

The Jammu & Kashmir Bank Limited

Corporate Headquarters
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Kashmir, India

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Board Secretariat

Ref:-JKB/BS/F3652/2015/ 228
Dated: 13th November, 2015



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 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, 2015

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 2015. The results were taken on record by the Board of Directors at their meeting held on 13th November, 2015 at Jammu

Thanking you

Yours Faithfully
For The Jammu & Kashmir Bank Ltd.


(Abdul Majid Bhat)
Company Secretary

LIMITED REVIEW REPORT FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended **30th September, 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. Further, disclosures relating to "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statement as set out in Note no.12 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 33 branches reviewed by us out of which 13 branches were reviewed through Core Banking System of the Bank and management inputs, 390 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 406 branches. In the conduct of our Review, in addition to 33 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 390 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 33 branches reviewed by us cover 50.43% of advances portfolio of the Bank and 78.09% of Non Performing Assets of the bank and moreover, the review reports of 423 (33+390) branches including 33 branches reviewed by us cover 88.46% of advances portfolio of the Bank and 99.01% of Non Performing Assets of the Bank (NPAs) as on 30th September, 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



For Dhar Tikun & 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 13, 2015

(₹ in Lacs)

Description	30.09.2016	30.09.2015	30.09.2014	30.09.2013	30.09.2014	31.03.2016
1) Segment Revenue (Income)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
i) Treasury Operations	51180	54089	48355	105279	101568	20428
ii) Corporate/Wholesale Banking	67198	70358	81375	137556	153584	30152
iii) Retail Banking	77707	79566	74658	157863	146580	31465
iv) Other Banking Business	1418	1372	616	2788	1612	387
Total	187801	207785	206504	403286	409182	82432
Less: Inter Segment Revenue	12717	16920	16586	29657	30965	5881
Net Income from Segment Revenue	184784	188825	188316	372619	378216	76585
2) Segment Assets (Profit before tax)						
i) Treasury Operations	5231	2016	1397	7247	2961	1004
ii) Corporate/Wholesale Banking	12267	10832	17013	22099	28135	3625
iii) Retail Banking	12885	10989	7795	23894	16402	26402
iv) Other Banking Business	630	697	267	1327	1049	3358
Total Profit before tax	31113	24544	28472	65607	48547	8203
3) Capital Employed						
(Segment assets - Segment Liabilities)						
i) Treasury Operations	2108117	2355481	1796466	2108117	1796466	232676
ii) Corporate/Wholesale Banking	81083	(93010)	175683	81083	175683	118030
iii) Retail Banking	(1542313)	(1653386)	(1369122)	(1542313)	(1369122)	(1586490)
iv) Other Banking Business	(443)	(754)	(431)	(443)	(431)	(733)
Total:	644844	628881	602596	644844	602596	61100

Note: The Bank has only one geographical segment, i.e. domestic segment.

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 13th November, 2015. The same have been submitted 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.

2. The above results for the quarter and half year ended 30th September, 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 estimated bads of Probational norms and specific guidelines issued by RBI. Provision for Taxation (including Deferred Tax) has been calculated 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% on 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 September, 2015 is 61.92%.

7. Provision to wage reduction for 30th September 2015, relating to the outstanding provision of Rs. 200.25 crores as on 31.03.2015 towards settlement of wage arrears of Rs. 213.00 crores has been provided during the period ended 30th September 2015. The entire amount of Rs.213.25 crores has been paid towards wage revision arrears in full and final payment during the period ended 30th September 2015.

8. In terms of RBI circular No. DBOD.BP.BC.65/21.06.20/2013 dated 15th January, 2014 and Circular No. DBOD.BP.BC.116/21.06.20/2013 dated 3rd June 2014, banks are required to make additional provision in respect of borrowers with Unfunded Foreign Currency Exposures (UFCE) from April 2014 onwards, Accordingly based on available information and declaration from borrowers wherever received, the bank has estimated a provision requirement of Rs.03 crores which has been fully provided.

9. In terms of RBI circular No.31 dated 01.08.2013-16 dated 16th July 2015, the bank has, effective from quarter ended 30th June 2015, included investments in Government of India (GOI) bonds in the category of 'Other Assets' and not 'Other Assets - Government of India' as per RBI circular No. DBOD.BP.BC.65/21.06.20/2013 dated 15th January 2014. The entire amount of Rs.213.25 crores has been paid towards wage revision arrears in full and final payment during the period ended 30th September 2015.

10. Interest earned - Income on investments: Figures for the previous periods have been reorganized / reclassified to conform to current period classification. The above reclassification has no impact on the profit/loss of the bank for the quarter and half year ended 30th September 2015 or on the profit/loss for the previous periods presented.

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. Accordingly during the FY 2015-16 bank is required to spend ₹2.35 Crores for the same. The bank has during the quarter ended 30th September 2015, expended ₹1.00 Crores towards CSR activities.

11. RBI on 30.09.2015 identified and informed the bank that advances made by different banks to a specific borrower fall in the category of fraud and in this regard as per directions of RBI, bank declared advances amounting to 7680.00 crores as fraud. Pursuant to RBI circular no DBM.MOB.BC.38/21.04.04/2014-15 dated 01.04.2015, the amount of fraud irrespective of value of security held by the bank has to be provided for over a period not exceeding four quarters commencing with the quarter in which fraud has been declared. RBI white letter dated DBM.BP.MO.1680/20.04.04/2014-15 dated May 07, 2015 granted permission for making 50% of required provisioning in March 2015 and balance in two equal instalments in quarters ending June, 2015 and September, 2015. The bank upon 10th June 2015 made a provision of 606.75 crores being 50.07% in the account against outstanding exposure of 1203.25 crores. The balance provision of 606.75 crores being 50.07% in the account against outstanding exposure of 1203.25 crores has been provided for account for quarter ended 30th September, 2015 Bank made a balance provision of 606.32 crores in the account for quarter ended 30th September, 2015.

12. In terms of RBI circular no. DBOD.BP.BC.21/21.06.20/2013-14 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL-III capital requirements. Further RBI has made certain white circular No. DBOD.BP.BC.38/21.06.20/2014-15 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.bankofbaroda.com. These disclosures have not been subjected to audit.

13. The number of investor complaints received during the quarter were 24 (twenty four) and all have been disposed off.

14. The number of subsidiary companies is 1.

15. Previous period figures have been recasted/reorganized wherever necessary to make them comparable.

16. The statement of Assets and Liabilities is appended.

Place : Jammu
Dated : 13th November, 2015

Place : Jammu
Dated : 13th November, 2015

BALANCE SHEET AS AT 30TH SEPTEMBER, 2015

(₹ IN LACS)

	As at 30.09.2015	As at 30.09.2014
CAPITAL AND LIABILITIES		
Capital	4849	4849
Reserves and Surplus*	641594	597747
Deposits	6244206	6297235
Borrowings	157332	291421
Other Liabilities and Provisions	168758	165737
TOTAL :-	7216739	7356989

ASSETS

Cash and Balance with Reserve Bank of India	275658	257971
Balance with Banks & Money at Call & Short Notice ...	23723	17619
Investments	1903314	2162229
Advances	4572191	4507237
Fixed Assets	72086	54345
Other Assets	369767	357588
TOTAL :-	7216739	7356989

* Includes profit for the Half-Year (Rs.35438 Lacs) Previous corresponding Half-Year (Rs.30235 Lacs)

FOR & ON BEHALF OF THE BOARD

Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Jammu
Dated : 13th November, 2015

In terms of our report of even date annexed

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

CA. Jogendra Kumar Sondhi
Partner
(M. No. 080935)



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. 090847)



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)

