



**BHARAT**  
Financial Inclusion Ltd

Prayaas se pragati

(Formerly known as 'SKS Microfinance Limited')

Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh  
Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000  
F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in

Corporate Identity Number: L65999MH2003PLC250504

Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex  
Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

May 21, 2019

**The General Manager,  
Department of Corporate Services  
BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

**The Vice President - Listing Department  
The National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra - Kurla Complex,  
Bandra (East)  
Mumbai - 400 051.

Dear Sir/Madam,

**Sub: Approval of Audited Financial results for quarter and year ended March 31, 2019**

In compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of Bharat Financial Inclusion Limited at its meeting held on May 21, 2019 (commenced at 5.00 p.m. and concluded at 8.20 p.m.) has approved Audited Financial Results and Auditor's Report for the quarter and year ended March 31, 2019. A copy of each of the Audited Financial Results and Auditor's Report is attached herewith.

We request you to take the same on record.

Thanking you,

Yours faithfully

**For Bharat Financial Inclusion Limited**

**Rajendra Patil**

**Sr. EVP - Legal & Company Secretary**



Encl: As above

# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City  
Orwell, B Wing, 6th Floor, Unit-3  
Sy. No. 83/1, Plot No. 2, Raidurg  
Hyderabad-500081, India.

Telephone : +91 40 7182 2000  
Fax : +91 40 7182 2399

## **Independent Auditors' Report on annual financial results of Bharat Financial Inclusion Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of Bharat Financial Inclusion Limited**

We have audited the annual financial results of Bharat Financial Inclusion Limited (the 'Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year.

These annual financial results have been prepared on the basis of the annual financial statements and audited quarterly financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 annual financial results are free of material misstatement(s). 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.



**Independent Auditors' Report on annual financial results of Bharat Financial Inclusion Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

for **B S R & Associates LLP**  
*Chartered Accountants*  
Firm's Registration Number: 116231W/W-100024



**Sriram Mahalingam**  
*Partner*  
Membership No: 049642

Place: Hyderabad  
Date: 21 May 2019

**Bharat Financial Inclusion Limited**

Regd. Office: Unit No. 410, "Madhava", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

Particulars	Quarter ended			Year ended	
	March 31, 2019 Audited	December 31, 2018 Audited	March 31, 2018 Audited	March 31, 2019 Audited	March 31, 2018 Audited
					Rs. in crores
<b>Revenue from operations</b>					
(i) Interest income	420.87	555.66	480.49	2,106.61	1,774.17
(ii) Fees income	95.50	84.55	40.74	315.95	128.42
(iii) Net gain on derecognition of financial assets	329.77	170.22	122.85	596.38	248.33
(iv) Recovery against loans written off	4.87	3.31	2.09	17.70	4.75
<b>Total revenue from operations</b>	<b>851.01</b>	<b>813.74</b>	<b>646.17</b>	<b>3,036.64</b>	<b>2,155.67</b>
(II) Other income	-	0.05	0.67	0.15	0.97
(III) <b>Total income (I+II)</b>	<b>851.01</b>	<b>813.79</b>	<b>646.84</b>	<b>3,036.79</b>	<b>2,156.64</b>
<b>Expenses</b>					
(i) Finance costs	180.92	203.89	189.40	788.80	727.01
(ii) Impairment on financial instruments	8.55	19.25	43.79	72.06	68.54
(iii) Employee benefits expenses	170.61	151.16	149.92	640.57	525.25
(iv) Depreciation and amortization	5.94	5.24	3.88	17.67	13.25
(v) Others expenses	64.16	53.66	44.72	225.55	162.14
(IV) <b>Total Expenses (IV)</b>	<b>430.18</b>	<b>433.20</b>	<b>431.71</b>	<b>1,744.65</b>	<b>1,496.19</b>
(V) <b>Profit before tax (III-IV)</b>	<b>420.83</b>	<b>380.59</b>	<b>215.13</b>	<b>1,292.14</b>	<b>660.45</b>
Tax expense:					
Current tax	47.11	75.32	3.19	347.98	78.61
Deferred tax	52.55	16.86	(1.48)	(40.44)	(7.56)
<b>Total tax expenses</b>	<b>99.66</b>	<b>92.18</b>	<b>1.71</b>	<b>307.54</b>	<b>71.05</b>
(VI) <b>Profit for the period / year (V-VI)</b>	<b>321.17</b>	<b>288.41</b>	<b>213.42</b>	<b>984.60</b>	<b>589.40</b>
(VIII) <b>Other Comprehensive income (OCI)</b>					
(A) Items that will not be reclassified to profit or loss					
(i) Remeasurement of defined benefit plan	(0.28)	(1.78)	0.53	(4.12)	(1.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.10	0.62	(0.18)	1.44	0.39
<b>Subtotal (A)</b>	<b>(0.18)</b>	<b>(1.16)</b>	<b>0.35</b>	<b>(2.68)</b>	<b>(0.74)</b>
(B) Items that will be reclassified to profit or loss					
(i) Fair value (loss) / gain on financial Assets through OCI	(19.75)	(3.76)	2.37	(18.40)	12.49
(ii) Income tax relating to items that will be reclassified to profit or loss	6.90	1.31	(0.98)	6.43	(4.49)
<b>Subtotal (B)</b>	<b>(12.85)</b>	<b>(2.45)</b>	<b>1.39</b>	<b>(11.97)</b>	<b>8.00</b>
(IX) <b>Other comprehensive (loss) / income for the period / year (A + B)</b>	<b>(13.03)</b>	<b>(3.61)</b>	<b>1.74</b>	<b>(14.65)</b>	<b>7.26</b>
<b>Total comprehensive (loss) / income for the period / year (VII+IX)</b>	<b>308.14</b>	<b>284.80</b>	<b>215.16</b>	<b>969.95</b>	<b>596.66</b>
Earnings per equity share					
[Nominal value of share Rs.10 (March 31, 2018: Rs.10)] #	22.91	20.58	15.34	70.39	42.56
Basic (Rs.)	22.88	20.50	15.25	70.22	42.16
Diluted (Rs.)					

# Earning per share for the interim period is not annualized



**Bharat Financial Inclusion Limited**  
**Balance Sheet as at 31-Mar-19**

**Rs. in crores**

<b>Particulars</b>	<b>31-Mar-19 Audited</b>	<b>31-Mar-18 Audited</b>
<b>ASSETS</b>		
(1) <b>Financial assets</b>		
(a) Cash and cash equivalents	1,561.89	1,859.72
(b) Bank Balance other than (a) above	446.47	313.66
(c) Receivables		
Trade receivables	6.76	11.37
(d) Loans	7,619.46	9,259.96
(e) Investments	0.20	0.20
(f) Other financial assets	341.21	176.17
<b>Total financial assets</b>	<b>9,975.99</b>	<b>11,621.08</b>
(2) <b>Non-financial Assets</b>		
(a) Current tax assets (Net)	41.50	40.79
(b) Deferred tax Assets (Net)	163.30	208.86
(c) Property, plant and equipment	24.70	16.27
(d) Other intangible assets	6.11	5.35
(e) Other non-financial assets	17.70	19.28
<b>Total non-financial assets</b>	<b>253.31</b>	<b>290.55</b>
<b>Total assets</b>	<b>10,229.30</b>	<b>11,911.63</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
(1) <b>Financial liabilities</b>		
(a) Debt securities	-	199.98
(b) Borrowings (Other than Debt Securities)	4,778.39	8,094.05
(c) Other financial liabilities	1,130.44	437.67
<b>Total financial liabilities</b>	<b>5,908.83</b>	<b>8,731.70</b>
(2) <b>Non-financial liabilities</b>		
(a) Current tax liabilities (Net)	40.00	0.11
(b) Provisions	51.22	37.18
(c) Other non-financial liabilities	4.67	1.77
<b>Total Non-financial liabilities</b>	<b>95.89</b>	<b>39.06</b>
<b>EQUITY</b>		
(a) Equity share capital	140.21	139.32
(b) Other equity	4,084.37	3,001.55
<b>Total equity</b>	<b>4,224.58</b>	<b>3,140.87</b>
<b>Total liabilities and equity</b>	<b>10,229.30</b>	<b>11,911.63</b>



## BHARAT FINANCIAL INCLUSION LIMITED

### Notes:

- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2018 and the effective date of such transition is 1 April 2017. Such transition has been carried out in line with the relevant exemptions provided under Ind AS 101 from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the previous GAAP').

Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding figures presented in these results have been restated / reclassified.

Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 21, 2019 in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As required by paragraph 32 of Ind AS 101, reconciliation of the financial results / equity to those reported under previous GAAP is summarised as follows:

	Profit reconciliation		Equity reconciliation
	Year ended March 31, 2018	Quarter ended March 31, 2018	As at March 31, 2018
<b>Reconciliation of the financial results</b>			
<b>Profit/ after tax / Equity as reported under previous GAAP</b>	<b>455.48</b>	<b>210.51</b>	<b>2,998.75</b>
Expected credit loss on financial assets	166.82	(42.97)	29.38
Effective interest rate impact on financial assets and financial liability	7.44	2.10	31.44
Net gain on derecognition of loans sold under assignment transaction	69.72	48.39	107.21
Reversal of gain on derecognition of loans sold under securitisation transactions prior to date of transition	(40.46)	(1.85)	0.33
Others	2.17	(0.36)	2.57
Deferred tax impact on the above	(71.77)	(2.40)	(59.73)
Total Profit after tax as per Ind AS	<b>589.39</b>	<b>213.42</b>	<b>3,109.95</b>
Other Comprehensive Income, (net of taxes)	7.27	1.74	30.92
<b>Total Comprehensive Income / Equity as per Ind AS</b>	<b>596.66</b>	<b>215.16</b>	<b>3,140.87</b>

- The statutory auditors, B S R & Associates LLP have expressed an unmodified audit opinion on these financial results of the Company for the quarter and year ended March 31, 2019.
- "The Composite Scheme of Arrangement among the Company, IndusInd Bank Limited ("Bank") and IndusInd Financial Inclusion Limited (a wholly owned subsidiary of the Bank) and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013 ("Scheme") has been approved by the Competition Commission of India on December 19, 2017 and no objection has been issued by the Reserve Bank of India, the National Stock Exchange of India Limited and the BSE Limited on March 13, 2018, June 1, 2018 and June 4, 2018, respectively. The Scheme was also approved by the shareholders and secured creditors of the Company at their respective meetings both held on December 11, 2018. On



April 23, 2019, the Hon'ble National Company Law Tribunal (NCLT) heard the Company Scheme Petition No. 4648 of 2019 in connection with the Scheme and reserved the matter for order. The said order is awaited from the NCLT.

As on date, the Scheme remains subject to the receipt of approval from the NCLT and other applicable statutory and regulatory approvals.

6. The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year- to-date figures up to third quarter.
7. The Company is engaged primarily in the business of Micro- financing and accordingly there are no separate reportable segments as per Ind AS dealing with Operating Segment. The Company operates in a single geographical segment i.e domestic.

Place: Hyderabad  
Date: May 21, 2019

For Bharat Financial Inclusion Limited  
CIN: L65999MH2003PLC250504

M. R. RAO  
Managing Director and CEO  
DIN- 03276291





**BHARAT**  
Financial Inclusion Ltd

Prayaas se pragati

(Formerly known as 'SKS Microfinance Limited')

Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh  
Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000

F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in

Corporate Identity Number: L65999MH2003PLC250504

Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex  
Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

### Declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015

I, Ashish Damani, Chief Financial officer of Bharat Financial Inclusion Limited, hereby declare that the Statutory Auditors of the Company, BSR & Associates LLP, Chartered Accountants (Registration No: 116231W / W- 100024) have issued unmodified opinion on Audited Financial Results of the Company for the financial year ended March 31, 2019.

*Ashish Damani*

Ashish Damani

Chief Financial Officer

May 21, 2019