



(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

April 23, 2018

The General Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street  
Mumbai – 400001.

The Vice President,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza  
Bandra- Kurla Complex  
Mumbai – 400051

Dear Sir/Madam,

**Sub: Audited Financial Results for the Quarter and the Financial year ended  
March 31, 2018**

In compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of the Company at its meeting held on April 23, 2018 (commenced at 6.00 p.m. and concluded at 9.00 p.m.) has approved the following:

- Audited Financial Results of the Company for the quarter and financial year ended March 31, 2018;
- Reappointment of Mr. M. R. Rao as a Managing Director and Chief Executive Officer of the Company for a period of 3 years with effect from October 4, 2018 subject to the approval of Shareholders of the Company;
- Ratification of appointment of BSR & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company subject to the approval of Shareholders of the Company; and
- Appointment of BS & Company, Company Secretaries LLP as Secretarial Auditor of the Company for Financial Year 2018-19.

A copy of each of the Audited Financial Results, Auditors' report along with declaration on unmodified opinion is attached herewith.

We request you to take the same on record.

Thanking you,

Yours faithfully,  
For Bharat Financial Inclusion Limited  
(Formerly known as 'SKS Microfinance Limited')

**Rajendra Patil**  
Executive Vice President – Legal & Company Secretary

Encl: As above



**Bharat Financial Inclusion Limited (Formerly known as "SKS Microfinance Limited")**

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

| Statement of Standalone Financial Results for the quarter and year ended March 31, 2018 |   |                           |                              |                           |                           |                           |
|---|---|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|
|   |   |                           |                              |                           |                           | Rs. in lakhs              |
| Sr No.  | Particulars                                       | Quarter ended             |                              |                           | Year ended                |                           |
|   |   | March 31, 2018<br>Audited | December 31, 2017<br>Audited | March 31, 2017<br>Audited | March 31, 2018<br>Audited | March 31, 2017<br>Audited |
| 1   | <b>Income</b>                                     |                           |                              |                           |                           |                           |
|   | Revenue from operations                           | 53,916.39                 | 50,360.80                    | 36,783.56                 | 191,723.13                | 155,307.51                |
|   | Other income                                      | 5,063.40                  | 4,012.40                     | 4,147.79                  | 18,476.71                 | 17,482.97                 |
|   | <b>Total revenue (I)</b>                          | <b>58,979.79</b>          | <b>54,373.20</b>             | <b>40,931.35</b>          | <b>210,199.84</b>         | <b>172,790.48</b>         |
| 2   | <b>Expenses</b>                                   |                           |                              |                           |                           |                           |
|   | Employee benefit expenses                         | 14,938.42                 | 14,716.88                    | 10,538.60                 | 52,637.73                 | 40,616.01                 |
|   | Finance costs                                     | 18,129.20                 | 17,828.04                    | 16,457.19                 | 71,041.48                 | 62,246.13                 |
|   | Other expenses                                    | 4,480.11                  | 4,354.63                     | 3,559.60                  | 16,213.80                 | 13,432.09                 |
|   | Depreciation and amortization expenses            | 387.60                    | 351.96                       | 412.10                    | 1,324.91                  | 1,277.14                  |
|   | Provisions and write-offs                         | 62.95                     | 860.34                       | 33,455.69                 | 23,504.04                 | 35,935.31                 |
|   | <b>Total expenses (II)</b>                        | <b>37,998.28</b>          | <b>38,111.85</b>             | <b>64,423.18</b>          | <b>164,721.96</b>         | <b>153,506.68</b>         |
| 3   | <b>Profit / (loss) before tax (III)=(I)-(II)</b>  | <b>20,981.51</b>          | <b>16,261.35</b>             | <b>(23,491.83)</b>        | <b>45,477.88</b>          | <b>19,283.80</b>          |
| 4   | <b>Tax expenses</b>                               |                           |                              |                           |                           |                           |
|   | Current tax (Minimum Alternate Tax)               | 350.02                    | 3,073.57                     | 1,554.87                  | 7,891.74                  | 10,943.06                 |
|   | Excess provision of tax relating to earlier years | (69.95)                   | -                            | -                         | (69.95)                   | -                         |
|   | Minimum Alternate Tax credit entitlement          | (350.02)                  | (3,073.57)                   | (1,554.87)                | (7,891.74)                | (20,628.30)               |
|   | <b>Total tax expense (IV)</b>                     | <b>(69.95)</b>            | <b>-</b>                     | <b>-</b>                  | <b>(69.95)</b>            | <b>(9,685.24)</b>         |
| 5   | <b>Profit / (loss) after tax (III)-(IV)</b>       | <b>21,051.46</b>          | <b>16,261.35</b>             | <b>(23,491.83)</b>        | <b>45,547.83</b>          | <b>28,969.04</b>          |
| 6   | <b>Earnings per equity share (Not annualised)</b> |                           |                              |                           |                           |                           |
|   | Nominal value of share                            | 10.00                     | 10.00                        | 10.00                     | 10.00                     | 10.00                     |
|   | Basic   | 15.13                     | 11.72                        | (17.03)                   | 32.89                     | 21.82                     |
|   | Diluted   | 15.04                     | 11.64                        | (17.03)                   | 32.58                     | 21.56                     |





Bharat Financial Inclusion Limited  
(Formerly known as 'SKS Microfinance Limited')  
Balance Sheet as at March 31, 2018

|   | 31-Mar-18           | 31-Mar-17           |
|---|---------------------|---------------------|
|   | Audited             | Audited             |
| <b>Equity and liabilities</b>             |                     |                     |
| <b>Shareholders' funds</b>                |                     |                     |
| Share capital                             | 13,932.11           | 13,798.13           |
| Reserves and surplus                      | 285,937.26          | 230,875.97          |
|   | <u>299,869.37</u>   | <u>244,674.10</u>   |
| Share application money pending allotment | 5.68                | -                   |
| <b>Non-current liabilities</b>            |                     |                     |
| Long-term borrowings                      | 238,582.43          | 220,854.41          |
| Other long-term liabilities               | 1,029.45            | 757.47              |
| Long-term provisions                      | 23,241.11           | 27,120.07           |
|   | <u>262,852.99</u>   | <u>248,731.95</u>   |
| <b>Current liabilities</b>                |                     |                     |
| Short-term borrowings                     | 60,635.16           | 112,371.87          |
| Other current liabilities                 | 519,503.43          | 420,800.69          |
| Short-term provisions                     | 10,202.71           | 15,177.64           |
|   | <u>590,341.30</u>   | <u>548,350.20</u>   |
| <b>TOTAL</b>                              | <u>1,153,069.34</u> | <u>1,041,756.25</u> |
| <b>Assets</b>                             |                     |                     |
| <b>Non-current assets</b>                 |                     |                     |
| Property, plant and equipment             | 1,638.84            | 1,695.59            |
| Intangible assets                         | 535.19              | 494.57              |
| Intangible assets under development       | -                   | 17.60               |
| Non-current investments                   | 20.00               | 20.00               |
| Deferred tax assets                       | -                   | -                   |
| Long-term loans and advances              | 147,909.02          | 144,169.38          |
| Other non-current assets                  | 11,668.13           | 6,827.50            |
|   | <u>161,771.18</u>   | <u>153,224.64</u>   |
| <b>Current assets</b>                     |                     |                     |
| Trade receivables                         | 1,137.05            | 1,092.64            |
| Cash and bank balances                    | 204,645.23          | 280,536.85          |
| Short-term loans and advances             | 775,166.41          | 598,543.22          |
| Other current assets                      | 10,349.47           | 8,258.90            |
|   | <u>991,298.16</u>   | <u>888,531.61</u>   |
| <b>TOTAL</b>                              | <u>1,153,069.34</u> | <u>1,041,756.25</u> |



**BHARAT FINANCIAL INCLUSION LIMITED**  
(Formerly known as "SKS Microfinance Limited")

**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 23, 2018 in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The statutory auditors, B S R & Associates LLP have expressed an unmodified audit opinion on audited financial results of the Company for the quarter and year ended March 31, 2018.
3. The Board of Directors of the Company at its meeting held on October 14, 2017 had approved the Composite Scheme of Arrangement ("Scheme") between the Company, IndusInd Bank Limited ("Bank") and the proposed wholly owned subsidiary of the Bank (to be incorporated subject to the receipt of approval from the Reserve Bank of India) ("Subsidiary") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013, subject to receipt of applicable regulatory approvals.

In this regard, as on date of these financial statements, the amalgamation has been approved by the Competition Commission of India on December 19, 2017 and the Reserve Bank of India has conveyed to the Bank its "no objection" for the proposal for voluntary amalgamation of the Company with the Bank subject to fulfilment of the other applicable statutory and regulatory approvals. The necessary applications for the approval of Securities & Exchange Board of India (SEBI), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("BSE" and "NSE" collectively referred to as the "Stock Exchanges") have been submitted to the Stock Exchanges on March 28, 2018 and the same are pending disposal as on the date of these financial statements.

As on date, the Scheme remains subject to the receipt of approval from SEBI/Stock Exchanges, the National Company Law Tribunal, the respective shareholders and creditors of the Company and the Bank and other applicable statutory and regulatory approvals.

4. The net deferred tax asset amounting to Rs.11,746.45 lakhs as at March 31, 2018 has not been recognized as per Accounting standard 22 on 'Accounting for Taxes on Income' with respect to recognition of deferred tax asset in case of carry forward tax losses. The said sum of Rs. 11,746.45 lakhs will be available to offset tax on future taxable income.
5. The Company has provided for minimum alternate tax ('MAT') liability of Rs.7,891.74 lakhs for the year ended March 31, 2018 and recognised a corresponding MAT credit entitlement as an asset on the balance sheet.
6. The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Accounting standard 17 on 'Segment Reporting' specified under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.
7. Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period presentation.

For Bharat Financial Inclusion Limited  
CIN: L65999MH2003PLC250504

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

Place: Mumbai  
Date: April 23, 2018





# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City  
Orwell, 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

## Auditor's Report on Quarterly and Year to Date Financial Results of Bharat Financial Inclusion Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors of  
Bharat Financial Inclusion Limited (formerly, SKS Microfinance Limited)

1. We have audited the accompanying Statement of Financial Results ("the Statement") of Bharat Financial Inclusion Limited (formerly, SKS Microfinance Limited) ('the Company') for the quarter and year ended 31 March 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the quarter ended 31 March 2018 has been compiled from the related interim condensed financial statements prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 ('the Act') and as it relates to the year ended 31 March 2018 has been compiled from the related annual financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Our responsibility is to express an opinion on the Statement based on our audits of interim condensed financial statements and annual financial statements.
3. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management and evaluating the overall presentation of the financial results included in the Statement. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statements:
  - i. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in this regard; and
  - ii. gives a true and fair view of the net profit and other financial information for the quarter and year ended 31 March 2018.



B S R & Associates (a partnership firm with Registration No. RA63226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:  
5th Floor, Lido's Exodus  
Apple Main Compound  
N.M. Joshi Marg, Mahalakshmi  
Mumbai - 400 011

B S R & Associates LLP

5. The financial results for the quarter ended 31 March 2017 and the financial results for the year ended 31 March 2017 were audited by another auditor whose reports dated 1 May 2017 expressed unmodified opinion on those results.

for B S R & Associates LLP

*Chartered Accountants*

Firm's Registration Number: 116231W/ W-100024



**Sriram Mahalingam**

*Partner*

Membership No: 049642

Place: Hyderabad

Date: 23 April 2018



**BHARAT**  
Financial Inclusion Ltd

Prayaas se pragati

(Formerly known as 'SKS Microfinance Limited')

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

I, Ashish Damani, Chief Financial Officer of Bharat Financial Inclusion Limited (formerly known as SKS Microfinance 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 Standalone Audited Financial Results of the Company for the financial year ended March 31, 2018.

Ashish Damani

Chief Financial Officer

Bharat Financial Inclusion Limited

(formerly known as SKS Microfinance Limited)

April 23, 2018