

Jammu & Kashmir Bank Limited

Corporate Headquarters
M A Road, Srinagar 190001
Kashmir, India
CIN: L65110JK1938SGC000048

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Board Secretariat

Ref:-JKB/BS/F3652/2020/113
Date: 06th November, 2020

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

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code:532209

SUB:- REVIEWED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020 (Standalone & Consolidated)

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Reviewed Financial Results of the Bank for the Quarter and Half Year ended 30th September, 2020.

The Results were taken on record by the Board of Directors in their meeting held on 06th November, 2020.

The Meeting ended at 04:20 P.M.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu & Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read 'Shafi Mir', is written over a faint, light blue circular stamp.

(Mohammad Shafi Mir)
Company Secretary

Independent Auditor's Review Report on Standalone Unaudited Financial Results for the period ended 30th September 2020 of the Jammu & Kashmir Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To
The Board of Directors of
Jammu and Kashmir Bank Limited
Srinagar**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Jammu and Kashmir Bank Limited** ('the Bank') for the period ended **30th September 2020** being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended), including relevant circular issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 30th September 2020, including leverage ratio and liquidity coverage ratio 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 Statement, and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results 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 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 financial results incorporate the relevant returns of 161 branches and Treasury operations reviewed by us, out of which 137 branches were reviewed through Core Banking System ('CBS') of the Bank and management inputs, 176 branches reviewed by other Chartered Accountants, Cost Accountants and Banks' own officials (retired) acting as Concurrent auditors of the Bank and un-reviewed in respect of 613 branches. In the conduct of our Review, in addition to 161 branches and Treasury operations reviewed by us, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of aggregating 176 branches. These review reports cover 75.99 % (of which 56.68 % covered by us) of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from un-reviewed branches/other offices and generated through centralized database of the Bank's Head Office.
5. Based on our review conducted as above, subject to limitations in scope as mentioned in para 3 above and read with Notes to Accounts, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the

information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure including leverage ratio and liquidity coverage ratio 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 Statement and have not been reviewed by us, or that it contains any material misstatement.

6. Emphasis of Matter

We draw your attention on point Note No.14 (a) of the accompanying statement of consolidated unaudited financial results which describes the uncertainties due to COVID-19. In view of these circumstances, the impact on the group's operations & financial results is dependent on the future developments.

Our conclusion is not modified in respect of this matter.

<p>For O P Garg & Co. Chartered Accountants FRN:01194N</p>  <p>Digitally signed by MANISH KUMAR GUPTA (CA.Manish Kumar Gupta) Partner M.No.097191 UDIN: 20097191AAAAHQ5938</p>	<p>For Verma Associates. Chartered Accountants FRN:02717N</p>  <p>Digitally signed by MADAN LAL VERMA Date: 2020.11.06 16:07:26 +05'30' UDIN:2001431AAAAP98741</p> <p>(CA.Madan Verma) Partner M.No.081631 UDIN:</p>	<p>For P C Bindal & Co. Chartered Accountants FRN:03824N</p>  <p>Digitally signed by VIRENDER KUMAR MAINI Date: 2020.11.06 15:36:57 +05'30'</p> <p>(CA.Virender K.Maini) Partner M.No.088730 UDIN:20088730AAAAEV7397</p>	<p>For K.K.Goel & Associates. Chartered Accountants FRN:05299N</p>  <p>Digitally signed by AMIT GOEL DN: c=IN, o=Personal, title=3736, personalEmail=728837532288891d3d3e7e 6d9c9f6d647e5083e, 2.5.4.20=eb8a9f771be86c8080a19000 825223022aa150f6b5c4d5c10049811 c29, postalCode=110063, st=Delhi, serialNumber=442199a7ca719396c5f5b 53d77692958d63d1d15e074d04704049a 79977e213, cn=AMIT GOEL Date: 2020.11.06 14:56:26 +05'30'</p> <p>AMIT GOEL (CA.Amit Goel) Partner M.No.098913 UDIN: 20098913AAAAEA5051</p>
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Place: Srinagar/Jammu/Delhi
Dated: **6th November 2020**



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

STANDALONE BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

(₹ IN CRORES)

		As at 30.09.2020	As at 30.09.2019	As at 31.03.2020
CAPITAL AND LIABILITIES				
Capital	1	71.36	55.70	71.36
Reserves and Surplus	2	6372.56	5675.45	6322.12
Deposits	3	100469.15	91620.22	97788.23
Borrowings	4	2017.39	2621.77	2019.58
Other Liabilities and Provisions	5	3380.14	2536.86	2670.81
TOTAL :-		112310.60	102510.00	108872.10
ASSETS				
Cash and Balance with Reserve Bank of India	6	3668.27	4497.93	2947.48
Balance with Banks & Money at Call & Short Notice	7	897.67	2036.61	6835.35
Investments	8	28863.90	22974.38	23052.24
Advances	9	66813.87	65609.51	64399.07
Fixed Assets	10	2029.53	1677.91	2070.52
Other Assets	11	10037.36	5713.66	9567.44
TOTAL :-		112310.60	102510.00	108872.10

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER

Chairman & Managing Director
DIN: 08190084

Place : Jammu
Dated : 06.11.2020

In terms of our report of even date annexed

For O. P. Garg & Co.
Chartered Accountants
FRN: 001194N
Digitally signed by
MANISH KUMAR
GUPTA
CA. Manish Kumar Gupta
Partner
M.No. 097191

For Verma Associates
Chartered Accountants
FRN: 002717N
MADAN LAL
VERMA
CA. Madan Verma
Partner
M.No. 081631

For P. C. Bindal & Co.
Chartered Accountants
FRN: 003824N
Digitally signed by VIRENDER KUMAR
MAGRI
Date: 2020.11.06 15:34:17 +05'30'
CA. Virender K. Maini
Partner
M.No. 088730

For K. K. Goel & Associates
Chartered Accountants
FRN: 005299N
AMIT GOEL
CA. Amit Goel
Partner
M.No. 098913

Date: 06/11/2020

SEGMENT RESULTS

S.No.	PARTICULARS	QUARTER ENDED				HALF YEAR ENDED				YEAR ENDED			
		30.09.2020	30.06.2020	30.09.2019	30.09.2019	30.09.2020	30.06.2020	30.09.2019	30.09.2019	30.09.2020	30.06.2020	30.09.2019	30.09.2019
		(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)
1	Interest Earned (a+b+c+d)	2044.84	2038.32	2150.78	4083.16	4222.84	8446.29	8446.29	8446.29	8446.29	8446.29	8446.29	8446.29
a)	Interest/Discount on Advances/Bills	1544.70	1572.52	1699.88	3057.22	3304.52	6572.50	6572.50	6572.50	6572.50	6572.50	6572.50	6572.50
b)	Income on Investments	434.81	430.40	395.20	865.21	800.89	1667.61	1667.61	1667.61	1667.61	1667.61	1667.61	1667.61
c)	Interest on Balance with R.B.I. & Other Inter Bank Funds	65.33	95.40	55.70	186.73	296.03	592.03	592.03	592.03	592.03	592.03	592.03	592.03
d)	Others	0.00	0.00	0.00	0.00	0.05	0.15	0.15	0.15	0.15	0.15	0.15	0.15
2	Other Income	149.63	119.62	112.16	289.25	296.35	545.92	545.92	545.92	545.92	545.92	545.92	545.92
3	Total Income (1+2)	2194.47	2157.94	2262.94	4372.41	4519.19	8992.21	8992.21	8992.21	8992.21	8992.21	8992.21	8992.21
4	Interest Expended	1160.96	1133.97	1208.17	2294.93	2378.66	4739.52	4739.52	4739.52	4739.52	4739.52	4739.52	4739.52
5	Operating Expenses (H)	690.32	694.75	658.27	1349.07	1333.78	2727.54	2727.54	2727.54	2727.54	2727.54	2727.54	2727.54
I.	Employee Cost	501.46	509.44	464.32	1009.90	928.20	1866.05	1866.05	1866.05	1866.05	1866.05	1866.05	1866.05
II.	Other Operating Expenses	188.86	185.31	193.95	374.17	405.58	861.49	861.49	861.49	861.49	861.49	861.49	861.49
6	Total Expenditure (H+I)	1791.28	1827.72	1866.44	3819.00	3711.84	7487.16	7487.16	7487.16	7487.16	7487.16	7487.16	7487.16
7	Operating Profit before Provisions and Contingencies (I-6)	403.19	330.22	396.50	733.41	807.35	1525.05	1525.05	1525.05	1525.05	1525.05	1525.05	1525.05
8	Provisions (other than tax) and Contingencies	324.92	265.37	1424.17	591.29	1721.38	2025.10	2025.10	2025.10	2025.10	2025.10	2025.10	2025.10
9	-Of which provisions for NPA (Provis. For Bad & Doubtful Debts)	235.64	109.40	1451.20	344.04	1565.64	2522.96	2522.96	2522.96	2522.96	2522.96	2522.96	2522.96
10	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Profit (Loss) from ordinary activities before tax (7-8-9)	78.27	63.85	(1031.67)	142.12	(914.03)	(1100.05)	(1100.05)	(1100.05)	(1100.05)	(1100.05)	(1100.05)	(1100.05)
12	Tax Expenses	34.34	87.35	(114.85)	91.69	(19.89)	30.36	30.36	30.36	30.36	30.36	30.36	30.36
	-Income Tax Provisions (incl. current tax)	61.32	84.10	(128.10)	145.42	0.00	71.91	71.91	71.91	71.91	71.91	71.91	71.91
	-Deferred Tax Asset/Liability	(26.98)	(20.75)	(14.25)	(53.73)	0.00	(41.55)	(41.55)	(41.55)	(41.55)	(41.55)	(41.55)	(41.55)
13	Profit (Loss) from ordinary activities after tax (11-12)	43.93	6.50	(916.87)	50.43	(894.94)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)
14	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Net Profit (Loss) for the period (13-14)	43.93	6.50	(916.87)	50.43	(894.94)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)	(1139.41)
16	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	71.36	71.36	55.70	71.36	55.70	534.12	534.12	534.12	534.12	534.12	534.12	534.12
17	Reserves excluding Revaluation Reserves												
18	Revaluation Reserves												
19	Analytical Ratios												
(i)	Percentage of Shares held by Govt. of J&K	68.18%	68.18%	59.23%	68.18%	99.23%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%
(ii)	Percentage of Shares held by (BASEL III)	11.86%	11.23%	11.17%	11.86%	11.17%	11.86%	11.86%	11.86%	11.86%	11.86%	11.86%	11.86%
(iii)	Capital Adequacy Ratio % (CET1 Ratio)	8.23%	8.23%	7.96%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
(iv)	(Tier I Ratio)	10.05%	9.96%	9.48%	10.05%	9.96%	9.98%	9.98%	9.98%	9.98%	9.98%	9.98%	9.98%
(v)	Earning per Share (EPS) (Rs.)												
a)	Basic and diluted EPS before Extraordinary Items	0.02*	0.09*	(16.46)*	0.71*	(16.07)*	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)
b)	Basic and diluted EPS after Extraordinary Items for the period	0.02*	0.09*	(16.46)*	0.71*	(16.07)*	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)
c)	Basic and diluted EPS after Extraordinary Items for the year to date and for the previous year (not annualized)	0.02*	0.09*	(16.46)*	0.71*	(16.07)*	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)	(15.97)
(vi)	NPA Ratios												
a)	Amount of Gross NPAs	6317.09	7607.32	7473.29	6317.09	7473.29	7671.63	7671.63	7671.63	7671.63	7671.63	7671.63	7671.63
b)	Amount of Net NPAs	2023.32	1985.00	2942.04	2023.32	2942.04	2243.82	2243.82	2243.82	2243.82	2243.82	2243.82	2243.82
c)	% of Gross NPAs to Gross Advances	8.87%	10.72%	10.64%	8.87%	10.64%	10.97%	10.97%	10.97%	10.97%	10.97%	10.97%	10.97%
d)	% of Net NPAs to Net Advances	3.03%	3.05%	4.48%	3.03%	4.48%	3.48%	3.48%	3.48%	3.48%	3.48%	3.48%	3.48%
(vii)	Return on Assets (Annualized)	0.16%	0.09%	(0.99%)	0.09%	(1.78%)	(1.10)%	(1.10)%	(1.10)%	(1.10)%	(1.10)%	(1.10)%	(1.10)%
20	Aggregate of Public Share Holding												
(i)	No. of Shares	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360
(ii)	Percentage of Share Holding	31.82%	31.82%	47.77%	31.82%	49.77%	31.82%	31.82%	31.82%	31.82%	31.82%	31.82%	31.82%
21	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)												
b)	Non-encumbered												
c)	Number of Shares	486425278	486425278	32853032	486425278	32853032	486425278	486425278	486425278	486425278	486425278	486425278	486425278
d)	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
e)	Percentage of shares (as a % of the total share capital of the total share capital of the company)	68.18%	68.18%	59.23%	68.18%	99.23%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%

FOR & BEHALF OF THE BOARD

R. K. CHIBBER
 Chairman & Managing Director
 Date: 06.11.2020
 Place: Jammu

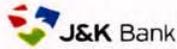
For P. K. Goel & Associates
 Chartered Accountants
 FRN: 005239N
 CA. Amit Goel
 Partner
 M.No. 09813

For P. C. Bindal & Co.
 Chartered Accountants
 FRN: 003824N
 CA. Virender K. Mahi
 Partner
 M.No. 088730

For Verma Associates
 Chartered Accountants
 FRN: 002717N
 MADAN LAL VERMA
 CA. Madan Verma
 Partner
 M.No. 081631

FOR & BEHALF OF THE BOARD

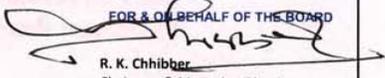
R. K. CHIBBER
 Chairman & Managing Director
 Date: 06.11.2020
 Place: Jammu



STANDALONE CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2020

	HALF YEAR ENDED		YEAR ENDED
	30.09.2020 (Reviewed) ₹ '000' Omitted	30.09.2019 (Reviewed) ₹ '000' Omitted	31.03.2020 (Audited) ₹ '000' Omitted
A CASH FLOW FROM OPERATING ACTIVITIES	(5,09,10,668)	85,85,959	4,37,43,332
B CASH FLOW FROM INVESTING ACTIVITIES	(2,64,446)	(5,95,586)	(11,44,270)
C CASH FLOW FROM FINANCING ACTIVITIES	(9,93,750)	(12,63,749)	(33,89,542)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,21,68,864)	67,26,624	3,92,09,520
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,78,28,276	5,86,18,756	5,86,18,756
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,56,59,412	6,53,45,380	9,78,28,276
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit after Taxes	5,04,322	(89,49,445)	(1,13,94,122)
Add : Provision for Taxes	9,16,891	(1,90,902)	3,93,592
Net profit before taxes (i)	14,21,213	(91,40,347)	(1,10,00,530)
Adjustment for :			
Depreciation charges	6,74,295	5,63,464	12,54,038
Provision for NPA's	34,40,417	1,56,56,365	2,52,26,632
Provision on Standard Assets	23,97,922	(2,15,094)	(1,76,547)
Depreciation on investment	1,00,790	1,02,464	(2,73,675)
Provision for Non-Performing investment	(25,983)	16,78,733	17,90,527
Other provisions	(273)	(8,626)	(3,15,981)
Interest paid on subordinate Bonds (Financing Activities)	9,93,750	12,63,750	23,89,541
Total Adjustment (ii)	75,80,918	1,90,41,057	2,98,94,555
Operating profit before change in Operating assets & liabilities (i) + (ii)	90,02,131	99,00,710	1,88,94,025
Adjustment for changes in Operating Assets & Liabilities			
Increase / (Decrease) in Deposits	2,68,09,213	1,98,13,280	8,14,93,353
Increase / (Decrease) in Borrowings	(21,898)	(21,898)	(43,796)
Increase / (Decrease) in Other liabilities & provisions	47,21,730	(12,59,833)	(70,063)
(Increase) / Decrease in investments	(5,82,17,392)	17,58,783	13,56,280
(Increase) / Decrease in Advances	(2,75,88,428)	(90,36,410)	(61,95,539)
(Increase) / Decrease in Other Assets	(51,44,497)	(1,15,44,447)	(5,03,62,659)
Net Cash flow from Operating activities (iii)	(5,94,41,272)	(2,90,526)	2,61,77,576
Cash generated from operation (i + ii + iii)	(5,04,39,141)	96,10,184	4,50,71,601
Less : Tax paid	4,71,527	10,24,225	13,28,269
TOTAL : (A)	(5,09,10,668)	85,85,959	4,37,43,332
B. CASH FLOW FROM INVESTING ACTIVITIES :			
a) Fixed Assets	(2,64,446)	(5,95,586)	(11,44,270)
b) Investment in Subsidiary	-	-	-
TOTAL : (B)	(2,64,446)	(5,95,586)	(11,44,270)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
a) Share Capital	-	-	1,56,592
b) Share Premium	-	-	48,43,407
c) Tier I & II Bonds	-	-	(60,00,000)
d) Dividend & Dividend Tax Paid	-	-	-
e) Interest Paid on Bonds	(9,93,750)	(12,63,749)	(23,89,541)
TOTAL : (C)	(9,93,750)	(12,63,749)	(33,89,542)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)			
a) Cash in hand & Balance with R.B.I	2,94,74,809	4,87,49,687	4,87,49,687
b) Balance with Banks & Money at Call & Short Notice	6,83,53,467	98,69,069	98,69,069
TOTAL : (D)	9,78,28,276	5,86,18,756	5,86,18,756
E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
a) Cash in hand & Balance with R.B.I	3,66,82,736	4,49,79,280	2,94,74,809
b) Balance with Banks & Money at Call & Short Notice	89,76,676	2,03,66,100	6,83,53,467
TOTAL : (E)	4,56,59,412	6,53,45,380	9,78,28,276

FOR & ON BEHALF OF THE BOARD


R. K. Chhibber
 Chairman & Managing Director
 DIN: 08190084
 Place: Jammu
 Date: 06/11/2020

The above Standalone Cash Flow statement has been taken on record by the Board of Directors in its meeting held on 6th November, 2020 at Srinagar

For O. P. Garg & Co.
 Chartered Accountants
 FRN: 011194N
 Digitally signed
 by MANISH
 CA. Ivanish Kumar Gupta
 Partner
 M.No. 097191
 Date: 06/11/2020

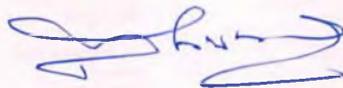
For Verma Associates
 Chartered Accountants
 FRN: 02717N
 Digitally signed by
 MADAN LAL VERMA
 CA Madan Verma
 Partner
 M.No. 081631

For P. C. Bindal & Co.
 Chartered Accountants
 FRN: 02874N
 Digitally signed by
 VIRENDER K. MAINI
 CA. Virender K. Maini
 Partner
 M.No. 088730

For K. K. Goel & Associates
 Chartered Accountants
 FRN: 05299N
 AMIT GOEL
 CA. Amit Goel
 Partner
 M.No. 098913

**“NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE PERIOD
ENDED 30TH SEPTEMBER 2020”**

1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 5th November 2020 and approved by the Board of Directors at its meeting held on 6th November, 2020. The same have been reviewed by the Statutory Auditors in accordance with the guidelines issued by RBI and as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended).
2. The above results for the period ended 30th September 2020 have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March, 2020, except that pursuant to para 5.6 of RBI Master Circular RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1 2015 on Prudential norms on Income Recognition, Asset Classification and Provisions pertaining to Advances, the Bank has opted for a change in accounting treatment in regard to floating provision by treating the provision as part of Tier-II capital instead of netting from gross NPA, due to which Provision Coverage Ratio is 80.40% instead of 83.78% and net NPA ratio is 3.03% instead of 2.52% and Tier-II ratio of the Bank as on 30th September 2020 is 1.81% with Tier-II capital as Rs. 1229.22 crores which includes Rs. 42.14 crores of floating provisions instead of 1.77% with Tier-II capital as Rs.1187.08 crores due to this change.
3. The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by the Reserve Bank of India.
4. Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of ₹ 80.50 Crores has been provided during the quarter ended 30th September 2020 towards wage revision on estimated basis.
5. 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 require the 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.com. These disclosures have not been subjected to review by the auditors.
6. Pursuant to the Accounting Standard-10 (Revised 2016) on "Property, Plant & Equipment", applicable from 1st April 2017, depreciation of Rs.5.99 Crores for the quarter ended September 2020 on revalued portion of Fixed Assets has been transferred from the Revaluation Reserve to General Reserve.
7. The Bank has booked a profit of Rs.36.59 crores on direct Sale of Securities from HTM category amounting to Rs.805.00 crores during the quarter through open market operations (OMO) purchase auction by RBI. An equivalent amount after netting of taxes and requiring transfer to statutory reserves has been transferred to capital Reserve Account.



8. MTM Provision:

MTM Provision Details	₹ in Crores
MTM Provision held on 30.06.2020	24.96
MTM Provision required on 30.09.2020	35.15
MTM Provision held on 30.09.2020	35.15

9. Provision coverage ratio as at 30th September 2020 is 80.40% without taking into account the floating provision of Rs.348.72 Crores held by the bank which is now part of Tier-II Capital due to change in Accounting treatment of floating provision.
10. The Bank has estimated the liability for unhedged foreign Currency exposure in terms of RBI Circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of ₹ 1.28 Crores as on 30.09.2020.
11. In Accordance with RBI circular no.DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019 and DOR No.BP.BC.34/21.4.048/2019-20 dated 11th February 2020, on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)" the detail of MSME restructured accounts as on 30.09.2020 is as under:

No of Accounts Restructured	Amount (₹in Crores)
28	35.74

12. As per the RBI directions issued during the financial year ended March 31, 2018 in respect of selected borrower accounts covered under the provisions of insolvency and Bankruptcy Code (IBC), against total outstanding of Rs.3932.23 Crores, bank is holding a provision of Rs.3666.06 Crores as on 30th September, 2020.
13. In the view of the continuing uncertainties prevailing in the Global and Indian economy consequent to the COVID-19 pandemic, the extent of impact on the Bank's operations and financial position remain uncertain and would depend on several factors including actions taken to mitigate its impact and other regulatory measures. Despite these prevalent conditions, in the opinion of Management there would not be significant impact on Bank's financial results and on going concern assumptions.
14. (a) In accordance with RBI guidelines relating to 'COVID-19 Regulatory Package' on asset classification and provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020 and clarification issued by RBI through Indian Banks Association dated May 06, 2020, Bank has granted a moratorium on payment of installments and or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as standard, even if overdue, as on February 29, 2020. The moratorium period, wherever granted, has been excluded by the Bank from the number of days the account is past due for the purpose of asset classification under IRAC norms.. Bank holds cumulative provision of Rs. 295 Crores in this regard as on September 30, 2020.
- 14.(b) As per RBI Circular DOR.No.BP.BC.63/21.04.048/20219-20 dated 17.04.2020 details of moratorium/deferment extended are as follows:

(Rs. In crores)

Respective amounts in SMA/ overdue categories where moratorium/deferment was extended	10290.33
Respective amount where asset classification benefit was extended	2948.54

Provisions made during the quarter ended March 31, 2020 and June 20, 2020 (Mandatory 10% provision)	295.000
Provision adjusted during respective accounting periods against slippages and residual provisions	NIL

15. The Hon'ble Supreme Court of India in public interest litigation (Gajendra Sharma Vs Union of India & Anr) vide an interim order dated September 3, 2020 has directed that accounts which were not declared N.P.A till August 31,2020 shall not be declared as N.P.A till further orders. On the basis of the said order, the Bank has not classified any account which was not N.P.A. as of August 31, 2020 as per the RBI IRAC norms. However, as a matter of prudence, the Bank has made a provision of Rs. 89.07 crores in respect of these accounts.
16. As per the Govt. of India Scheme, the difference between compound interest and simple interest to eligible borrowers from 01.03.2020 to 31.08.2020 amounting to Rs. 21.53 crore has been credited to their respective account by 05.11.2020. For accounts closed during the said period, the period for crediting would be from 01.03.2020 and restricted to date of closure of account. The claim for reimbursement is to be made to the Govt. of India latest by 05.12.2020. No effect of the circular has been given in the enclosed financial statements.
17. As per RBI circular DOR.No.BP.BC.63/21.04.048/20219-20 dated 17.04.2020, details of the number of accounts and the amount involved in those accounts where the Resolution Period was extended for the half year ended September 30, 2020 are as follows:

(Rs. In crores)

No. of accounts in which resolution period was extended	3
Amount Involved	368.71

18. The number of investor complaints pending at the beginning of the quarter were NIL, and the complaints received during the quarter were NIL and outstanding at the end of the quarter is NIL.
19. The above results are standalone and do not include that of subsidiary companies.
20. 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.
21. The statement of Assets and Liabilities is appended.



Independent Auditor's Review Report on Consolidated Unaudited Financial Results for the period ended 30th September 2020 of the Jammu & Kashmir Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Jammu and Kashmir Bank Limited
Srinagar

1. We have reviewed the accompanying Statement of **Consolidated** Unaudited Financial Results of **Jammu & Kashmir Bank Limited** (“the Parent”/“the Bank”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), and its share of the net profit/loss after tax for the quarter ended **30th September 2020** (“the Statement”), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to Pillar 3 disclosure as at 30th September 2020, including leverage ratio and liquidity coverage ratio 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 Statement, and have not been reviewed by us.
2. The Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results 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 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 includes the results of the following entities:

S.No	Name of Company	Relation	% of Holding
1.	The Jammu& Kashmir Bank Ltd	Parent	-
2.	JKB Financial Services Limited	Subsidiary	100%
3.	J&K Grameen Bank	Associate	35%

The consolidated financial statement does not include the financial statement of ‘Jammu & Kashmir Asset Reconstruction Ltd.’ in which the Bank has subscribed capital to the tune of Rs.98 lakhs and the Government of J&K has subscribed Rs.102 lakhs. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited are yet to release their respective shares towards the subscribed share capital of the company. In the meantime the promoters have decided to wind up the company and in turn the Bank has approached the Registrar of Companies for removal of the name of the company from the register of companies under section 248 of the Companies Act, 2013.

5. Based on our review conducted as above, subject to limitations in scope as mentioned in para 3 above and read with Notes to Accounts, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure including leverage ratio and liquidity coverage ratio 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 Statement and have not been reviewed by us, or that it contains any material misstatement.

6. **Emphasis of Matter**

We draw your attention on point Note No.15 (a) of the accompanying statement of consolidated unaudited financial results which describes the uncertainties due to COVID-19. In view of these circumstances, the impact on the group's operations & financial results is dependent on the future developments.

Our conclusion is not modified in respect of this matter

7. We did not review the interim financial results and other financial information of the subsidiary included in the Group, whose results reflect total assets of Rs.22.13 crores as at 30th September 2020 and total revenues of Rs.5.54 crores and total net profit after tax of Rs.1.26 crores for the quarter ended 30th September 2020. The interim financial results and other financial information of the subsidiary has been reviewed by the other auditor whose report has been furnished to us by the management and our conclusion in so far it relates to the amounts and disclosures included in respect of the entity is based solely on the report of other auditor and the procedures performed by us stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matter.

<p>For O P Garg & Co. Chartered Accountants FRN:01194N</p>  <p>Digitally signed by MANISH KUMAR GUPTA</p> <p>(CA.Manish Kumar Gupta) Partner M.No.097191 UDIN: 20097191AAAAHR3869</p>	<p>For Verma Associates. Chartered Accountants FRN:02717N</p>  <p>Digitally signed by MADAN LAL VERMA Date: 2020.11.06 16:08:29 +05'30'</p> <p>(CA.Madan Verma) Partner M.No.081631 UDIN:</p>	<p>For P C Bindal & Co. Chartered Accountants FRN:03824N</p>  <p>Digitally signed by VIRENDER KUMAR MAINI Date: 2020.11.06 15:48:53 +05'30'</p> <p>(CA.Virender K.Maini) Partner M.No.088730 UDIN:20088730AAAAEW1909</p>	<p>For K.K.Goel & Associates. Chartered Accountants FRN:05299N</p>  <p>Digitally signed by AMIT GOEL DN: c=IN, ou=Personal, title=3736, postalCode=7480753, 32080333b3, e=virender@pca47n5083a, 23420+050595711048628080a1f19, o=0682233022aa150ff4bb465c102496b31c29, postalCode=110063, cn=Delhi, serialNumber=40421967ca4763396c51955a577059258603655c074650704049a97997eb2f3, cn=AMIT GOEL Date: 2020.11.06 13:34:00 +05'30'</p> <p>(CA.Amit Goel) Partner M.No.098913 UDIN: 20098913AAAAEB3466</p>
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Place: Srinagar/Jammu/Delhi

Dated: **6th November 2020**



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

CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

(₹ IN CRORES)

		As at 30.09.2020	As at 30.09.2019	As at 31.03.2020
CAPITAL AND LIABILITIES				
Capital	1	71.36	55.70	71.36
Reserves and Surplus	2	6342.26	5671.57	6274.49
Deposits	3	100465.82	91618.52	97785.83
Borrowings	4	2017.39	2621.77	2019.58
Other Liabilities and Provisions	5	3386.86	2539.65	2677.89
TOTAL :-		112283.69	102507.21	108829.15
ASSETS				
Cash and Balance with Reserve Bank of India	6	3668.27	4497.93	2947.48
Balance with Banks & Money at Call & Short Notice	7	904.61	2044.79	6845.12
Investments	8	28818.20	22956.15	22990.47
Advances	9	66813.87	65609.51	64399.07
Fixed Assets	10	2030.11	1678.50	2071.14
Other Assets	11	10048.63	5720.33	9575.87
TOTAL :-		112283.69	102507.21	108829.15

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER

Chairman & Managing Director
DIN: 08190084

Place : Jammu
Dated : 06.11.2020

In terms of our report of even date annexed

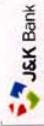
For O. P. Garg & Co.
Chartered Accountants
FRN: 001194N
 Digitally signed by
MANISH KUMAR
GUPTA
CA. Manish Kumar Gupta
Partner
M.No. 097191

For Verma Associates
Chartered Accountants
FRN: 002717N
 Digitally signed by
MADAN LAL
VERMA
CA. Madan Verma
Partner
M.No. 081631

For P. C. Bindal & Co.
Chartered Accountants
FRN: 003824N
 Digitally signed by
VIRENDER
K. MAINI
CA. Virender K. Maini
Partner
M.No. 088730

For K. K. Goel & Associates
Chartered Accountants
FRN: 005299N
 Digitally signed by
AMIT GOEL
CA. Amit Goel
Partner
M.No. 098913

Date: 06/11/2020



THE JAMSHU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L02110JK13288900048

SEGMENT RESULTS

S.No.	PARTICULARS	QUARTER ENDED				HALF YEAR ENDED				YEAR ENDED			
		30.09.2020	30.08.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020
1	Interest Earned (approved)	204.84	203.32	219.78	408.16	422.84	844.29	1632.52	1632.52	1632.52	1632.52	1632.52	1632.52
	a) Interest Discount on Advances/Bills	154.70	157.52	169.87	307.22	324.82	672.59	1344.84	1344.84	1344.84	1344.84	1344.84	1344.84
	b) Income on Investments	43.81	43.60	39.20	86.21	80.80	87.50	176.01	176.01	176.01	176.01	176.01	176.01
	c) Interest on Balances with R.B.I. & Other Inter Bank Funds	6.33	16.40	58.70	109.71	97.28	296.03	587.29	587.29	587.29	587.29	587.29	587.29
	d) Others	0.00	0.00	0.01	0.00	0.05	0.15	0.00	0.00	0.00	0.00	0.00	0.00
2	Other Income (Excluding Share of Loss in Associate)	152.40	122.19	112.88	271.59	288.24	559.37	1108.00	1108.00	1108.00	1108.00	1108.00	1108.00
3	Total Income (1+2)	357.24	325.51	332.66	679.75	711.08	1403.66	2740.52	2740.52	2740.52	2740.52	2740.52	2740.52
4	Interest Expended	1106.95	1133.88	1208.07	2247.73	2377.84	4726.24	19129.99	19129.99	19129.99	19129.99	19129.99	19129.99
5	Operating Expenses (IH)	691.77	695.11	839.96	1586.88	1637.80	3224.31	12549.51	12549.51	12549.51	12549.51	12549.51	12549.51
	I. Employees Cost	502.17	500.22	465.53	1011.39	930.94	1860.54	7043.81	7043.81	7043.81	7043.81	7043.81	7043.81
	II. Other Operating Expenses	189.60	194.89	374.43	575.49	706.86	1363.77	5385.70	5385.70	5385.70	5385.70	5385.70	5385.70
6	Total Expenditure (4+5)	1798.92	1829.76	2016.13	3834.61	3715.64	7452.55	28519.99	28519.99	28519.99	28519.99	28519.99	28519.99
7	Operating Profit before Provisions and Contingencies (2-6)	404.62	331.52	316.53	736.14	695.44	1322.85	828.53	828.53	828.53	828.53	828.53	828.53
8	Provisions (other than tax) and Contingencies	268.37	268.37	1428.17	591.28	1721.38	3252.99	12549.99	12549.99	12549.99	12549.99	12549.99	12549.99
9	-Of which provisions for NPA (Prov. For Bad & Doubtful Debts)	226.54	198.40	1451.20	344.04	1556.94	2824.69	10725.99	10725.99	10725.99	10725.99	10725.99	10725.99
10	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Profit (or loss) (c) from ordinary activities before tax (7-8-10)	78.71	65.15	168.36	144.86	174.06	370.86	573.54	573.54	573.54	573.54	573.54	573.54
12	Tax Expenses	35.32	57.85	93.17	145.65	145.65	291.30	1164.86	1164.86	1164.86	1164.86	1164.86	1164.86
	- Income Tax Provisions (incl. current tax)	28.23	46.25	8.30	52.49	52.49	104.98	419.51	419.51	419.51	419.51	419.51	419.51
	- Deferred Tax Assets/Liability	7.09	11.60	9.87	93.16	93.16	186.81	745.35	745.35	745.35	745.35	745.35	745.35
13	Net Profit (or loss) (d) from ordinary activities after tax (11-12)	43.39	7.30	75.19	0.00	28.40	79.56	162.24	162.24	162.24	162.24	162.24	162.24
14	Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Net Profit (or loss) (e) for the period (13-14)	43.39	7.30	75.19	0.00	28.40	79.56	162.24	162.24	162.24	162.24	162.24	162.24
16	Share of Profit/(Loss) From Associate Concerns	(6.61)	(6.29)	(1.19)	(11.99)	(41.77)	(49.05)	(191.38)	(191.38)	(191.38)	(191.38)	(191.38)	(191.38)
17	Net Profit (or loss) (After Share in Associates) (15-16)	37.78	2.01	74.00	38.79	(85.07)	30.51	(160.87)	(160.87)	(160.87)	(160.87)	(160.87)	(160.87)
18	Preference Share Capital (Face Value Rs. 1/- per share)	71.36	71.36	55.70	71.36	55.70	71.36	5274.49	5274.49	5274.49	5274.49	5274.49	5274.49
19	Reserves excluding revaluation reserves												
20	Analysed Ratios												
	(i) Percentage of Shares held by Govt. of J&K (BASEL III)	66.18%	66.18%	59.23%	66.18%	59.23%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%
	(ii) Capital Adequacy Ratio % (CET1 Ratio)	11.85%	11.21%	11.28%	11.21%	11.28%	11.21%	11.85%	11.21%	11.28%	11.21%	11.85%	
	(iii) Tier I Ratio (TIER1 Ratio)	6.54%	6.20%	7.96%	6.54%	6.20%	6.54%	6.54%	6.20%	7.96%	6.54%	6.54%	
	(iv) Earning per Share (EPS) (Rs.)	10.01%	9.63%	10.01%	10.01%	9.48%	9.83%	9.83%	10.01%	9.48%	9.83%	10.01%	
	a) Basic and diluted EPS before Extraordinary Items (net of tax expense) for the period, for the year to date and for the previous year (* not annualized)	0.53	0.03	(16.51)	0.56	(16.07)	(16.59)	0.56	0.53	0.03	(16.51)	0.56	
	b) Basic and diluted EPS after Extraordinary Items for the year to date and for the previous year (* not annualized)	0.53	0.03	(16.51)	0.56	(16.07)	(16.59)	0.56	0.53	0.03	(16.51)	0.56	
	(v) NPA Ratios	6317.09	7607.32	7473.29	6317.09	7473.29	7671.63	6317.09	6317.09	7671.63	6317.09	6317.09	
	a) Amount of Gross NPAs	2023.32	1986.00	2942.04	2023.32	2942.04	2243.92	2023.32	2023.32	2942.04	2023.32	2023.32	
	b) Amount of Net NPAs	8.77%	10.73%	10.64%	8.87%	10.64%	10.97%	8.77%	8.77%	10.64%	8.77%	8.77%	
	c) % of Gross NPAs to Gross Advances	3.03%	3.05%	4.49%	3.03%	4.48%	3.48%	3.03%	3.03%	4.48%	3.03%	3.03%	
	d) % of Net NPAs to Net Advances	0.16%	0.02%	(3.59%)	0.09%	(1.75%)	(1.10)%	0.16%	0.16%	(3.59%)	0.09%	0.16%	
	(vi) Return on Assets (Annualized)	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	277025360	
21	Aggregate of Public Share Holding	31.82%	31.82%	40.77%	31.82%	40.77%	31.82%	31.82%	31.82%	40.77%	31.82%	31.82%	
	(i) No. of Shares												
	(ii) Percentage of Share Holding												
22	Promoters and promoter group Shareholding												
	a) Pledge/Encumbered												
	- Number of Shares												
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)												
	- Percentage of shares (as a % of the total share capital of the company)												
	b) Non-encumbered												
	- Number of Shares												
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)												
	- Percentage of shares (as a % of the total share capital of the total share capital of the company)												

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
 For: O. P. Garg & Co.
 Chartered Accountants
 FRN: 151N
 CA. Manish Kumar Gupta
 Partner
 M.No. 097191

For: Verma Associates
 Chartered Accountants
 FRN: 002717N
 MADAN LAL VERMA
 CA Madan Verma
 Partner
 M.No. 081631

For: P. C. Bindal & Co.
 Chartered Accountants
 FRN: 003824N
 P. C. Bindal
 CA. Virender K. Malhi
 Partner
 M.No. 088730

For: K. Goel & Associates
 Chartered Accountants
 FRN: 005299N
 AMIT GOEL
 CA. Amit Goel
 Partner
 M.No. 098913

FOR & BEHALF OF THE BOARD

 R. K. CHHIBBER
 Chairman & Managing Director
 DIN: 08130084
 Place: Jammu
 Date: 06.11.2020



CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2020

	HALF YEAR ENDED		YEAR ENDED
	30.09.2020	30.09.2019	31.03.2020
	(Reviewed)	(Reviewed)	(Audited)
	₹ '000' Omitted	₹ '000' Omitted	₹ '000' Omitted
A	CASH FLOW FROM OPERATING ACTIVITIES	5,09,37,626	4,37,39,400
B	CASH FLOW FROM INVESTING ACTIVITIES	(2,65,765)	(11,46,925)
C	CASH FLOW FROM FINANCING ACTIVITIES	(9,93,750)	(33,89,542)
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,21,97,141)	3,92,02,933
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,79,26,022	5,87,23,089
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,57,28,881	9,79,26,022
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit after Taxes	3,97,930	(1,18,33,854)
	Add : Provision for Taxes	9,31,672	3,93,592
	Net profit before taxes (i)	13,29,602	(1,14,40,262)
	Adjustment for :		
	Depreciation charges	6,75,960	12,56,738
	Share of loss in Associates	(1,37,978)	
	Provision for NPA's	34,40,417	2,52,26,632
	Provision on Standard Assets	23,97,922	(1,76,547)
	Depreciation on investment	1,00,790	(2,73,675)
	Provision for Non-Performing investment	(25,983)	17,90,527
	Other provisions	(272)	(3,15,961)
	Interest paid on subordinate Bonds (Financing Activities)	9,93,750	23,89,541
	Total Adjustment (ii)	74,44,606	2,98,97,255
	Operating profit before change in Operating assets & liabilities (i) + (ii)	87,74,208	1,84,56,993
	Adjustment for changes in Operating Assets & Liabilities		
	Increase / (Decrease) in Deposits	2,67,99,909	8,14,89,984
	Increase / (Decrease) in Borrowings	(21,898)	(43,796)
	Increase / (Decrease) in Other liabilities & provisions	47,18,184	(48,660)
	(Increase) / Decrease in investments	(5,79,60,407)	17,73,966
	(Increase) / Decrease in Advances	(2,75,88,428)	(61,95,539)
	(Increase) / Decrease in Other Assets	(51,85,264)	(5,03,65,773)
	Net Cash flow from Operating activities (iii)	(5,92,37,904)	2,66,10,182
	Cash generated from operation (i + ii + iii)	(5,04,63,696)	4,50,67,175
	Less : Tax paid	4,73,930	13,27,775
	TOTAL : (A)	(5,09,37,626)	4,37,39,400
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	a) Fixed Assets	(2,65,765)	(11,46,925)
	b) Investment in Subsidiary	-	-
	TOTAL : (B)	(2,65,765)	(11,46,925)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	a) Share Capital	-	1,56,592
	b) Share Premium	-	48,43,407
	c) Tier I & II Bonds	-	(60,00,000)
	d) Dividend & Dividend Tax Paid	-	-
	e) Interest Paid on Subordinate Debt	(9,93,750)	(23,89,541)
	TOTAL : (C)	(9,93,750)	(33,89,542)
D.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (1st April)		
	a) Cash in hand & Balance with R.B.I	2,94,74,809	4,87,49,687
	b) Balance with Banks & Money at Call & Short Notice	6,84,51,213	99,73,402
	TOTAL : (D)	9,79,26,022	5,87,23,089
E.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	a) Cash in hand & Balance with R.B.I	3,66,82,736	2,94,74,809
	b) Balance with Banks & Money at Call & Short Notice	90,46,145	6,84,51,213
	TOTAL : (E)	4,57,28,881	9,79,26,022

R. K. Chhibber
Chairman & Managing Director
DIN: 08190084

Place: Jammu
Date: 06/11/2020

The above Consolidated Cash Flow statement has been taken on record by the Board of Directors in its meeting held on 6th November, 2020 at Srinagar

For O. P. Garg & Co.
Chartered Accountants
FRN: 01194N
Digitally signed by
MANISH KUMAR
GUPTA
CA. Manish Kumar Gupta
Partner
M.No. 097191
Date: 06/11/2020

For Verma Associates
Chartered Accountants
FRN: 02717N
MADAN LAL VERMA
CA. Madan Verma
Partner
M.No. 081631

For P. C. Bindal & Co.
Chartered Accountants
FRN: 03824N
Digitally signed by VIRENDER KUMAR
MADAN
Date: 2020.11.06 15:44:38 +05'30'
CA. Virender K. Malni
Partner
M.No. 088730

For K. K. Goel & Associates
Chartered Accountants
FRN: 05299N
AMIT GOEL
CA. Amit Goel
Partner
M.No. 098913

**“NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD
ENDED 30TH SEPTEMBER 2020”**

1. The consolidated financial statement of the ‘Group’ comprise the financial statements of :

S.NO.	Name of Company	Relation
1.	The Jammu & Kashmir Bank Limited	Parent
2.	JKB Financial Services Limited	Subsidiary
3.	J&K Grameen Bank	Associate

The consolidated financial statement does not include the financial statement of ‘Jammu & Kashmir Asset Reconstruction Ltd.’ in which the Bank has subscribed capital to the tune of Rs.98 lakhs and the Government of J&K has subscribed Rs.102 lakhs.The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited are yet to release their respective shares towards the subscribed share capital of the company. In the meantime the promoters have decided to wind up the company and in turn the Bank has approached the Registrar of Companies for removal of the name of the company from the register of companies under section 248 of the Companies Act, 2013.

2. The above financial results represent the consolidated financial results for The Jammu & Kashmir Bank Limited and its subsidiaries/associate constituting the 'Group'.The above consolidated financial results have been reviewed by the Audit Committee of the Board in the meeting held on 5th November 2020 and approved by the Board of Directors on 6th November 2020. The same have been subjected to “Limited Review” by the Statutory Auditors of the Bank in accordance with the guidelines issued by RBI and as per the requirement of SEBI Listing regulations.
3. The above results for the period have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March, 2020, except that pursuant to para 5.6 of RBI Master Circular RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1 2015 on Prudential norms on Income Recognition, Asset Classification and Provisions pertaining to Advances, the Bank has opted for a change in accounting treatment in regard to floating provision by treating the provision as part of Tier-II capital instead of netting from gross NPA, due to which Provision Coverage Ratio is 80.40% instead of 83.78% and net NPA ratio is 3.03% instead of 2.52% and Tier-II ratio of the Bank as on 30th September 2020 is 1.83% with Tier-II capital as Rs. 1240.09 crores which includes Rs. 42.14 crores of floating provisions instead of 1.79% with Tier-II capital as Rs.1198.75 crores due to this change.
4. The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by the Reserve Bank of India.
5. Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of Rs.80.50 crores has been provided during the quarter ended 30thSeptember 2020 towards wage revision on estimated basis.
6. 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 require the 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.com. These disclosures have not been subjected to review by the auditors.

7. Pursuant to the Accounting Standard-10 (Revised 2016) on "Property, Plant & Equipment", applicable from 1st April 2017, depreciation of Rs.5.99 Crores for the quarter ended September 2020 on revalued portion of Fixed Assets has been transferred from the Revaluation Reserve to General Reserve.
8. The Bank has booked a profit of Rs.36.59 crores on direct Sale of Securities from HTM category amounting to Rs.805.00 crores during the quarter through open market operations (OMO) purchase auction by RBI. An equivalent amount after netting of taxes and requiring transfer to statutory reserves has been transferred to capital Reserve Account.
9. MTM Provision:

MTM Provision Details	Rs.(in Crores)
MTM Provision held on 30.06.2020	24.96
MTM Provision required on 30.09.2020	35.15
MTM Provision held on 30.09.2020	35.15

10. Provision coverage ratio as at 30th September 2020 is 80.40% without taking into account the floating provision of Rs.348.72 Crores held by the bank which is now part of Tier-II Capital due to change in Accounting treatment of floating provision.
11. The Bank has estimated the liability for unhedged foreign Currency exposure in terms of RBI Circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of Rs.1.28 Crores as on 30.09.2020.
12. In Accordance with RBI circular no.DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019 and DOR No.BP.BC.34/21.4.048/2019-20 dated 11th February 2020, on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)" the detail of MSME restructured accounts as on 30.09.2020 is as under:

No of Accounts Restructured	Amount Rs (in Crores)
28	35.74

13. As per the RBI directions issued during the financial year ended March 31, 2018 in respect of selected borrower accounts covered under the provisions of insolvency and Bankruptcy Code (IBC), against total outstanding of Rs.3932.23 crores, bank is holding a provision of Rs.3666.06 crores as on 30th September, 2020.
14. In the view of the continuing uncertainties prevailing in the Global and Indian economy consequent to the COVID-19 pandemic, the extent of impact on the Banks's operations and financial position remain uncertain and would depend on several factors including actions taken to mitigate its impact and other regulatory measures. Despite these prevalent conditions, in the opinion of Management there would not be significant impact on Bank's financial results and on going concern assumptions.
15. (a) In accordance with RBI guidelines relating to 'COVID-19 Regulatory Package' on asset classification and provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020 and clarification issued by RBI through Indian Banks Association dated May 06, 2020, Bank has

granted a moratorium on payment of installments and or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as standard, even if overdue, as on February 29, 2020. The moratorium period, wherever granted, has been excluded by the Bank from the number of days the account is past due for the purpose of asset classification under IRAC norms. Bank holds cumulative provision of Rs. 295 Crores in this regard as on September 30, 2020.

(b) As per RBI Circular DOR.No.BP.BC.63/21.04.048/20219-20 dated 17.04.2020 details of moratorium/deferment extended are as follows:

(Rs. In crores)

Respective amounts in SMA/ overdue categories where moratorium/ deferment was extended	10290.33
Respective amount where asset classification benefit was extended	2948.54
Provisions made during the quarter ended March 31, 2020 and June 20, 2020 (Mandatory 10% provision)	295.00
Provision adjusted during respective accounting periods against slippages and residual provisions	NIL

16. The Hon'ble Supreme Court of India in public interest litigation (Gajendra Sharma Vs Union of India & Anr) vide an interim order dated September 3, 2020 has directed that accounts which were not declared N.P.A till August 31,2020 shall not be declared as N.P.A till further orders. On the basis of the said order, the Bank has not classified any account which was not N.P.A. as of August 31,2020 as per the RBI IRAC norms. However, as a matter of prudence, the Bank has made a provision of Rs. 89.07 crores in respect of these accounts.

17. As per the Govt. of India Scheme, the difference between compound interest and simple interest to eligible borrowers from 01.03.2020 to 31.08.2020 amounting to Rs. 21.53 crores has been credited to their respective account by 05.11.2020. For accounts closed during the said period, the period for crediting would be from 01.03.2020 and restricted to date of closure of account. The claim for reimbursement is to be made to the Govt. of India latest by 05.12.2020. No effect of the circular has been given in the enclosed financial statements.

18. As per RBI circular DOR.No.BP.BC.63/21.04.048/20219-20 dated 17.04.2020, details of the number of accounts and the amount involved in those accounts where the Resolution Period was extended for the half year ended September 30, 2020 are as follows:

(Rs. In crores)

No. of accounts in which resolution period was extended	3
Amount Involved	368.71

19. The number of investor complaints pending at the beginning of the quarter were NIL, and the complaints received during the quarter were NIL and outstanding at the end of the quarter is NIL.

20. 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.

21. The statement of Assets and Liabilities is appended.