

Auditor's Report on quarterly financial results and year to date results of SKS Microfinance Limited pursuant to Clause 41 of the Listing Agreement

To
**Board of Directors of
SKS Microfinance Limited**

1. We have audited the quarterly financial results of SKS Microfinance Limited ("the Company") for the quarter ended March 31, 2015 and the financial results for the year ended March 31, 2015, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2015 and the published year-to-date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2015 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2014, the audited annual financial statements as at and for the year ended March 31, 2015, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2014 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2015; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2015 and for the year ended March 31, 2015.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2015 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2015 and the published year-to-date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

SKS Microfinance Limited
Independent Auditors' Report for the quarter ended March 31, 2015

Page 2 of 2

5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm's Registration Number: 301003E



per Viren H. Mehta
Partner
Membership No.: 048749

Hyderabad
May 4, 2015

SKS MICROFINANCE LIMITED

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

Statement of Standalone Audited Financial Results for the Quarter / year ended March 31, 2015

Part I	Particulars	Quarter ended			Year ended	
		March 31, 2015 Audited	December 31, 2014 Unaudited	March 31, 2014 Audited	March 31, 2015 Audited	March 31, 2014 Audited
1	Income from operations	17,670.53	16,347.21	11,686.03	63,320.85	44,875.05
	Other operating income	2,091.34	2,094.23	2,143.53	9,074.83	7,024.13
	Total income from operations	19,761.87	18,441.44	13,829.56	72,395.68	51,899.18
2	Expenses					
	Employee benefits expenses	6,002.76	6,309.00	4,307.43	23,185.38	16,556.33
	Depreciation and amortization expenses	111.95	114.29	102.66	456.12	407.56
	Provisions and write offs	1,070.90	198.24	150.13	1,004.57	1,457.13
	Other expenses	2,246.33	2,092.92	1,961.48	8,399.33	7,655.27
	Total expenses	9,431.94	8,714.45	6,521.70	33,045.40	26,076.29
3	Profit from operations before other income & finance costs (1-2)	10,329.93	9,726.99	7,307.86	39,350.28	25,822.89
4	Other income	2,858.17	2,247.63	908.13	7,910.88	2,584.35
5	Profit before finance costs (3+4)	13,188.10	11,974.62	8,215.99	47,261.16	28,407.24
6	Finance costs	8,544.39	7,868.92	5,504.53	27,904.52	21,422.14
7	Profit before tax (5-6)	4,643.71	4,105.70	2,711.46	19,356.64	6,985.10
8	Tax expense	590.20	-	-	590.20	-
9	Profit after tax (7-8)	4,053.51	4,105.70	2,711.46	18,766.44	6,985.10
10	Paid-up equity share capital (Face Value of Rs. 10 Each)	12,629.25	12,608.94	10,821.30	12,629.25	10,821.30
11	Reserves (excluding Revaluation reserves)	3.21	3.26	2.51	92,016.34	35,100.07
12	Earnings Per Share (EPS) (Not annualised)					
	Basic	3.17	3.23	2.50	15.22	6.45
	Diluted				15.04	6.44
Part II						
A Particulars of shareholding						
1	Public shareholding					
	- Number of shares	114,606,970	114,403,860	78,024,271	114,606,970	78,024,271
	- Percentage of shareholding	90.75%	90.73%	72.10%	90.75%	72.10%
2	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered	Nil	Nil	Nil	Nil	Nil
	- Number of shares					
	- Percentage of shares					
	(% of the total shareholding of promoter and promoter group)					
	- Percentage of shares					
	(% of the total share capital of the company)					
	b) Non - encumbered					
	- Number of shares	11,685,523	11,685,523	30,188,691	11,685,523	30,188,691
	- Percentage of shares	100%	100%	100%	100%	100%
	(% of the total shareholding of promoter and promoter group)					
	- Percentage of shares	9.25%	9.27%	27.90%	9.25%	27.90%
	(% of the total share capital of the company)					
B Particulars						
Investor complaints						
	Pending at the beginning of the quarter	-	-	-	-	-
	Received during the quarter	2	2	2	2	2
	Disposed off during the quarter	2	2	2	2	2
	Remaining unresolved at the end of the quarter	-	-	-	-	-



Das

SIGNED FOR IDENTIFICATION
BY *S. R. Batliboi*
S. R. BATLIBOI & CO. LLP
MUMBAI

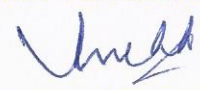
SKS MICROFINANCE LIMITED

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

Standalone Statement of Assets and Liabilities

Rs. In lakhs

Particulars	As at	As at
	March 31, 2015 Audited	March 31, 2014 Audited
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	12,629.25	10,821.30
(b) Reserves and surplus	92,016.34	35,100.07
Shareholders' funds	104,645.59	45,921.37
2. Share application money pending allotment	0.65	-
3. Non-current liabilities		
(a) Long-term borrowings	105,722.12	30,020.70
(b) Long-term provisions	1,271.85	18,621.51
Non-current liabilities	106,993.97	48,642.21
4. Current liabilities		
(a) Short-term borrowings	60,962.77	33,235.05
(b) Other current liabilities	192,718.88	118,065.47
(c) Short-term provisions	4,550.74	3,855.53
Current liabilities	258,232.39	155,156.05
TOTAL - EQUITY AND LIABILITIES	469,872.60	249,719.63
B. ASSETS		
1. Non-current assets		
(a) Fixed assets		
Tangible assets	515.06	658.60
Intangible assets	380.20	309.13
Intangible assets under development	124.48	150.40
(b) Non-current investments	20.00	20.00
(c) Long-term loans and advances	24,484.61	22,926.85
(d) Other non-current assets	12,522.64	3,285.13
Non-current assets	38,046.99	27,350.11
2. Current assets		
(a) Trade receivables	341.69	257.28
(b) Cash and bank balances	153,677.31	63,970.75
(c) Short-term loans and advances	271,355.20	152,350.15
(d) Other current assets	6,451.41	5,791.34
Current assets	431,825.61	222,369.52
TOTAL - ASSETS	469,872.60	249,719.63

SIGNED FOR IDENTIFICATION
BY

S. R. BATLIBOI & CO. LLP
MUMBAI



AD

SKS MICROFINANCE LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2015

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 04, 2015 in terms of clause 41 of Listing Agreement.
2. The figures of quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2015 and the unaudited published year-to-date figures upto December 31, 2014, being the date of the end of the third quarter of the financial year ended March 31, 2015, which were subjected to limited review.
3. In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives and residual values of its fixed assets and:
 - i) an amount of Rs.108.08 lakhs has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life is nil as at April 1, 2014, and;
 - ii) an amount of Rs.30.72 lakhs has been charged to the financial results of the current quarter (Rs.173.42 lakhs for the year ended March 31, 2015) representing the additional depreciation on the carrying value of the assets as at April 1, 2014 due to change in useful lives of the assets.
4. The net deferred tax asset amounting to Rs.48,859.88 lakhs as at March 31, 2015 has not been recognized. The said sum of Rs.48,859.88 lakhs will be available to offset tax on future taxable income.
5. The Company has provided for minimum alternate tax ('MAT') liability of Rs.594.16 lakhs for the year ended March 31, 2015. The MAT credit entitlement amounting to Rs.524.42 lakhs as at March 31, 2015 has not been recognized as an asset on the balance sheet. The said sum of Rs. 524.42 lakhs will be available to offset future normal tax liability of the Company.
6. 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.
7. Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period presentation.

Place: Hyderabad

For SKS Microfinance Limited

Date: May 4, 2015

