

**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 September 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: October 23, 2013**

**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 / Half year ended September 30, 2013							
Part I							Rs. In lakhs
Sr No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2013 Unaudited	June 30, 2013 Unaudited	September 30, 2012 Unaudited	September 30, 2013 Unaudited	September 30, 2012 Unaudited	March 31, 2013 Audited
1	Income from operations	11,427.10	10,280.51	6,348.83	21,707.61	12,249.71	27,825.47
	Other operating income	1,568.09	1,462.05	1,407.84	3,030.14	2,955.01	5,394.28
	<b>Total income from operations</b>	<b>12,995.19</b>	<b>11,742.56</b>	<b>7,756.67</b>	<b>24,737.75</b>	<b>15,204.72</b>	<b>33,219.75</b>
2	Expenses						
	Employee benefits expenses	3,904.40	4,204.49	4,737.29	8,108.89	9,542.87	17,267.04
	Depreciation and amortization expenses	105.32	97.89	182.10	203.21	356.51	643.55
	Provisions and write offs	384.54	1,090.10	23,356.88	1,474.64	24,317.20	24,442.29
	Other expenses	2,012.07	1,686.12	2,577.11	3,698.19	5,142.24	8,345.44
	<b>Total expenses</b>	<b>6,406.33</b>	<b>7,078.60</b>	<b>30,853.38</b>	<b>13,484.93</b>	<b>39,358.82</b>	<b>50,698.32</b>
3	Profit / (loss) from operations before other income & finance costs (1-2)	6,588.86	4,663.96	(23,096.71)	11,252.82	(24,154.10)	(17,478.57)
4	Other income	523.58	518.18	336.46	1,041.76	833.79	2,036.62
5	Profit / (loss) before finance costs (3+4)	7,112.44	5,182.14	(22,760.25)	12,294.58	(23,320.31)	(15,441.95)
6	Finance costs	5,478.34	4,685.16	3,455.37	10,163.50	6,779.04	14,271.92
7	<b>Profit / (loss) before tax (5-6)</b>	<b>1,634.10</b>	<b>496.98</b>	<b>(26,215.62)</b>	<b>2,131.08</b>	<b>(30,099.35)</b>	<b>(29,713.87)</b>
8	Tax expense (Including deferred tax)	-	-	-	-	-	-
9	<b>Profit / (loss) after tax (7-8)</b>	<b>1,634.10</b>	<b>496.98</b>	<b>(26,215.62)</b>	<b>2,131.08</b>	<b>(30,099.35)</b>	<b>(29,713.87)</b>
10	Paid-up equity share capital (Face Value of Rs. 10 Each )	10,821.27	10,821.27	10,821.17	10,821.27	10,821.27	10,821.27
11	Reserves (excluding Revaluation reserves)						28,217.93
12	Earnings Per Share (EPS) (Not annualised)						
	Basic	1.51	0.46	(26.30)	1.97	(34.84)	(30.55)
	Diluted	1.51	0.46	(26.30)	1.97	(34.84)	(30.55)
Part II							
A	Particulars of shareholding						
1	Public shareholding						
	- Number of shares	77,244,233	78,898,149	76,199,437	77,244,233	76,199,437	80,050,068
	- Percentage of shareholding	71.38%	72.91%	70.42%	71.38%	70.42%	73.97%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil	Nil	Nil
	(% of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil	Nil	Nil
	(% of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non - encumbered						
	- Number of shares	30,968,465	29,314,549	32,012,261	30,968,465	32,012,261	28,162,630
	- Percentage of shares	100%	100%	100%	100%	100%	100%
	(% of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares	28.62%	27.09%	29.58%	28.62%	29.58%	26.03%
	(% of the total share capital of the company)	28.62%	27.09%	29.58%	28.62%	29.58%	26.03%
B	Particulars	Quarter ended September 30, 2013					
	Investor complaints						
	Pending at the beginning of the quarter	-	-	-	-	-	-
	Received during the quarter	6	6	6	6	6	6
	Disposed off during the quarter	6	6	6	6	6	6
	Remaining unresolved at the end of the quarter	-	-	-	-	-	-

For Identification Purpose Only.



**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, 2013 Unaudited	March 31, 2013 Audited
<b>A. EQUITY AND LIABILITIES</b>		
1. Shareholders' funds		
(a) Share capital	10,821.27	10,821.27
(b) Reserves and surplus	30,296.81	28,217.93
Shareholders' funds	<b>41,118.08</b>	<b>39,039.20</b>
2. Share application money pending allotment	-	-
3. Non-current liabilities		
(a) Long-term borrowings	17,537.28	26,560.35
(b) Long-term provisions	23,910.76	26,326.16
Non-current liabilities	<b>41,448.04</b>	<b>52,886.51</b>
4. Current liabilities		
(a) Short-term borrowings	56,864.18	57,052.13
(b) Other current liabilities	110,252.49	99,424.81
(c) Short-term provisions	4,538.16	2,742.46
Current liabilities	<b>171,654.83</b>	<b>159,219.40</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>254,220.95</b>	<b>251,145.11</b>
<b>B. ASSETS</b>		
1. Non-current assets		
(a) Fixed assets		
Tangible assets	732.49	847.03
Intangible assets	362.80	271.13
Intangible assets under development	19.08	13.08
(b) Non-current investments	20.00	20.00
(c) Long-term loans and advances	25,876.92	28,257.45
(d) Other non-current assets	2,854.13	3,642.63
Non-current assets	<b>29,865.42</b>	<b>33,051.32</b>
2. Current assets		
(a) Trade receivables	57.49	55.56
(b) Cash and bank balances	60,264.67	86,058.77
(c) Short-term loans and advances	161,208.01	128,159.70
(d) Other current assets	2,825.36	3,819.76
Current assets	<b>224,355.53</b>	<b>218,093.79</b>
<b>TOTAL - ASSETS</b>	<b>254,220.95</b>	<b>251,145.11</b>



*For Identification Purpose  
Only.*



**SKS MICROFINANCE LIMITED**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER 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 October 18, 2013 and October 23, 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 September 30, 2013.
3. The net deferred tax asset amounting to Rs.57,420.79 lakhs as at September 30, 2013 has not been recognized. The said sum of Rs.57,420.79 lakhs will be available to offset tax on future taxable income. For the quarter ended September 30, 2013, the Company has posted a net profit of Rs.1,634.10 lakhs and given the carried forward tax loss, no tax provision is required for this quarter.
4. 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.
5. Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period presentation.

Place: Hyderabad

For SKS Microfinance Limited

Date: October 23, 2013

*For Identification Purpose  
Only.*

