



**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

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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

October 24, 2018

**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, 5<sup>th</sup> Floor,  
Bandra - Kurla Complex,  
Mumbai - 400 051.**

Dear Sir/Madam,

**Sub: Approval of Audited Financial results for quarter / half year ended September 30, 2018**

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 October 24, 2018 (commenced at 2.00 p.m. and concluded at 4.30 p.m.) has approved Audited Financial Results and Auditor's Report for the quarter / half year ended September 30, 2018. 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. Executive Vice President - Legal & Company Secretary**



Encl: As above

# 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  
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**Auditor's report on quarterly financial results and year-to-date results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

To

**The Board of Directors of  
Bharat Financial Inclusion Limited**

1. We have audited the quarterly financial results of Bharat Financial Inclusion Limited ('the Company') for the quarter ended 30 September 2018 and the year-to-date financial results for the period from 1 April 2018 to 30 September 2018 ('financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Listing Regulations.
2. These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulation.
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 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.



4. Based on our audit conducted as above, 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 Listing Regulations; and
  - (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the quarter ended 30 September 2018 as well as the year-to-date results for the period from 1 April 2018 to 30 September 2018.

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



**Sriram Mahalingam**  
Partner  
Membership No: 049642

Place: Hyderabad  
Date: 24 October 2018

**Bharat Financial Inclusion Limited**

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

**Statement of Financial Results for the quarter and half year ended September 30, 2018**

		<i>Rs. in crores</i>					
Sr No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2018 Audited	September 30, 2017 Audited	June 30, 2018 Audited	September 30, 2018 Audited	September 30, 2017 Audited	March 31, 2018 Audited
1	<b>Revenue</b>						
(a)	Revenue from operations	760.10	481.69	611.79	1,371.89	933.17	2,155.68
(b)	Other income	0.03	0.14	0.07	0.10	0.22	1.08
	<b>Total revenue</b>	<b>760.13</b>	<b>481.83</b>	<b>611.86</b>	<b>1,371.99</b>	<b>933.39</b>	<b>2,156.76</b>
2	<b>Expenses</b>						
(a)	Finance Costs	204.66	179.26	199.34	404.00	355.09	727.01
(b)	Impairment on financial instruments	25.71	(1.34)	18.56	44.26	34.29	68.54
(c)	Employee Benefits Expenses	159.62	118.92	159.18	318.80	228.05	525.25
(d)	Depreciation, amortization and impairment	3.79	3.13	2.70	6.49	5.85	13.25
(e)	Others expenses	58.57	38.86	49.16	107.73	73.81	162.25
	<b>Total expenses</b>	<b>452.35</b>	<b>338.83</b>	<b>428.94</b>	<b>881.28</b>	<b>697.09</b>	<b>1,496.30</b>
3	Profit / (loss) before tax (1-2)	307.78	143.00	182.92	490.71	236.30	660.46
4	<b>Tax expenses</b>						
(a)	Current tax	78.63	31.70	146.92	225.55	44.68	78.92
(b)	Excess provision of tax relating to earlier years	-	-	-	-	-	(0.70)
(c)	Deferred tax	(3.77)	8.16	(106.07)	(109.85)	53.28	71.76
(d)	Minimum Alternate Tax credit entitlement	-	(31.70)	-	-	(44.68)	(78.92)
	<b>Total tax expense</b>	<b>74.86</b>	<b>8.16</b>	<b>40.85</b>	<b>115.70</b>	<b>53.28</b>	<b>71.06</b>
5	Profit / (loss) after tax (3-4)	232.92	134.84	142.07	375.01	183.02	589.40
6	Other Comprehensive Income						
(i)	Items that will not be reclassified to profit or loss	3.10	(6.18)	(0.06)	3.04	7.82	11.36
(ii)	Income tax on the above	(1.08)	2.14	0.02	(1.06)	(2.71)	(4.09)
	Other Comprehensive Income (i + ii)	2.02	(4.04)	(0.04)	1.98	5.11	7.27
7	<b>Total Comprehensive Income (5+6)</b>	<b>234.94</b>	<b>130.80</b>	<b>142.03</b>	<b>376.99</b>	<b>188.13</b>	<b>596.67</b>
8	Earnings per equity share (Not annualised)						
	Nominal value of share	10.00	10.00	10.00	10.00	10.00	10.00
	Basic	16.66	9.76	10.19	26.87	13.26	42.56
	Diluted	16.53	9.68	10.12	26.63	13.14	42.16



**Bharat Financial Inclusion Limited**  
**Balance Sheet as at September 30, 2018**

*Rs. in crores*

	As at 30-Sep-18	As at 31-Mar-18
	Audited	Audited
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	302.37	1,859.72
Bank Balance other than (a) above	358.19	313.66
Receivables	29.11	11.37
Loans	10,805.14	9,259.96
Investments	0.20	0.20
Other Financial assets	198.23	176.16
<b>Non-financial Assets</b>		
Current tax assets (Net)	41.50	40.79
Deferred tax Assets (Net)	210.59	208.86
Property, Plant and Equipment	23.12	16.27
Other Intangible assets	7.14	5.35
Intangible assets under development	0.43	-
Other non-financial assets	24.76	19.29
<b>Total Assets</b>	<b>12,000.78</b>	<b>11,911.63</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Debt Securities	-	199.98
Borrowings (Other than Debt Securities)	7,720.52	8,094.05
Other financial liabilities	569.37	425.12
<b>Non-Financial Liabilities</b>		
Current tax liabilities (Net)	34.00	0.11
Provisions	59.17	37.18
Other non-financial liabilities	15.30	14.32
<b>EQUITY</b>		
Equity Share capital	140.09	139.32
Other Equity	3,462.33	3,001.55
<b>Total Liabilities and Equity</b>	<b>12,000.78</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 October 24, 2018 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 to those reported under previous GAAP is summarised as follows:

	INR in Crores	
Reconciliation of the financial results	Half year ended September 30, 2017	Quarter ended September 30, 2017
<b>Profit/ (Loss) after tax as per previous GAAP</b>	<b>82.35</b>	<b>119.40</b>
Expected credit loss on Loans & advances	191.79	51.52
Effective interest rate impact on financial assets and financial liability	0.38	1.49
Net gain on derecognition of loans sold under assignment transaction	(7.45)	(16.58)
Reversal of gain on derecognition of loans sold under securitisation transactions prior to date of transition	(32.63)	(12.40)
Others	1.86	(0.44)
Deferred tax impact on the above	(53.28)	(8.16)
Total Profit after tax as per Ind AS	<b>183.02</b>	<b>134.83</b>
Other Comprehensive Income, (net of taxes)	5.11	(4.04)
<b>Total Comprehensive Income as per Ind AS</b>	<b>188.13</b>	<b>130.79</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 half year ended September 30, 2018.
- 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, the amalgamation 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.

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



6. 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.

For Bharat Financial Inclusion Limited  
CIN: L65999MH2003PLC250504



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

Place: Hyderabad  
Date: October 24, 2018

