

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

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of SKS Microfinance Limited ('the Company') for the quarter ended June 30, 2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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 Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. 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 recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



per **Viren H. Mehta**
Partner
Membership No.: 048749

Place: Mumbai
Date: July 25, 2013

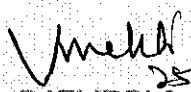
SKS MICROFINANCE LIMITED

Regd Office: 3rd floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh, Begumpet, Hyderabad - 500 016 (A.P.)

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2013

Part I		Rs. In lakhs			
Sr No.	Particulars	Quarter ended			Year ended
		June 30, 2013 Unaudited	March 31, 2013 Audited	June 30, 2012 Unaudited	March 31, 2013 Audited
1	Income from operations	10,280.51	8,304.83	5,900.88	27,825.47
	Other operating income	1,462.05	1,204.62	1,547.17	5,394.28
	Total income from operations	11,742.56	9,509.45	7,448.05	33,219.75
2	Expenses				
	Employee benefits expenses	4,204.49	3,977.55	4,805.58	17,267.04
	Depreciation and amortization expenses	97.89	137.19	174.41	643.55
	Provisions and write offs	1,090.10	96.72	960.32	24,442.29
	Other expenses	1,686.12	1,735.23	2,565.13	8,345.44
	Total expenses	7,078.60	5,946.69	8,505.44	50,698.32
3	Profit / (loss) from operations before other income & finance costs (1-2)	4,663.96	3,562.76	(1,057.39)	(17,478.57)
4	Other income	518.18	688.20	497.33	2,036.62
5	Profit / (loss) before finance costs (3+4)	5,182.14	4,250.96	(560.06)	(15,441.95)
6	Finance costs	4,685.16	3,980.59	3,323.67	14,271.92
7	Profit / (loss) before tax (5-6)	496.98	270.37	(3,883.73)	(29,713.87)
8	Tax expense (including deferred tax)	-	-	-	-
9	Profit / (loss) after tax (7-8)	496.98	270.37	(3,883.73)	(29,713.87)
10	Paid-up equity share capital (Face Value of Rs.10 Each)	10,821.27	10,821.27	7,326.36	10,821.27
11	Reserves (excluding Revaluation reserves)				28,217.93
12	Earnings Per Share (EPS) (Not annualised)				
	Basic	0.46	0.25	(5.32)	(30.55)
	Diluted	0.46	0.25	(5.32)	(30.55)
Part II					
A	Particulars of shareholding				
1	Public shareholding				
	- Number of shares	78,898,149	80,050,068	45,701,368	80,050,068
	- Percentage of shareholding	72.91%	73.97%	62.38%	73.97%
2	Promoters and Promoter Group Shareholding				
a)	Pledged / Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil
	(% of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil
	(% of the total share capital of the company)	Nil	Nil	Nil	Nil
b)	Non - encumbered				
	- Number of shares	29,314,549	28,162,630	27,562,261	28,162,630
	- Percentage of shares	100%	100%	100%	100%
	(% of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	- Percentage of shares	27.09%	26.03%	31.62%	26.03%
	(% of the total share capital of the company)	27.09%	26.03%	31.62%	26.03%
B	Particulars	Quarter ended June 30, 2013			
	Investor complaints				
	Pending at the beginning of the quarter				
	Received during the quarter	12			
	Disposed off during the quarter	12			
	Remaining unresolved at the end of the quarter				



SIGNED FOR IDENTIFICATION
BY

 25/7/13
S. R. BATLISOI & CO. LLP
MUMBAI

SKS MICROFINANCE LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013

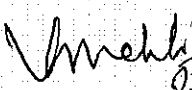
Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 17, 2013 and July 25, 2013 respectively, in terms of clause 41 of Listing Agreement.
2. The Statutory Auditors have carried out the 'Limited Review' of the results for the quarter ended June 30, 2013.
3. The figures of quarter ended March 31, 2013 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2013 and the unaudited published year-to-date figures upto the December 31, 2012, being the date of the end of the third quarter of the financial year ended March 31, 2013 which were subjected to limited review.
4. During the quarter, the Company has, in addition to the provision required as per its extant accounting policy, made an additional provision of Rs.1,170.90 lakhs towards its Joint Liability Group (JLG) loan portfolio in the states other than Andhra Pradesh to maintain provisioning on its loan portfolio at the higher of provision as per its extant accounting policy and provisioning requirements for NBFC-MFI issued by the Reserve Bank of India vide its circular dated December 2, 2011 as amended vide circular dated March 20, 2012, which requires the minimum provision to be higher of (i) 1% of the outstanding loan portfolio or (ii) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more. The entire additional provision of Rs. 1,170.90 lakhs made in this quarter relates only to standard assets. The portfolio in the state of Andhra Pradesh has already been fully provided in the previous financial year.
5. The net deferred tax asset amounting to Rs. 57,984.81 lakhs as at June 30, 2013 has not been recognized. The said sum of Rs. 57,984.81 lakhs will be available to offset tax on future taxable income. For the quarter ended June 30, 2013, the Company has posted a net profit of Rs. 496.98 lakhs and given the carried forward tax loss and unabsorbed depreciation, no tax provision is required for this quarter.
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' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). 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

Date: July 25, 2013

For SKS Microfinance Limited

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BY

S. R. BATLIBOI & CO. LLP
MUMBAI

