

**Board Secretariat**Ref:-JKB/BS/F3652/2021/050
Dated: 17th June, 2021

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:- AUDITED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31ST MARCH, 2021

Dear Sirs,

Pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Audited Financial Results (Consolidated and Standalone) of the Bank for the fourth quarter and financial year ended 31st March, 2021. The results were approved by the Board of Directors at their meeting held today i.e., 17th June, 2021.

Further pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the detailed information is furnished as under:

(Amount in Crores)

| S. No. | Particulars | 31.03.2021 (Consolidated) | 31.03.2020 (Consolidated) | Rating Agency | |
|--------|--|-----------------------------------|------------------------------|---------------|---------------|
| 1 | Credit rating and change in credit rating (if any): | | | | |
| | 1. Certificate of Deposits | CRISIL A1+ | CRISIL A1+ | CRISIL | |
| | 2. Short Term Deposits | CRISIL A1+ | CRISIL A1+ | | |
| | 3. Long term Deposits | FAA-/Negative | FAA-/Negative | | |
| | 4. Tier II Sub ordinate Debt | BWR AA - Negative (Reaffirmed) | BWR AA - Negative | | Brickwork |
| | 5. AT1 | IND A + Negative (Downgrade) | IND AA - Negative | | India Ratings |
| | | BWR A Negative (Reaffirmed) | BWR A Negative | Brickwork | |
| 2 | Gross Profit | 1615.46 | 1522.85 | | |
| 3 | Previous due date for the payment of interest/dividend for non-convertible preference shares/repayment of principal of non-convertible preference shares/on convertible debt securities and whether the same has been paid or not; | Not Applicable | Not Applicable | | |
| 4 | Next due date for the payment of interest/dividend of non-convertible preference shares/principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount; | Not Applicable | Not Applicable | | |
| 5 | Outstanding redeemable preference shares (quantity and value) | Not Applicable | Not Applicable | | |
| 6 | Capital redemption reserve/debenture redemption reserve | Not Applicable | Not Applicable | | |
| 7 | Net Worth | 6802.27 | 6345.85 | | |
| 8 | Net profit after tax | 428.45 | (1183.38) | | |
| 9 | Earnings per share | 6.01 | (16.59) | | |

The meeting for the day commenced at 11:30 A.M. and concluded at 07:05 P.M. The meeting was however adjourned for the next day to transact left over businesses.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully

For Jammu and Kashmir Bank Ltd.

(Mohammad Shafi Mir)
Company Secretary

Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results 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
The Jammu & Kashmir Bank Limited

Opinion

1. We have audited the accompanying standalone financial results of **The Jammu & Kashmir Bank Limited** ('the Bank') for the quarter and year ended **31st March 2021**, attached herewith, (the 'standalone Financial Results'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar-3 as at March 31, 2021 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 aforesaid Financial Results (Note No.20) and have not been audited by us.

The standalone financial statements included the Returns for the year ended on that date of:

- I. **57** branches/offices audited by us
- II. **928** branches audited by Statutory Branch Auditors.

The Branches/offices audited by us and those audited by other auditors have been selected by the Comptroller & Auditor General of India in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance sheet, the Profit and Loss Account and Cash Flow statements are the returns from 928 branches which have been audited by Statutory Branch Auditors. These Branches account for 90.09% percent of advances, 91.96% percent of deposits, 69.75% percent of interest income and 87.16% percent of interest expenses.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements / financial information of the branches, as referred to in paragraphs 12 below, the aforesaid standalone Financial Results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March 2021, 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 standalone Financial Results and have not been reviewed or audited by us; and
 - (ii) give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the year ended 31st March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

4. We draw attention to Note 11 to the Financial Results which explains the uncertainties due to outbreak of novel corona virus (COVID 19) and the management assessment of its impact on the business operation of the Bank.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Results

5. These standalone Financial Results have been prepared on the basis of the standalone annual financial statements and reviewed quarterly standalone Financial Results upto the end of the third quarter. The Bank's Management and Board of Directors are responsible for the preparation and presentation of these standalone Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the standalone Financial Results, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for



expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone Financial Results, including the disclosures, and whether the standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

12. We did not audit the financial statements/information of 928 branches/offices included in the standalone Financial Results of the Bank whose Financial Results reflect total advances of Rs.68368.84 Crores as at 31st March 2021, as considered in the standalone Financial Results. The financial statements/ information of these branches has been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
13. We report that the figures for the quarter ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures up to the December 31, 2020 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Our opinion is not modified in respect of above matters.

For O P Garg & Co.
Chartered Accountants

FRN:01194N

FRN-001194N

(CA. Vikram Garg)
Partner

M.No.097038

UDIN:21097038AAAAEV8621

For Verma Associates.
Chartered Accountants

FRN:02717N

FRN-002717N

(CA. Madan Verma)
Partner

M.No.081631

UDIN:

For P C Bindal & Co.
Chartered Accountants

FRN:03824N

(CA. Shailza Wazir)
Partner

M.No.502279

UDIN:

21502279AAAAEC1865

For K.K.Goel & Associates.
Chartered Accountants

FRN:05299N

F. R. No. 005299N

(CA. Amit Kumar Gupta)
Partner

M.No.501373

UDIN:21501373AAAAABW5989

Place: Srinagar

Dated: 17th June 2021

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AAAA C09032



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

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ IN CRORES)

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|----|---------------------|---------------------|
| CAPITAL AND LIABILITIES | | | |
| Capital | 1 | 71.36 | 71.36 |
| Reserves and Surplus | 2 | 6754.25 | 6322.12 |
| Deposits | 3 | 108061.15 | 97788.23 |
| Borrowings | 4 | 2015.20 | 2019.58 |
| Other Liabilities and Provisions | 5 | 3389.99 | 2670.81 |
| TOTAL :- | | 120291.95 | 108872.10 |
| ASSETS | | | |
| Cash and Balance with Reserve Bank of India | 6 | 3685.33 | 2947.48 |
| Balance with Banks & Money at Call & Short Notice | 7 | 5812.26 | 6835.35 |
| Investments | 8 | 30814.24 | 23052.24 |
| Advances | 9 | 66841.73 | 64399.07 |
| Fixed Assets | 10 | 2012.41 | 2070.52 |
| Other Assets | 11 | 11125.98 | 9567.44 |
| TOTAL :- | | 120291.95 | 108872.10 |

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER

Chairman & Managing Director
DIN: 08190084

Place : Srinagar
Dated : 17/06/2021

In terms of our report of even date annexed

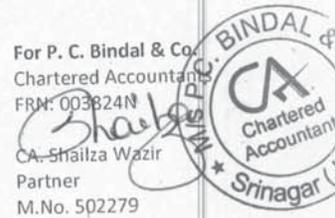
For O. P. Garg & Co.
Chartered Accountants
FRN: 001194N
CA. Vikram Garg
Partner
M.No. 097038



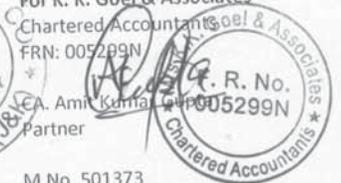
For Verma Associates
Chartered Accountants
FRN: 002717N
CA. Madan Verma
Partner
M.No. 081691



For P. C. Bindal & Co.
Chartered Accountants
FRN: 003824N
CA. Shailza Wazir
Partner
M.No. 502279



For K. K. Goel & Associates
Chartered Accountants
FRN: 005299N
CA. Amit Kumar
Partner
M.No. 501373



Place : Srinagar
Date: 17/06/2021

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STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2021

| S.No. | PARTICULARS | QUARTER ENDED | | | YEAR ENDED | | |
|-------|--|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 31.03.2021 (AUDITED) | 31.12.2020 (REVIEWED) | 31.03.2020 (AUDITED) | 31.03.2021 (AUDITED) | 31.03.2020 (AUDITED) | 31.03.2020 (AUDITED) |
| 1 | Interest Earned (a+b+c+d) | 1961.56 | 2076.37 | 2156.09 | 8111.09 | 8446.20 | 1094.24 |
| | a) Interest/Discount on Advances/Bills | 1429.33 | 1976.47 | 1655.98 | 6063.02 | 6572.50 | 2611.12 |
| | b) Income on Investments | 429.80 | 409.39 | 409.39 | 1730.79 | 1607.61 | 5134.45 |
| | c) Interest on Balance with R.B.I. & Other Inter Bank Funds | 82.42 | 74.07 | 90.66 | 317.22 | 266.03 | 45.87 |
| | d) Others | 0.03 | 0.05 | 0.06 | 0.06 | 0.15 | 0.00 |
| 2 | Other Income | 178.09 | 271.65 | 120.91 | 718.99 | 545.92 | 9725.68 |
| 3 | Total Income (1+2) | 2129.65 | 2348.02 | 2277.00 | 8830.08 | 8992.12 | 8921.21 |
| 4 | Interest Expended | 1034.14 | 1071.24 | 1168.85 | 4340.31 | 4739.62 | 8992.21 |
| 5 | Operating Expenses (H+I) | 781.16 | 713.31 | 726.01 | 2878.54 | 2727.54 | 1041.54 |
| | I. Employees Cost | 546.00 | 504.48 | 489.72 | 2059.36 | 1886.05 | 743.53 |
| | II. Other Operating Expenses | 235.16 | 208.83 | 236.29 | 819.18 | 841.49 | 44.07 |
| 6 | Total Expenditure (4+5) | 1815.30 | 1784.55 | 1894.86 | 7218.85 | 7487.16 | 1101.70 |
| 7 | Operating Profit before Provisions and Contingencies (J&K) | 314.35 | 365.47 | 382.14 | 1611.23 | 1525.05 | 165.59 |
| 8 | Provisions (other than tax) and Contingencies | 28.26 | 457.61 | 620.49 | 1077.16 | 2625.10 | 1041.54 |
| 9 | Of which provisions for NPA (Prov. For Bad & Doubtful Debts) | 444.68 | 234.43 | 896.21 | 1023.15 | 2522.66 | 1041.54 |
| 10 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | Profit (Loss) from ordinary activities before tax (7-8-10) | 286.09 | 105.86 | 328.35 | 534.07 | 1100.09 | 39.36 |
| 12 | Tax Expenses | (29.69) | 39.92 | 55.75 | 101.95 | 36.30 | (1139.41) |
| | - Income Tax Provisions (incl. current tax) | (29.69) | 39.92 | 55.75 | 101.95 | 36.30 | (1139.41) |
| | - Deferred Tax Asset/Liability | (0.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Profit (Loss) from ordinary activities after tax (11-12) | (29.69) | 65.94 | 272.60 | 432.12 | 1063.79 | 1063.79 |
| 14 | Extraordinary Items (net of tax expenses) | 132.92 | (13.89) | (15.10) | 65.30 | (32.55) | 44.07 |
| 15 | Net Profit (Loss) for the period (13-14) | 313.75 | 68.94 | 257.50 | 497.42 | 1031.24 | 1108.34 |
| 16 | Paid-up Equity Share Capital (Face Value Rs. 1/- per share) | 315.75 | 68.94 | 257.50 | 497.42 | 1031.24 | 1108.34 |
| 17 | Reserves excluding Revaluation Reserves | 71.36 | 71.36 | 71.36 | 71.36 | 71.36 | 71.36 |
| 18 | Revaluation Reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Analytical Ratios | | | | | | |
| | (i) Percentage of Shares held by Govt. of J&K | 68.18% | 68.18% | 68.18% | 68.18% | 68.18% | 68.18% |
| | (ii) Capital Adequacy Ratio % (BASEL III) | 12.20% | 11.77% | 11.40% | 12.20% | 11.40% | 12.20% |
| | (iii) Earning per Share (EPS) (Rs.) | 4.43* | 0.92* | 0.92* | 6.06 | 6.06 | 6.06 |
| | (iv) NPA Ratio | 69.64% | 61.96% | 62.43% | 69.64% | 62.43% | 69.64% |
| | (v) Return on Assets (Annualized) | 1.08% | 0.22% | 0.22% | 1.08% | 0.22% | 1.08% |
| 20 | Aggregate of Public Share Holding | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 |
| | (i) No. of Shares | 31.82% | 31.82% | 31.82% | 31.82% | 31.82% | 31.82% |
| | (ii) Percentage of Shares Holding | 68.18% | 68.18% | 68.18% | 68.18% | 68.18% | 68.18% |
| 21 | Promoters and promoter group Shareholding | 486425578 | 486425578 | 486425578 | 486425578 | 486425578 | 486425578 |
| | a) Fledged/Encumbered | NI | NI | NI | NI | NI | NI |
| | b) Non-encumbered | 100% | 100% | 100% | 100% | 100% | 100% |

SEGMENT RESULTS
(₹ In Crores)

| Description | QUARTER ENDED | | | YEAR ENDED | | |
|---------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31.03.2021 (AUDITED) | 31.12.2020 (REVIEWED) | 31.03.2020 (AUDITED) | 31.03.2021 (AUDITED) | 31.03.2020 (AUDITED) | 31.03.2020 (AUDITED) |
| 1) Segment Revenue (Income) | 532.08 | 649.64 | 495.14 | 2313.34 | 1934.24 | 1934.24 |
| i) Treasury Operations | 412.20 | 526.85 | 601.26 | 1887.56 | 2611.12 | 2611.12 |
| ii) Corporate/Wholesale Banking | 135.41 | 142.81 | 134.88 | 540.63 | 5134.45 | 5134.45 |
| iii) Retail Banking | 20.97 | 12.37 | 17.28 | 52.96 | 45.87 | 45.87 |
| iv) Other Banking Business | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| v) Un-Allocated Business | 2316.59 | 2613.47 | 2461.76 | 9684.51 | 9725.68 | 9725.68 |
| Less: Inter Segment Revenue | (166.94) | (265.45) | (184.76) | (8530.08) | (8992.21) | (8992.21) |
| Less: Inter Segment Profit/Loss | (2129.65) | (2348.02) | (2277.00) | (8830.08) | (8992.21) | (8992.21) |
| Net Income from Operations | 19.65 | 159.22 | 64.69 | 300.67 | 165.59 | 165.59 |
| 2) Segment Results | 173.01 | (129.78) | (248.25) | (3.89) | (1041.54) | (1041.54) |
| i) Treasury Operations | 350.49 | 347.91 | 198.40 | 1311.71 | 743.53 | 743.53 |
| ii) Corporate/Wholesale Banking | 20.59 | 12.01 | 15.48 | 51.42 | 44.07 | 44.07 |
| iii) Retail Banking | (277.65) | (282.50) | (268.67) | (1125.74) | (1101.70) | (1101.70) |
| iv) Other Banking Business | 286.09 | 105.86 | (238.35) | 534.07 | (1100.09) | (1100.09) |
| v) Un-Allocated Business | (29.69) | 39.92 | 55.75 | 101.95 | 39.36 | 39.36 |
| Less: Tax Expenses (credit) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Extraordinary Profit/Loss | 315.75 | 65.94 | (294.10) | 432.12 | (1139.41) | (1139.41) |
| Net Profit(Loss) After Tax | 41397.53 | 36338.97 | 34279.76 | 41397.53 | 34279.76 | 34279.76 |
| 3) Segment Assets | 21197.51 | 22203.01 | 24921.68 | 21197.51 | 24921.68 | 24921.68 |
| i) Treasury Operations | 57696.80 | 55454.64 | 49670.53 | 57696.80 | 49670.53 | 49670.53 |
| ii) Corporate/Wholesale Banking | 0.11 | 0.12 | 0.13 | 0.11 | 0.13 | 0.13 |
| iii) Retail Banking | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Other Banking Business | 120291.95 | 115997.74 | 108872.10 | 120291.95 | 108872.10 | 108872.10 |
| v) Un-Allocated Business | 5326.12 | 5326.12 | 5326.12 | 5326.12 | 5326.12 | 5326.12 |
| Less: Tax Expenses | 996.00 | 996.00 | 996.00 | 996.00 | 996.00 | 996.00 |
| 4) Segment Liabilities | 28063.54 | 27152.85 | 27372.64 | 28063.54 | 27372.64 | 27372.64 |
| i) Treasury Operations | 85358.69 | 82287.34 | 75085.10 | 85358.69 | 75085.10 | 75085.10 |
| ii) Corporate/Wholesale Banking | 0.06 | 0.06 | 0.07 | 0.06 | 0.07 | 0.07 |
| iii) Retail Banking | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Other Banking Business | 113466.34 | 109487.89 | 102478.62 | 113466.34 | 102478.62 | 102478.62 |
| v) Un-Allocated Business | 43.05 | 47.64 | 20.81 | 43.05 | 20.81 | 20.81 |
| 5) Capital Employed | 41354.48 | 36292.33 | 34256.95 | 41354.48 | 34256.95 | 34256.95 |
| i) Treasury Operations | (8666.03) | (4849.84) | (2450.96) | (8666.03) | (2450.96) | (2450.96) |
| ii) Corporate/Wholesale Banking | (27662.89) | (26832.70) | (25414.57) | (27662.89) | (25414.57) | (25414.57) |
| iii) Retail Banking | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| iv) Other Banking Business | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| v) Un-Allocated Business | 6825.61 | 6509.83 | 6393.48 | 6825.61 | 6393.48 | 6393.48 |
| Total :- | 113466.34 | 109487.89 | 102478.62 | 113466.34 | 102478.62 | 102478.62 |

FOR & ON BEHALF OF THE BOARD

R. K. CHIBBER
 Chairman & Managing Director
 DIN: 08190084
 Place: Srinagar
 Date: 17/06/2021



For P. C. Bindal & Co.
 Chartered Accountants
 FRN: 005299N
 CA. Amit Kumar Gupta
 Partner
 M.No. 501373



For P. C. Bindal & Co.
 Chartered Accountants
 FRN: 005299N
 CA. Shilpa-Wazir
 Partner
 M.No. 502279

IN TERMS OF OUR REPORT OF EVEN DATE



For P. O. P. Garg & Co.
 Chartered Accountants
 FRN: 001194N
 CA. Vikram Garg
 Partner
 M.No. 097038



For R. K. Chibber & Associates *
 Chartered Accountants
 FRN: 002271N
 CA. Masud ul Islam
 Partner
 M.No. 081631

Independent Auditor's Report on the Annual Consolidated Financial Results 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
The Jammu & Kashmir Bank Limited

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of The Jammu and Kashmir Bank Limited ('the Bank'/the parent) and its subsidiary (the parent and its subsidiaries together referred to as 'the Group') for the year ended **31st March 2021**, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar-3 as at March 31, 2021 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 aforesaid Financial Results (Note No.20) and have not been audited by us.

The consolidated financial statements included the Returns for the year ended on that date of:

- I. **57** branches/offices audited by us;
 - II. **928** branches audited by Statutory Branch Auditors;
 - III. **1** subsidiary audited by the subsidiary company auditor; and
 - IV. **1** associate audited by the associate appointed auditor.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate audited financial statements / financial information of the subsidiary, associate and branches, as referred to in paragraphs 7 to 10 below, the aforesaid consolidated Financial Results:

(i) includes the annual financial results of the following entities:

| Sn. | Name of Company | Relation |
|-----|--------------------------------|------------|
| 1. | The Jammu & Kashmir Bank Ltd | Parent |
| 2. | JKB Financial Services Limited | Subsidiary |
| 3. | J&K Grameen Bank | Associate |

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March 2021, 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 consolidated Financial Results and have not been audited by us; and

(iii) give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the year ended 31st March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) and applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under applicable law, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion



Emphasis of Matter

4. We draw attention to Note No.11 to the Statement which explains the uncertainties due to outbreak of novel corona virus (COVID 19) and the management assessment of its impact on the business operation of the Bank.

Our opinion is not modified in respect of above matter.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Results

5. These consolidated Financial Results have been prepared on the basis of the consolidated annual audited financial statements and reviewed quarterly consolidated Financial Results up to the end of the third quarter.

The bank's Board of Directors are responsible for the preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated financial position and other financial information of the Group including its associates and jointly controlled entities in accordance with the Accounting Standards/ Indian Accounting Standards 21"-Consolidated Financial Statements", Accounting Standard 23-'Accounting for Investment in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank as aforesaid.

In preparing the consolidated Financial Results, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the Bank's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are also responsible for overseeing the Bank's financial reporting process of the Group.

Auditor's Responsibilities for the audit of the Consolidated Financial Results

6. Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

7. We did not audit the financial statements/information of 928 branches/offices included in the consolidated Financial Results of the Bank whose Financial Results reflect total advances of Rs.68368.84 Crores as at 31st March 2021, as considered in the consolidated Financial Results. The financial statements/ information of these branches has been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
8. The accompanying consolidated Financial Results include the audited financial results of 1 subsidiary whose financial statements/ results/ financial information reflects Group's share of total assets of Rs.35.43 crores as at 31st March 2021, Group's share of total revenues of Rs.9.84 crores, and Group's share of total net profit after tax of Rs.2.67 crores for the year ended on that date, which has been audited by other auditor, which financial statements, other financial information and Auditor report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the reports of such other auditor.



9. The consolidated Financial Results includes Bank's share of net profit after tax of Rs. 5.48 crores for the quarter ended March 31, 2021 and loss of Rs. 6.35 crores for the year ended March 31, 2021, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other independent auditor whose report on financial statements has been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of such auditor. *The Auditor has qualified the report of the Associate. As per the Auditor 'Basis of Qualified Opinion' during the year ended 31st March 2021, J&K Grameen Bank has breached the regulatory requirements of the National Bank for Agriculture and Rural Development ('NABARD') regarding maintaining the minimum CRAR which indicates the position of capital adequacy of a bank. The breach is primarily on account of provision for pension liability to the tune of Rs.69.07 crores provided during the year ended 31st March 2021 in accordance with NABARD circular no. NB. DoS. Pol. HO/2533/J-1/2019-20 dated 12 December 2019. This breach is further going to be aggravated due to additional provision of Rs.185.70 crores in respect of pension liability of the Bank required to be made in next two financial years. As at 31st March 2021 the total Capital Ratio (CRAR) stood at -0.35% as compare to minimum requirement of 9%. This implies that J&K Grameen Bank will have to take effective steps to augment its capital base in the year 2021-22. Further, in view of the 'NABARD'/'RBI' norms relating to the breach of the aforesaid ratio, there is uncertainty around 'NABARD'/'RBI's potential action for such a breach. The concerned Auditor is unable to comment on the consequential impact of the above regulatory breach on these Associate's Financial Statements.*
10. We did not incorporate The Jammu & Kashmir Asset Reconstruction Limited which has been incorporated by Government of J&K and J&K Bank Ltd on 28.04.2017. The Bank has subscribed capital to the tune of Rs.98 lakhs whereas Government of J&K has subscribed Rs.102 lakhs. The Bank has incurred Rs.76,32,730/- towards incorporation expenses for the company. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not released their respective shares towards the 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 (J&K) (RoC) for removal of the name of the company from the register of companies under Section 248 of the Companies Act, 2013. The application of the Bank is pending with RoC.
11. We report that the figures for the quarter ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures up to the December 31, 2020 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Our opinion on the consolidated financial statements and our report on other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors.

For O P Garg & Co.
Chartered Accountants

FRN:01194N



(CA. Vikram Garg)

Partner

M.No.097038

UDIN:21097038AAAAEW7705

For Verma Associates.
Chartered Accountants

FRN:02717N



(CA. Madan Verma)

Partner

M.No.081631

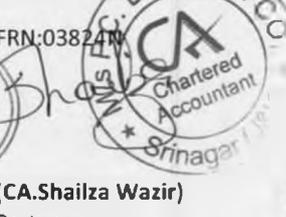
UDIN:

21081631

AAAA CP 382

For P C Bindal & Co.
Chartered Accountants

FRN:03824N



(CA. Shailza Wazir)

Partner

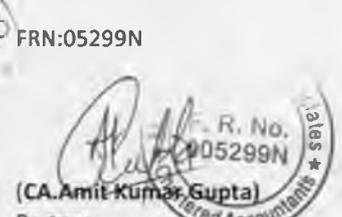
M.No.502279

UDIN:

21502279AAAAED4346

For K.K.Goel & Associates.
Chartered Accountants

FRN:05299N



(CA. Amit Kumar Gupta)

Partner

M.No.501373

UDIN:21501373AAAAABX2691

Place : Srinagar

Dated: 17th June 2021



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

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021

(₹ IN CRORES)

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|----|---------------------|---------------------|
| CAPITAL AND LIABILITIES | | | |
| Capital | 1 | 71.36 | 71.36 |
| Reserves and Surplus | 2 | 6730.91 | 6274.49 |
| Deposits | 3 | 108047.30 | 97785.83 |
| Borrowings | 4 | 2015.20 | 2019.58 |
| Other Liabilities and Provisions | 5 | 3408.10 | 2677.89 |
| TOTAL :- | | 120272.87 | 108829.15 |
| ASSETS | | | |
| Cash and Balance with Reserve Bank of India | 6 | 3685.33 | 2947.48 |
| Balance with Banks & Money at Call & Short Notice | 7 | 5818.37 | 6845.12 |
| Investments | 8 | 30774.10 | 22990.47 |
| Advances | 9 | 66841.73 | 64399.07 |
| Fixed Assets | 10 | 2012.84 | 2071.14 |
| Other Assets | 11 | 11140.50 | 9575.87 |
| TOTAL :- | | 120272.87 | 108829.15 |

FOR & ON BEHALF OF THE BOARD

R.K. CHHIBBER

Chairman & Managing Director
DIN: 08190084

Place : Srinagar
Dated : 17/06/2021

In terms of our report of even date annexed

For O. P. Goel & Co.
Chartered Accountants
FRN: 001194N
CA. Vikram Goel
Partner
M.No. 081038

Place : Srinagar
Date: 17/06/2021

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

For P. C. Bindal & Co.
Chartered Accountants
FRN: 003827N
CA. Shaliza Bazar
Partner
M.No. 502279

For K. K. Goel & Associates
Chartered Accountants
FRN: 005299N
CA. Kamal Kumar Goel
Partner
M.No. 501373

AAAA CP5988



THE JAMMU & KASHMIR BANK LTD.
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR-190001
CIN: L6516LJK19385GCG00048

SEGMENT RESULTS

| S.No. | CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2021 | | | | ₹ In Crores | | | |
|--|--|-----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| | 31.03.2021 (AUDITED) | 31.12.2020 (REVIEWED) | 31.03.2020 (AUDITED) | 31.03.2020 (AUDITED) | 31.03.2021 (AUDITED) | 31.12.2020 (REVIEWED) | 31.03.2020 (AUDITED) | 31.03.2020 (AUDITED) |
| 1 | 1951.56 | 2076.37 | 2156.08 | 8446.29 | 532.06 | 649.64 | 495.14 | 2313.34 |
| a) Interest earned on Advances/Bills | 1429.30 | 1576.47 | 1655.02 | 6572.50 | 413.42 | 526.86 | 569.76 | 1688.79 |
| b) Interest on Investments | 439.78 | 426.80 | 409.59 | 1730.76 | 1352.41 | 1426.39 | 1351.55 | 548.82 |
| c) Interest on Balance with B.I. & Other Inter Bank Funds | 82.42 | 74.07 | 90.66 | 266.03 | 20.97 | 12.37 | 16.89 | 52.96 |
| d) Others | 0.03 | 0.03 | 0.06 | 0.15 | 0.00 | 0.00 | 0.00 | 46.87 |
| 2 | 180.38 | 273.44 | 122.50 | 500.37 | 2318.88 | 2615.26 | 2463.34 | 9703.93 |
| 3 | 2131.64 | 2349.81 | 2278.58 | 8996.66 | 195.94 | 265.45 | 164.76 | 733.47 |
| 4 | 1034.05 | 1071.10 | 1168.80 | 4739.24 | 2131.64 | 2349.81 | 2278.58 | 8939.50 |
| 5 | 762.77 | 714.51 | 727.36 | 2864.16 | 174.12 | 179.74 | 64.69 | 300.67 |
| i) Employees Cost | 545.63 | 505.21 | 480.51 | 1890.64 | 350.96 | 346.32 | 200.80 | 1171.66 |
| ii) Other Operating Expenses | 236.64 | 209.30 | 236.85 | 843.53 | 20.96 | 12.01 | 15.09 | 51.47 |
| 6 | 1816.62 | 1765.61 | 1896.16 | 7473.81 | 174.12 | 179.74 | 64.69 | 300.67 |
| 7 | 315.12 | 564.20 | 382.42 | 1522.85 | 21203.62 | 22208.63 | 24651.47 | 24651.47 |
| 8 | 28.27 | 457.61 | 620.49 | 2625.10 | 57711.76 | 55464.34 | 49679.56 | 49679.56 |
| 9 | 444.68 | 234.43 | 586.21 | 2522.06 | 286.85 | 106.59 | 239.07 | 1102.25 |
| 10 | 0.00 | 0.00 | 0.00 | 0.00 | (29.85) | 40.22 | 55.75 | 36.36 |
| 11 | 286.85 | 106.59 | (238.07) | 538.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | (29.85) | 40.22 | 55.75 | 39.36 | 316.74 | 66.37 | (263.82) | 434.80 |
| 13 | (162.93) | 53.63 | 71.81 | 36.65 | 5.48 | 0.07 | (42.92) | (41.77) |
| 14 | 133.04 | (13.71) | (16.16) | 66.65 | (32.55) | 66.44 | (336.74) | (1183.38) |
| 15 | 316.74 | 66.37 | (263.82) | 434.80 | 41357.38 | 38294.35 | 34217.66 | 34217.66 |
| 16 | 5.48 | 0.07 | (42.92) | (41.77) | 21203.62 | 22208.63 | 24651.47 | 24651.47 |
| 17 | 322.22 | 66.44 | (336.74) | 428.45 | 57711.76 | 55464.34 | 49679.56 | 49679.56 |
| 18 | 71.36 | 71.36 | 71.36 | 578.29 | 0.11 | 0.12 | 0.13 | 0.11 |
| 19 | 71.36 | 71.36 | 71.36 | 578.29 | 120272.87 | 119667.44 | 108829.15 | 120272.87 |
| 20 | 66.18% | 66.18% | 66.18% | 66.18% | 43.05 | 47.64 | 20.81 | 20.81 |
| (i) Percentage of Shares held by Govt. of J&K | 12.20% | 11.39% | 11.39% | 12.20% | 28068.32 | 27156.23 | 27374.78 | 27374.78 |
| (ii) Capital Adequacy Ratio % (BASEL III) | 8.82% | 8.49% | 8.37% | 8.37% | 85359.17 | 82293.46 | 75087.64 | 85359.17 |
| (CET1 Ratio) | 10.27% | 9.97% | 9.83% | 10.27% | 0.06 | 0.06 | 0.06 | 0.06 |
| (Tier I Ratio) | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (iii) Earning per Share (EPS) (Rs.) | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| a) Basic and diluted EPS before Extraordinary items | 4.52* | 0.80* | (4.72)* | 6.01 | 41314.33 | 38246.71 | 34187.18 | 34187.18 |
| (net of tax expense) for the period, for the year to date and for the date and for the previous year (* not annualized) | 4.52* | 0.80* | (4.72)* | 6.01 | (2664.70) | (26819.12) | (25408.08) | (2664.70) |
| b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized) | 6954.75 | 6166.06 | 7671.63 | 6954.75 | 0.05 | 0.05 | 0.05 | 0.05 |
| (iv) NPA Ratio's | 1969.33 | 1664.33 | 2243.82 | 2243.82 | 0.00 | 0.00 | 0.00 | 0.00 |
| a) Amount of Gross NPAs | 9.67% | 8.71% | 10.97% | 10.97% | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Amount of Net NPAs | 2.95% | 2.50% | 3.48% | 3.48% | 6802.27 | 6480.05 | 6345.85 | 6802.27 |
| c) % of Gross NPAs to Gross Advances | 1.08% | 0.22% | (1.11)% | 0.28% | 113470.80 | 109487.39 | 102483.30 | 113470.80 |
| d) % of Net NPAs to Net Advances | | | | | | | | |
| (v) Return on Assets (Annualized) | | | | | | | | |
| (vi) Return on Equity (Annualized) | | | | | | | | |
| 21 | 22702350 | 22702350 | 22702350 | 22702350 | | | | |
| (i) No. of Shares | 31.82% | 31.82% | 31.82% | 31.82% | | | | |
| (ii) Percentage of Share Holding | | | | | | | | |
| 22 | | | | | | | | |
| a) Promoters and promoter group Shareholding | | | | | | | | |
| - 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 shareholding 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 shareholding of the total share capital of the company) | | | | | | | | |

FOR & ON BEHALF OF THE BOARD

R. K. CHHIBBER
Chairman & Managing Director
DIN: 08150084
Place: Srinagar
Date: 17/06/2021



IN TERMS OF OUR REPORT DATED 17/06/2021
For O. P. Garg & Co.
Chartered Accountant
FRN: 0049777N
CA Vikram Garg
Partner
M.No. 097038

AAATCP 398

**“NOTES FORMING PART OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED
31ST MARCH 2021”**

1. The annual standalone and consolidated financial results have been reviewed by the Audit Committee of the Board in their meeting held on 16th June, 2021 and approved by the Board of Directors at its meeting held on 17th June, 2021. The same have been subjected to audit by the Statutory Auditors of the bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of listing agreement with Stock Exchanges.
2. 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.
3. The Consolidated Financial Results are prepared in accordance with Accounting Standard-21 on "Accounting for Consolidated Financial Statements" and Accounting Standard-23 and on Accounting for "Investment in Associates".
4. The consolidated results are prepared in accordance with section 133 of Companies Act, 2013 and regulation 33 of Securities & Exchange Board of India (SEBI) (Listing Obligation and Disclosure requirements, 2015). The consolidated financial statements of the 'Group' comprise the financial statements of:

| Sn. | Name of Company | Relation |
|-----|----------------------------------|------------|
| 1. | The Jammu & Kashmir Bank Limited | Parent |
| 2. | JKB Financial Services Limited | Subsidiary |
| 3. | J&K Grameen Bank | Associate |

The Bank along with Government of Jammu & Kashmir have incorporated a company 'Jammu and Kashmir Asset Reconstruction Limited on 28.04.2017. The Bank has subscribed capital to the tune of Rs.98 Lakhs whereas the Government of J&K has subscribed Rs.102 Lakhs. The promoters i.e. J&K Government and Jammu & Kashmir Bank Limited have not released their respective shares towards the capital of the company. The company has not yet commenced operations and as such has not been consolidated.

5. The J&K Govt General Administration Department S.O. No. 339 dated 30/10/2020 apportioned the Assets, Liabilities and Posts of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh w.e.f. 31.10.2020.

As per the said notification 8.23% shareholding of Jammu & Kashmir Bank Ltd which amounts to 13.89% of the shareholding of the erstwhile state of Jammu and Kashmir as on 31.10.2019 shall be transferred to the UT of Ladakh and the then remaining 51% of shareholding of erstwhile Jammu and Kashmir state would remain with the UT of Jammu and Kashmir. The said arrangement is however subject to necessary approvals from regulators.

6. In accordance with SEBI regulations, for the purpose of consolidated Financial Results of the year ended March 31, 2021, 100% of Profits, Revenue and Assets have been subjected to Audit.
7. 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.
8. J&K Grameen Bank (Associate) has incurred a loss of Rs.119.34 Crores during the FY2019-20 and Rs.18.14 Crores during the financial year ended 31st March 2021. Due to losses, it has breached the National Bank for Agriculture and Rural Development (NABARD) mandated CRAR ratio. As at 31st March 2021 the total Capital Ratio (CRAR) stood at -0.35% as compared to minimum requirement of 9%. This requires it to take effective steps to augment its capital base in the year 2021-22. The breach of CRAR ratio was impacted by due to provision for pension liability to the tune of Rs.172.83 crores during the FY2019-20 and Rs.69.07 crores during the financial year ended 31st March 2021 provided in

accordance with NABARD circular no. NB. DoS. Pol. HO/2533/J-1/2019-20 dated 12 December 2019. This breach is further going to be aggravated due to additional provision of Rs.185.70 crores required to be made in the remaining two financial years in respect of pension liability of J&K Grameen Bank. The J&K Grameen Bank's management and board of directors have made an assessment of its ability to continue as a going concern and are satisfied that the proposed capital infusion and the strong customer base and branch network will enable it to continue its business for the foreseeable future, so as to be able to realize its assets and discharge its liabilities in its normal course of business. As such, the financial statements of J&K Grameen Bank (Associate) continue to be prepared on a going concern basis."

9. 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 Rs4014.22 Crores, bank is holding a provision of Rs3889.55 Crores as on 31st march,2021 (97% provision of total outstanding).
10. As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, Banks are advised that they are permitted to utilize 100 percent of floating provision/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for non-performing assets with the prior approval of their respective Boards. RBI allows banks to utilise the held floating Provisions upto 31.03.2022. Bank has not as such utilised any amount of Floating provision.
11. COVID-19 pandemic continues to spread across several countries including India resulting in a significant volatility in Global as well as Indian financial markets and a significant decline in global and local economic activities. The Govt. of India announced a series of lock down measures from March 2020 onwards. Such lockdowns were lifted and re-imposed for activities by various governments at various points of time depending on the situation prevailing in their respective jurisdictions. The current second wave of COVID 19 pandemic, wherever the number of new cases have increased significantly in India, has resulted in re-imposition of localized/regional lockdown measures in various parts of the country.

The situation continues to be uncertain and the Bank is evaluating the situation on ongoing basis. The extent to which the Covid-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain including among other things, the success of vaccination drive. The major identified challenges for the Bank would arise from eroding cash flows and extended working capital cycles. The Bank is gearing itself on all the fronts to meet these challenges.

12. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, and clarification dated May 06, 2020 issued by RBI through Indian Banks Association, the Bank granted moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and May 31, 2020 to eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. In accordance with the additional Regulatory Package guidelines dated May 23, 2020, the Bank granted a second moratorium on instalments or interest, as applicable, due between June 01, 2020 and August 31, 2020.

Details of the relief extended in terms of RBI Circular RBI/2019-20/220 DOR. No. BP. BC. 63/21. 04.048/2020-21 dated April 17, 2020, COVID- 19 regulatory Package are as follows:

| Sl. No. | Particulars | Amount (in Rs. Crore) |
|---------|---|-----------------------|
| i | Respective amounts in SMA/ overdue categories as on 29.02.2020, where moratorium / deferment was extended in terms of paragraph 2 and 3 | 10290.33 |
| ii | Respective SMA 2 amounts where asset classification benefits were extended | 2948.54 |

| | | | |
|-----|---|--------|--------|
| iii | Provisions made during Q4 FY2020 and Q1FY2021: | | 295.00 |
| | Provision made in Q4FY2020 | 147.50 | |
| | Provision made in Q1FY2021 | 147.50 | |
| iv | Provisions adjusted during the year ended March 31, 2021 against slippage | | 39.67 |
| v | Residual provisions held as on 31.03.2021 | | NIL |

In the interim order dated September 03, 2020, Hon'ble Supreme Court of India in writ petition Gajendra Sharma vs. Union of India Anrs had directed that the accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Based on the said interim order, the Bank on 31.12.2020 did not classify any account as N.P.A, which was not N.P.A as on August 31, 2020. As a matter of prudence, the Bank made an additional provision of Rs.164.12 Crores (excluding interest of Rs.96.36 crores) till 31.12.2020, thereby holding cumulative provision of Rs.459.12 Crores (Rs.295 crores + Rs.164.12 crores) against the portfolio on which asset classification benefit was extended. Further, the Bank also made a provision of Rs.96.36 crores against interest income of Rs.96.36 crores reckoned in operating profit in respect of such accounts on 31.12.2020. The above interim order of the Hon'ble Supreme Court of India was vacated on 23.03.2021. Further, in accordance with the instructions of RBI Circular dated 07.04.2021, the Bank has classified these borrower accounts as per extant IRAC norms as on March 31, 2021.

13. In accordance with the instructions of RBI circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package", the Bank has created an estimated liability of Rs. 30,93,78,918.15 towards refund of "interest on interest" charged to all borrowers including those who have availed working capital facilities during moratorium period i.e; 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed or not availed. The methodology adopted for calculation of such refund is as prescribed by Indian Bank Association vide letter dated 19.04.2021.

14. Details of resolution plan implemented under Resolution Framework for COVID-19 related stress as per RBI Circular dated 06.08.2020 are given below:

(Rs.in Crore)

| Type of Borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) Exposure to accounts mentioned at (A) before implementation of plan | (C) Of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution |
|-------------------|--|--|--|---|--|
| Personal Loan | 8 | 10.12 | 0 | 0.74 | 1.09 |
| Corporate Persons | 1 | 14.18 | 0 | 1.11 | 1.53 |
| Of which, MSMEs | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 |
| Total | 9 | 24.30 | 0 | 1.85 | 2.62 |

15. As a matter of prudence, Bank has made an additional provision of Rs.209.28 crore for certain stressed sectors/accounts, Rs.83.47 crore for Non-Performing Assets and Rs.125.81 crore for Standard Assets.

16. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) 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.1.96 Crore as on March 31, 2021.
17. With regard to disclosure relating to MSME under the Micro Small & Medium Enterprises Development Act 2006, payments to Micro and Small Enterprises suppliers has not exceeded 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of Section 9 of the Micro Small & Medium Enterprises Development Act 2006 (27 of 2006).
18. Pursuant to the revised Accounting Standard 10 "Property, Plant & Equipment" applicable from 1st April 2017 depreciation of Rs. 23.38 crores (previous year being Rs. 16.55 crores) on the revalued portion of the fixed assets (being Premises & Land) has been transferred from the Revaluation reserve to Revenue reserve instead of crediting to Profit & Loss account.
19. As per RBI Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019, Circular DOR.No.BP.BC.34/21.04.048/ 2019-20 dated 11th February 2019 and Circular DOR.No.BP.BC.4/21.04.048/2020-21 dated August 6,2020 on restructuring of Advances-MSME sector, the details of restructured accounts as on 31.03.2021 are as under:

| No. of Accounts Restructured | No. of Accounts | Amounts (in crores) |
|------------------------------|-----------------|---------------------|
| 118 | 44 | 150.26 |

20. 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.net. These disclosures have not been subjected to review by the auditors.
21. **MTM Provision:**

| MTM Provision Details | Rs. In Crores |
|--------------------------------------|---------------|
| MTM Provision held on 31.03.2020 | 21.08 |
| MTM Provision required on 31.03.2021 | 48.71 |
| MTM Provision held on 31.03.2021 | 48.71 |

22. **Sale and Transfer to/from Held to Maturity (HTM) category**
The Bank has booked a profit of Rs.178.50 Crore (previous year Rs.30.46 Crore) on direct sale of securities from HTM category during the year through open market operations (OMOs) purchase auction by RBI. As such an appropriation of Rs. 13.39 Crore was made to Capital Reserve Account after netting of taxes and required transfer to statutory reserves.
23. Investments include Rs. 45.67 Crores in Sponsored institution J&K Grameen Bank. Net worth of the J&K Grameen bank has eroded due to continuing losses and since there is a permanent diminution in carrying cost of investment the bank has made prudential provision of Rs.36.92 Crore during the year.
24. The provision coverage ratio (PCR) for the Bank as on 31st March 2021 is 81.97 % (Previous Year 78.59%) which is calculated taking into account the total technical write offs made by the Bank.
25. In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Bank is holding additional provision of Rs.128.54 Crore as on March 31, 2021 in 4 accounts as detailed below:

(Rs.in Crore)

| Amount of loans impacted by RBI Circular (a) | Amount of loans to be classified as NPA (b) | Amount of loans as on 31.03.2021 out of (b) classified as NPA (c) | Provision held as on 31.12.2020 (d) | Additional provision made during quarter ended 31.03.2021 (e) | Provision held as on 31.03.2021 (f) |
|---|--|---|--|--|--|
| 434.44 | 434.44 | 434.44 | 226.93 | 128.54 | 355.47 |

26. **Notes to Accounts regarding “Divergence in the asset classification and provisioning by banks”**

As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period, then the banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Divergence in terms of above circular are within threshold limits as specified above, hence no disclosure is required with respect to RBI’s annual supervisory process for FY 2020.

27. The number of investors complaints during the financial year are as under:

| | | |
|---|--|----|
| A | No. of complaints pending at the beginning of the Year | 00 |
| B | No. of complaints received during the Year | 04 |
| C | No. of complaints redressed during the year | 04 |
| D | No. of complaints pending at the end of the Year | 00 |

28. During the financial year the Bank has been levied following penalties:

| Penalty By | Penalty Particular | Rs. In Lakhs |
|------------|--|--------------|
| NSE/BSE | NIL | 0.00 |
| RBI | Currency Chests | 2.81 |
| FIU | Failure of the Bank to file Report No 1 and Report No 2 as mandated by Alert No 05/2019, issued under section 12A as per which the reports were to be filed at regular intervals with the last report to be filed on 21 st May, 2019 Show cause Notice No F.No.15-05/compl/FIU-IND/2020 Dated 11 th February 2020. Date of Order 18 th December, 2020 Issued by Director FIU-India | 2.00 |

29. The figures for last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to third quarter. The figures up to the end of the third quarter were only reviewed by the Statutory Auditors of the Bank and not subjected to audit.

30. 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.

31. The statements of Assets and Liabilities are appended.

The Jammu & Kashmir Bank Limited

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Chief Financial Officer

Ref:- JKB/CFO/CHQ/2021-

Dated: 17th June, 2021

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:- Declaration Under Regulation 33 (3) (d) of the SEBI-LODR-2015

Dear Sirs,

Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended, it is declared that the Auditors' Report on the Audited Financial Statements of the Bank (Standalone and Consolidated) for the Quarter and Financial Year ended 31st March, 2021, as approved by Bank's Board of Directors at their meeting held on 17th June, 2021 are with **Unmodified Opinion**.

Thanking you

Yours faithfully

For Jammu and Kashmir Bank Ltd.

(Rajni Saraf)
Chief Financial Officer

PRESS RELEASE

J&K Bank posts Rs 315.75 Cr as profit for Q4, highest since Jan-March 2014

Really an outstanding turnaround in numbers, says CMD R K Chhibber

Srinagar, Jun 17: *Posting its highest quarterly profit since January-March quarter of FY 2013-14, J&K Bank today capped its incredibly progressive performance by delivering Q4 profits of Rs 315.75 Cr despite COVID-19 pandemic induced disruptions while clocking decent annual profits of Rs 432.12 Cr for the Financial Year 2020-21.*

The bank declared its Q4 and FY 2020-21 annual results today after the Bank's Board of Directors approved the numbers in a meeting held here at the bank's Corporate Headquarters.

Highlights of Performance

In one of the sharpest turnarounds of financials in its history, J&K Bank's Q-o-Q profit jumped more than four times to **Rs 315.75 Cr** for the fourth quarter of FY 2020-21 from **Rs 65.94 Cr** recorded for the third quarter of the financial year. The bank's operating income increased by **6%** YoY to **Rs 4489.77 Cr** from **Rs 4252.59 Cr** recorded for the corresponding period last year.

The operating profit of the bank for the financial year is up by **6%** YoY to **Rs 1611.23 Cr** as against **Rs 1525.05 Cr** recorded on March 31, 2020, while as the Net Interest Income has increased to **Rs 3770.78 Cr** from **Rs 3706.67 Cr**. The Net Interest Margin (NIM) for the reviewed financial year is **3.64%**.

Boosted by the contribution by the treasury operations bank's other income increased from **Rs 546 Cr** in FY 19-20 to **Rs 719 Cr** in FY 20-21 registering a YoY growth of 32%.

"It is really an outstanding turnaround in numbers amid the devastating impact of the second-wave of COVID-19 pandemic across the country. We have successfully braved the challenges with our steely resolve, prudent balance-sheet management and effective guidance from our Directors-on-Board. The numbers especially of Q4 results are very encouraging and will generate a long-term organisational momentum for the steady growth of business while cementing our collective resolve to march ahead and implement the government's vision of self-reliant, entrepreneur-friendly and socially-inclusive economy", commented the Bank's Chairman & Managing Director R K Chhibber on the occasion.

Increase in Provisioning

Creating sufficient provisioning buffer to strengthen its balance sheet further, the Bank's Provision Coverage Ratio for the reviewed quarter has improved to **81.97 %** - one of the highest in the industry - as against **78.59 %** recorded during the corresponding period last year

Improved Asset Quality

Bank's net NPA's as percentage to net Advances ratio has significantly declined to **2.95 %** from **3.48 %** while as the Gross NPA ratio has reduced sharply to **9.67%** from **10.97%** recorded as on March 31, 2020

Regarding the bank's asset-quality, the CMD asserted, "It is because of the war-footing efforts put in at all levels of operations by the staff soon after Honourable Supreme Court withdrew its direction to banks to withhold the classification of accounts as NPAs. Notably, we were able to restrict our slippages to below Rs 1000 Cr as against the proforma NPA figure of about Rs 4600 Cr disclosed in our Q3 results. Despite getting a short window of just 7 days post revocation of earlier directions by the honorable Supreme Court, we successfully conformed with the assertions and assurances given to the market."

"However, remaining alert to any fresh slippages while making further necessary provisions, we shall remain guided by prudence and long-term assessment of the current situation. In this regard, directions have already been issued to all the operative levels for implementing necessary corrective measures, including a more robust and proactive performance monitoring system with a focus on maintenance of asset quality", he added.

Growth in Business

Advances and deposits' portfolios in the UT of J&K have increased by **15.8%** and **11.4%** respectively despite economic slowdown across the country, while as Ladakh UT has witnessed the growth of **15.9%** in advances and **29.4%** in deposits.

Overall, the advances have increased by almost **4%** from **Rs 64399 Cr** to **Rs 66842 Cr** during the year reviewed while as the deposits have shown a healthy growth of **10.50%** from **Rs 97788 Cr** to **Rs 108061 Cr**.

The CASA Ratio of the bank during the reviewed quarter has improved to **56.84%** as against **53.66%** recorded as on March 31, 2020, whereas, the ratio stood at **58%** for the UT of J&K and **71%** for the Ladakh UT.

Regarding the business growth, the CMD said, "Keeping in view the market conditions post Covid19, we have witnessed a decent growth of over 10% in deposits along with modest increase of 4% in credit off-take mainly because bank has for the time being deprioritized corporate lending in the rest of India. But overall we are well positioned to gain momentum and follow our trajectory of growth in coming quarters."

Better Capital Adequacy

The bank's Capital Adequacy Ratio is at **12.20 %**, which is well within the BASEL III norms, as against **11.40 %** recorded as on March 31, 2020, an increase of 80 bps YoY.

"The bank's Board had already approved raising of capital by issue of equity shares through preferential allotment to Government of Jammu & Kashmir, the promoter and majority shareholder of the Bank, for an amount up to Rs 500 Cr. Now, the board has also approved the issuance and allotment of 7.5 crore equity shares of face value Re.1/- each up to Rs.150 crore (including premium) in one or more tranches to eligible employees of the Bank under the J&K Bank Employees Stock Purchase Scheme, 2021 (JKBESPS 2021). Besides, the process of raising capital under Tier-2, FPO/QIP is also at an advanced stage. Amid the stress in economy induced by the second wave of COVID-19, the capital mobilization will help us in furthering business growth and to ward off COVID related stress in asset-quality of the bank while enhancing our capacity to lend to productive, developing sectors of regional economy", the CMD remarked.

Meanwhile, adapting to the real-time functioning of financial services sector and bring in an element of agility in the operations of bank's business, the bank has decided to conduct 'Monthly Business Performance Reviews' of all its Zones to sharpen its focus on business and allied processes to further improving its service delivery systems.