

Limited Review Report

**Review Report to
The Board of Directors
SKS Microfinance Limited**

1. We have reviewed the accompanying statement of unaudited financial results of SKS Microfinance Limited ('the Company') for the quarter and nine months ended December 31, 2015 ('the Statement'). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E
Chartered Accountants



per Viren H Mehta
Partner
Membership No.: 048749

Mumbai
January 27, 2016

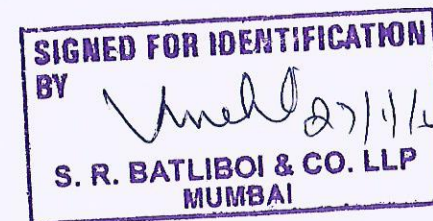
KS MICROFINANCE LIMITED

Regd. Office: Unit No. 410, "Madhava", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

Statement of Standalone Unaudited Financial Results for the Quarter / Nine months ended December 31, 2015							
							<i>Rs. In lakhs</i>
		Quarter ended			Nine months ended		Year ended
Sr No.	Particulars	December 31, 2015 Unaudited	September 30, 2015 Unaudited	December 31, 2014 Unaudited	December 31, 2015 Unaudited	December 31, 2014 Unaudited	March 31, 2015 Audited
1	Income						
	Income from operations	28,046.69	26,639.51	16,347.21	76,415.88	45,650.32	63,320.85
	Other operating income	2,678.37	2,487.04	2,094.23	7,521.45	6,983.49	9,074.83
	Total income from operations	30,725.06	29,126.55	18,441.44	83,937.33	52,633.81	72,395.68
2	Expenses						
	Employee benefits expenses	7,153.76	6,986.29	6,309.00	21,225.57	17,182.62	23,185.38
	Depreciation and amortization expenses	270.77	184.77	114.29	554.10	344.17	456.12
	Provisions and write offs	873.72	878.51	198.24	2,472.04	(66.33)	1,004.57
	Other expenses	2,461.17	2,568.77	2,092.92	7,363.17	6,153.01	8,399.33
	Total expenses	10,759.42	10,618.34	8,714.45	31,614.88	23,613.47	33,045.40
3	Profit from operations before other income & finance costs (1-2)	19,965.64	18,508.21	9,726.99	52,322.45	29,020.34	39,350.28
4	Other income	3,617.80	3,302.13	2,247.63	11,098.63	5,052.71	7,910.88
5	Profit before finance costs (3+4)	23,583.44	21,810.34	11,974.62	63,421.08	34,073.05	47,261.16
6	Finance costs	13,274.70	11,694.94	7,868.92	35,047.67	19,360.13	27,904.52
7	Profit before tax (5-6)	10,308.74	10,115.40	4,105.70	28,373.41	14,712.92	19,356.64
8	Tax expense	2,358.75	2,329.60	-	6,522.06	-	590.20
9	Profit after tax (7-8)	7,949.99	7,785.80	4,105.70	21,851.35	14,712.92	18,766.44
10	Paid-up equity share capital (Face Value of Rs. 10 Each)	12,709.38	12,675.41	12,608.94	12,709.38	12,608.94	12,629.25
11	Reserves (excluding Revaluation reserves)						92,016.34
12	Earnings Per Share (EPS) (Not annualised)						
	Basic	6.26	6.15	3.26	17.25	12.02	15.22
	Diluted	6.19	6.06	3.23	17.02	11.93	15.04



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SKS MICROFINANCE LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2015

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 27, 2016 in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Statutory Auditors have carried out the 'Limited Review' of the results for the quarter / nine months ended December 31, 2015.
3. The net deferred tax asset amounting to Rs.38,860.10 lakhs as at December 31, 2015 has not been recognized. The said sum of Rs. 38,860.10 lakhs will be available to offset tax on future taxable income.
4. The Company has provided for minimum alternate tax ('MAT') liability of Rs.2,358.75 lakhs for the quarter ended December 31, 2015. The MAT credit entitlement amounting to Rs.7,116.22 lakhs as at December 31, 2015 has not been recognized as an asset on the balance sheet. The said sum of Rs. 7,116.22 lakhs will be available to offset future normal tax liability of the Company.
5. The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. domestic.
6. Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period presentation.

Place: Mumbai

For SKS Microfinance Limited

Date: January 27, 2016

