

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2016 and the financial results for the year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, 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, 2016 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2015, the audited annual financial statements as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 and for the year ended March 31, 2016.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2016 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Viren H. Mehta
Partner
Membership No.: 048749

Hyderabad
May 4, 2016

SKS MICROFINANCE LIMITED

Regd. Office: Unit No. 410, "Madhava", Bandra-Kurla Complex, Bandra (East), Mumbai – 400051

Statement of Standalone Audited Financial Results for the quarter / year ended March 31, 2016						
Part I		Rs. In lakhs				
		Quarter ended			Year ended	
Sr No.	Particulars	March 31, 2016 Audited	December 31, 2015 Unaudited	March 31, 2015 Audited	March 31, 2016 Audited	March 31, 2015 Audited
1	Income					
	Income from operations	30,002.83	28,046.69	17,670.53	106,418.70	63,320.85
	Other operating income	2,973.25	2,678.37	2,091.34	10,494.70	9,074.83
	Total income from operations	32,976.08	30,725.06	19,761.87	116,913.40	72,395.68
2	Expenses					
	Employee benefits expenses	8,011.34	7,153.76	6,002.76	29,236.91	23,185.38
	Depreciation and amortization expenses	282.34	270.77	111.95	836.44	456.12
	Provisions and write offs	1,392.11	873.72	1,070.90	3,864.15	1,004.57
	Other expenses	2,920.04	2,461.17	2,246.33	10,283.21	8,399.33
	Total expenses	12,605.83	10,759.42	9,431.94	44,220.71	33,045.40
3	Profit from operations before other income & finance costs (1-2)	20,370.25	19,965.64	10,329.93	72,692.69	39,350.28
4	Other income	4,055.24	3,617.80	2,858.17	15,153.87	7,910.88
5	Profit before finance costs (3+4)	24,425.49	23,583.44	13,188.10	87,846.56	47,261.16
6	Finance costs	13,409.68	13,274.70	8,544.39	48,457.35	27,904.52
7	Profit before tax (5-6)	11,015.81	10,308.74	4,643.71	39,389.21	19,356.64
8	Tax expense	2,569.02	2,358.75	590.20	9,091.07	590.20
9	Profit after tax (7-8)	8,446.79	7,949.99	4,053.51	30,298.14	18,766.44
10	Paid-up equity share capital (Face Value of Rs.10 Each)	12,731.11	12,709.38	12,629.25	12,731.11	12,629.25
11	Reserves (excluding Revaluation reserves)				125,568.40	92,016.34
12	Earnings Per Share (EPS) (Not annualised)					
	Basic	6.64	6.26	3.21	23.90	15.22
	Diluted	6.57	6.19	3.17	23.58	15.04

SIGNED FOR IDENTIFICATION
BY

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 – 400051

Standalone Statement of Assets and Liabilities
Rs. In lakhs

Particulars	As at	As at
	March 31, 2016 Audited	March 31, 2015 Audited
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	12,731.11	12,629.25
(b) Reserves and surplus	125,568.40	92,016.34
Shareholders' funds	138,299.51	104,645.59
2. Share application money pending allotment	0.25	0.65
3. Non-current liabilities		
(a) Long-term borrowings	226,873.74	105,722.12
(b) Long-term provisions	2,089.27	1,271.85
Non-current liabilities	228,963.01	106,993.97
4. Current liabilities		
(a) Short-term borrowings	64,431.74	60,962.77
(b) Other current liabilities	276,070.34	192,718.88
(c) Short-term provisions	7,605.27	4,550.74
Current liabilities	348,107.35	258,232.39
TOTAL - EQUITY AND LIABILITIES	715,370.12	469,872.60
B. ASSETS		
1. Non-current assets		
(a) Fixed assets		
Tangible assets	1,141.65	515.06
Intangible assets	361.48	380.20
Intangible assets under development	142.16	124.48
(b) Non-current investments	20.00	20.00
(c) Long-term loans and advances	41,353.92	24,484.61
(d) Other non-current assets	17,926.72	12,522.64
Non-current assets	60,945.93	38,046.99
2. Current assets		
(a) Trade receivables	636.81	341.69
(b) Cash and bank balances	176,628.28	153,677.31
(c) Short-term loans and advances	460,802.25	271,355.20
(d) Other current assets	16,356.85	6,451.41
Current assets	654,424.19	431,825.61
TOTAL - ASSETS	715,370.12	469,872.60

SIGNED FOR IDENTIFICATION
 BY *[Signature]*
 4/5/16
S. R. BATLIBOI & CO. LLP
MUMBAI



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SKS MICROFINANCE LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2016

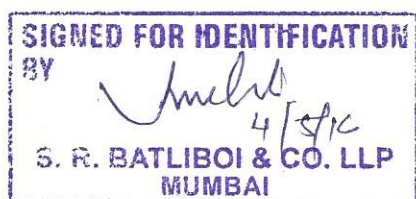
Notes:

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 4, 2016 in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The figures of quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2016 and the unaudited published year-to-date figures upto December 31, 2015, being the date of the end of the third quarter of the financial year ended March 31, 2016, which were subjected to limited review.
3. The net deferred tax asset amounting to Rs.35,655.99 lakhs as at March 31, 2016 has not been recognized. The said sum of Rs.35,655.99 lakhs will be available to offset tax on future taxable income.
4. The Company has provided for minimum alternate tax ('MAT') liability of Rs.9,091.07 lakhs for the year ended March 31, 2016. The MAT credit entitlement amounting to Rs.9,685.24 lakhs as at March 31, 2016 has not been recognized as an asset on the balance sheet. The said sum of Rs.9,685.24 lakhs will be available to offset future normal tax liability of the Company.
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' 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.
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: May 4, 2016



AD

FORM A

1	Name of the Company:	SKS Microfinance Limited
2	Annual financial statements for the year ended	31-Mar-16
3	Type of Audit observation	Unmodified
4	Frequency of observation	N/A
5	To be signed by-	

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration number : 301003E/E300005
Chartered Accountants


per Viren H. Mehta
Partner
Membership No.048749

For and on behalf of the Board of Directors of
SKS Microfinance Limited


P.H. Ravikumar
Audit Committee Chairman


M.R. Rao
Managing Director and
Chief Executive Officer


Ashish Damani
Chief Financial Officer