly based on available information provided by customers, the bank has estimated a provision requirement of ` 13.15 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 ` 3.42 Crores towards Unhedged Foreign Currency Exposure (UFCE) to its constituents for the quarter totalling to ` 6.57 Crores. (Previous quarter ` 3.15 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 proceeding financial years for CSR activities. Accordingly the bank has expended ` 0.54 crores for the same and made provision for balance amount of ` 6.92 Crores for the quarter on proportionate basis and the accumulated provision under this head is ` 14.36 crores (Previous quarter ` 7.44 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. The actual loss and consequential claims from Insurance Companies is still under process. In the opinion of the management the impact of loss on the financial results would not be significant. Further impact on classification of advances effected due to this has not been considered in view of the ensuing rehabilitation plan aproved under RBI master circular No. RPCD.No.FSD.BC.07/05.04.02/2014-15 Dated 01.07.2014. 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 76th Annual General Meeting of the bank held on 2nd August, 2014. 13.The number of investors complaints received during the quarter were 9 (Nine) and all have been disposed off. 14. Previous period figures have been recasted /regrouped wherever necessary, to make them comparable.					
16	Reserves excluding revaluation reserves	567512	567512	481620	567512	481620	567512						
17	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 % (Basel-II)	13.09%	13.28%	13.54%	13.09%	13.54%	12.91%						
	(Basel-III)	12.66%	12.93%	13.18%	12.66%	13.18%	12.69%						
	(iii) Earning per share (EPS) `												
	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)	3.55*	2.68*	6.24*	6.24*	12.60*	24.39						
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized)	3.55*	2.68*	6.24*	6.24*	12.60*	24.39						
	(iv) NPA Ratios												
	a) Amount of Gross NPAs	218694	188799	70893	218694	70893	78342						
	b) Amount of Net NPAs	110853	96849	7758	110853	7758	10199						
	c) % of Gross NPAs	4.73%	4.16%	1.69%	4.73%	1.69%	1.66%						
	d) % of Net NPAs	2.48%	2.18%	0.19%	2.46%	0.19%	0.22%						
	(v) Return on Assets (Annualized)	0.96%	0.72%	1.86%	0.84%	1.87%	1.74%						
18	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%						
19	Promoters and promoter group Shareholding												
	a) Pledged/Encumbered												
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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						
	b) Non-encumbered												
	- Number of Shares	257752660	257752660	257752660	257752660	257752660	257752660						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%						
	- 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%						
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED													
For Gupte 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		Sd/- For Dharam Raj & Co Chartered Accountants FRN: 014461N		Sd/- FOR & ON BEHALF OF THE BOARD Mushtaq Ahmad Chairman & CEO DIN: 01226134			
Sd/- CA. Vinay Saraf Partner (M. No. 087262)		Sd/- CA. Madhusudan Meher Partner (M. No. 097409)		Sd/- CA. Vinod Gupta Partner (M. No. 090347)		Sd/- CA. Nitin Mahajan Partner (M. No. 513028)		CA. Dharam Raj Partner (M. No. 094108)		Place : Jammu Dated : November 12, 2014			