

**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 September 30, 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 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", 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: Mumbai  
Date: October 20, 2014

Statement of Standalone Unaudited Financial Results for the Quarter / Half year ended September 30, 2014

Part I	Sr. No.	Particulars	Quarter ended			Six months ended			Year ended	
			September 30, 2014 Unaudited	June 30, 2014 Unaudited	September 30, 2013 Unaudited	September 30, 2014 Unaudited	September 30, 2013 Unaudited	March 31, 2014 Audited		
	1	Income from operations	16,580.77	12,722.34	11,427.10	29,303.11	21,707.61	44,875.05		
		Other operating income	2,430.03	2,459.23	1,568.09	4,889.27	3,030.14	7,024.13		
		<b>Total income from operations</b>	<b>19,010.80</b>	<b>15,181.57</b>	<b>12,995.19</b>	<b>34,192.38</b>	<b>24,737.75</b>	<b>51,899.18</b>		
	2	Expenses								
		Employee benefits expenses	5,482.67	5,390.95	3,904.40	10,873.61	8,108.89	16,556.33		
		Depreciation and amortization expenses	114.29	115.59	105.32	229.88	203.21	407.56		
		Provisions and write offs	(78.64)	(185.93)	384.54	(264.58)	1,474.64	1,457.13		
		Other expenses	2,201.01	1,859.08	2,012.07	4,060.09	3,698.19	7,655.27		
		<b>Total expenses</b>	<b>7,719.33</b>	<b>7,179.69</b>	<b>6,406.33</b>	<b>14,899.00</b>	<b>13,484.93</b>	<b>26,076.29</b>		
	3	Profit / (loss) from operations before other income & finance costs (1-2)	11,291.47	8,001.88	6,588.86	19,293.38	11,252.82	25,822.89		
	4	Other income	1,091.48	1,713.59	523.58	2,805.08	1,041.76	2,584.35		
	5	Profit / (loss) before finance costs (3+4)	12,382.95	9,715.47	7,112.44	22,098.46	12,294.58	28,407.24		
	6	Finance costs	6,707.80	4,783.42	5,478.34	11,491.21	10,163.50	21,422.14		
	7	Profit / (loss) before tax (5-6)	5,675.15	4,932.05	1,634.10	10,607.25	2,131.08	6,985.10		
	8	Tax expense (including deferred tax)	-	-	-	-	-	-		
	9	Profit / (loss) after tax (7-8)	5,675.15	4,932.05	1,634.10	10,607.25	2,131.08	6,985.10		
	10	Paid-up equity share capital/Face Value of Rs.10 Each	12,599.72	12,592.02	10,821.27	12,599.72	10,821.27	10,821.30		
	11	Reserves (excluding Revaluation reserves)						35,100.07		
	12	Earnings Per Share (EPS) (Not annualised)								
		Basic	4.51	4.29	1.51	8.80	1.97	6.45		
		Diluted	4.48	4.27	1.51	8.75	1.97	6.44		

Part II	Quarter ended Sep 30, 2014		Quarter ended Sep 30, 2013	
A	Public shareholding		Public shareholding	
1	114,311,643	112,671,520	77,244,233	78,024,271
	90.73%	89.48%	71.38%	72.10%
2	Promoters and Promoter Group Shareholding		Promoters and Promoter Group Shareholding	
a)	Pledged / Encumbered		Pledged / Encumbered	
	Nil	Nil	Nil	Nil
	Number of shares		Number of shares	
	Nil	Nil	Nil	Nil
	Percentage of shares		Percentage of shares	
	Nil	Nil	Nil	Nil
	(% of the total shareholding of promoter and promoter group)		(% of the total shareholding of promoter and promoter group)	
	Nil	Nil	Nil	Nil
	Percentage of shares		Percentage of shares	
	Nil	Nil	Nil	Nil
	(% of the total share capital of the company)		(% of the total share capital of the company)	
b)	Non - encumbered		Non - encumbered	
	11,685,523	13,248,723	30,968,465	30,188,691
	100%	100%	100%	100%
	Percentage of shares		Percentage of shares	
	9.27%	10.52%	28.62%	27.90%
	(% of the total share capital of the company)		(% of the total share capital of the company)	

Particulars	Quarter ended Sep 30, 2014
E Investor complaints	
Pending at the beginning of the quarter	-
Received during the quarter	22
Disposed off during the quarter	22
Remaining unresolved at the end of the quarter	-

SIGNED FOR IDENTIFICATION  
 BY *Amulya* 20/10/14  
 S.R. BATLIBOI & CO. LLP  
 MUMBAI



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**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
	September 30, 2014 Unaudited	March 31, 2014 Audited
<b>A. EQUITY AND LIABILITIES</b>		
1. Shareholders' funds		
(a) Share capital	12,599.72	10,821.30
(b) Reserves and surplus	82,468.19	35,100.07
<b>Shareholders' funds</b>	<b>95,067.91</b>	<b>45,921.37</b>
2. Share application money pending allotment	4.06	-
3. Non-current liabilities		
(a) Long-term borrowings	59,167.28	30,020.70
(b) Long-term provisions	7,753.50	18,621.51
<b>Non-current liabilities</b>	<b>66,920.78</b>	<b>48,642.21</b>
4. Current liabilities		
(a) Short-term borrowings	55,509.48	33,235.05
(b) Other current liabilities	146,786.16	118,065.47
(c) Short-term provisions	3,774.61	3,855.53
<b>Current liabilities</b>	<b>206,070.25</b>	<b>155,156.05</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>368,063.00</b>	<b>249,719.63</b>
<b>B. ASSETS</b>		
1. Non-current assets		
(a) Fixed assets		
Tangible assets	466.62	658.60
Intangible assets	306.93	309.13
Intangible assets under development	205.72	150.40
(b) Non-current investments	20.00	20.00
(c) Long-term loans and advances	21,813.87	22,926.85
(d) Other non-current assets	3,740.92	3,285.13
<b>Non-current assets</b>	<b>26,554.06</b>	<b>27,350.11</b>
2. Current assets		
(a) Trade receivables	617.24	510.71
(b) Cash and bank balances	68,556.38	63,970.75
(c) Short-term loans and advances	270,230.45	152,350.14
(d) Other current assets	2,104.87	5,537.92
<b>Current assets</b>	<b>341,508.94</b>	<b>222,369.52</b>
<b>TOTAL - ASSETS</b>	<b>368,063.00</b>	<b>249,719.63</b>



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**BY**  
  
**S.R. BATLIBOI & CO. LLP**  
**MUMBAI**

**SKS MICROFINANCE LIMITED**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER 30, 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 October 20, 2014 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 September 30, 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.48.16 lakhs has been charged to the financial results of the current quarter (Rs.107.27 lakhs for the half year ended September 30, 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.52,175.02 lakhs as at September 30, 2014 has not been recognized. The said sum of Rs. 52,175.02 lakhs will be available to offset tax on future taxable income. For the quarter ended September 30, 2014, the Company has posted a net profit of Rs. 5,675.15 lakhs and given the carried forward tax loss, no tax provision is required for the quarter ended September 30, 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

Date: October 20, 2014

For SKS Microfinance Limited

