

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 ended December 31, 2014 ('the Statement'), 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 provide 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", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) 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: Hyderabad
Date: January 29, 2015

SKS 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 month ended December 31, 2014							
							Rs. In lakhs
Part I		Quarter ended			Nine months ended		Year ended
Sr No.	Particulars	December 31, 2014 Unaudited	September 30, 2014 Unaudited	December 31, 2013 Unaudited	December 31, 2014 Unaudited	December 31, 2013 Unaudited	March 31, 2014 Audited
1	Income from operations	16,347.21	16,580.77	11,481.40	45,650.32	33,189.03	44,875.05
	Other operating income	2,094.23	2,430.03	1,850.47	6,983.49	4,880.61	7,024.13
	Total income from operations	18,441.44	19,010.80	13,331.87	52,633.81	38,069.64	51,899.18
2	Expenses						
	Employee benefits expenses	6,309.00	5,482.67	4,140.00	17,182.62	12,248.89	16,556.33
	Depreciation and amortization expenses	114.29	114.29	101.69	344.17	304.90	407.56
	Provisions and write offs	198.24	(78.64)	(167.66)	(66.33)	1,306.99	1,457.13
	Other expenses	2,092.92	2,201.01	1,995.60	6,153.01	5,693.79	7,655.27
	Total expenses	8,714.45	7,719.33	6,069.63	23,613.47	19,554.57	26,076.29
3	Profit / (loss) from operations before other income & finance costs (1-2)	9,726.99	11,291.47	7,262.24	29,020.34	18,515.07	25,822.89
4	Other income	2,247.63	1,091.48	634.45	5,052.71	1,676.21	2,584.35
5	Profit / (loss) before finance costs (3+4)	11,974.62	12,382.95	7,896.69	34,073.05	20,191.28	28,407.24
6	Finance costs	7,868.92	6,707.80	5,754.11	19,360.13	15,917.61	21,422.14
7	Profit / (loss) before tax (5-6)	4,105.70	5,675.15	2,142.58	14,712.92	4,273.67	6,985.10
8	Tax expense (Including deferred tax)	-	-	-	-	-	-
9	Profit / (loss) after tax (7-8)	4,105.70	5,675.15	2,142.58	14,712.92	4,273.67	6,985.10
10	Paid-up equity share capital (Face Value of Rs.10 Each)	12,608.94	12,599.72	10,821.27	12,608.94	10,821.27	10,821.30
11	Reserves (excluding Revaluation reserves)						35,100.07
12	Earnings Per Share (EPS) (Not annualised)						
	Basic	3.26	4.51	1.98	12.02	3.95	6.45
	Diluted	3.23	4.48	1.98	11.93	3.95	6.44
Part II							
A	Particulars of shareholding						
1	Public shareholding						
	- Number of shares	114,403,860	114,311,643	78,024,007	114,403,860	78,024,007	78,024,271
	- Percentage of shareholding	90.73%	90.73%	72.10%	90.73%	72.10%	72.10%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares						
	(% of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares						
	(% of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non - encumbered						
	- Number of shares	11,685,523	11,685,523	30,188,691	11,685,523	30,188,691	30,188,691
	- Percentage of shares						
	(% of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares						
	(% of the total share capital of the company)	9.27%	9.27%	27.90%	9.27%	27.90%	27.90%
B	Particulars	Quarter ended December 31, 2014					
	Investor complaints						
	Pending at the beginning of the quarter	-	-	-	-	-	-
	Received during the quarter	2	2	2	2	2	2
	Disposed off during the quarter	2	2	2	2	2	2
	Remaining unresolved at the end of the quarter	-	-	-	-	-	-

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



SKS MICROFINANCE LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER /NINE MONTH ENDED DECEMBER 31, 2014

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 January 29, 2015 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 December 31, 2014.
3. In accordance with the requirements to Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives and residual values of the 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.35.43 lakhs has been charged to the financial results of the current quarter (Rs.142.70 lakhs for the nine month ended December 31, 2014) representing the additional depreciation on the carrying value of the assets as at April 1, 2014 due to change in useful life of asset.
4. The net deferred tax asset amounting to Rs.50,630.72 lakhs as at December 31, 2014 has not been recognized. The said sum of Rs. 50,630.72 lakhs will be available to offset tax on future taxable income. For the quarter ended December 31, 2014, the Company has posted a net profit of Rs. 4,105.70 lakhs and given the carried forward tax loss, no tax provision is required for the quarter ended December 31, 2014.
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' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). 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: Hyderabad

For SKS Microfinance Limited

Date: January 29, 2015

