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@sksindia.com I www.sksindia.com
Corporate Identity Number: L65999MH2003PLC250504

May 4, 2016

The Secretary.
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai-400001.

The Vice President – Listing
National Stock Exchange of India Limited
Exchange Plaza,
Bandra – Kurla Complex
Mumbai – 400 051

Dear Sir / Madam,

Sub: Press Release on financial results.

Please find attached hereto a copy of Press Release dated May 4, 2016 on financial results for quarter / year ended March 31, 2016.

We request you to take the above on record.

Thanking You.

Yours faithfully,
for SKS Microfinance Limited

Rajendra Patil
Sr. Vice President – Legal & Company Secretary

Encl: As above.

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SKS Microfinance Limited's Gross Loan Portfolio grows by 24% QoQ to Rs. 7,677 crore in Q4-FY16, marginal cost of borrowing reduces to 9.2%

Mumbai, May 4, 2016: SKS Microfinance Limited today announced that its Gross Loan Portfolio excluding the states of Andhra Pradesh and Telangana registered a 24% quarter-on-quarter and an 84% year-on-year growth to Rs. 7,677 crore (Rs. 6,177 crore in Q3-FY16, Rs. 4,171 crore in Q4-FY15) in Q4-FY16.

SKS Microfinance Limited continues to maintain its lead as the most efficient microfinance institution in the world, post its distinction in November 2015 of becoming the first private sector MFI in the world to charge a sub-20% interest rate. The Company's marginal cost of borrowing reduced to 9.2% in Q4-FY16 from 9.9% in Q3-FY16 (10.2% in FY16 – the lowest in the microfinance sector; 11.9% in FY15).

SKS Microfinance Limited is the only Company in the microfinance sector to have the Highest Safety Rating of 'A1+' for its short-term debt programme. Besides, the Company's 'A+' rating for long-term borrowings is also the best rating in the sector.

The Company's Cost to Income stood at 48.3% (61.1% in FY15) and Opex to Gross Loan Portfolio was 7.16% in FY16 (9.5% in FY15). In Q4-FY16, Cost to Income ratio was 47.5% and Opex to Gross Loan Portfolio further reduced to 6.5%.

Loan disbursements showed a 36% quarter-on-quarter and a 63% year-on-year increase to Rs. 4,066 crore (Rs. 2,980 crore in Q3-FY16 and Rs. 2,494 crore in Q4-FY15). During the quarter, SKS Microfinance Limited had incremental drawdowns of Rs. 3,224 crore (Rs. 1,478 crore in Q3-FY16 and Rs. 2,414 crore in Q4-FY15) and full-year drawdowns of Rs. 7,317 crore in FY16 excluding origination under managed loans. The Company also originated Rs. 326 crore and Rs. 1,064 crore worth of loans under managed portfolio in Q4-FY16 and FY16 respectively. The quarter also witnessed completion of securitization transactions worth Rs. 1,621 crore rated as 'AA (SO)' and asset assignment of Rs. 507 crore.

The Company added 8.45 lakh borrowers during FY16, and ended the year with a borrower base of 46.37 lakhs. Employee strength increased by 24% to 11,991.

SKS Microfinance Limited posted a PAT of Rs. 84 crore in Q4-FY16 (Rs. 79.5 crore in Q3-FY16, Rs. 40.5 crore in Q4-FY15). Quarter-on-quarter PAT movement has been impacted by increase in standard asset provisioning of Rs. 5 crore and income deferral of Rs. 6 crore due to securitization and assignment.

The un-availed deferred tax benefit of Rs. 357 crore and a minimum alternate tax (MAT) credit of Rs. 97 crore will be available to offset tax on future taxable income.

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As of March 31, 2016, SKS Microfinance Limited had a net worth of Rs. 1,383 crore and a capital adequacy of 23.1%. Cash and cash equivalents stood at Rs. 1,660 crore.

About SKS Microfinance Limited:

SKS Microfinance Limited is among the largest microfinance companies in India with presence across 18 states covering 1,00,000 villages. The states include: Andhra Pradesh, Telangana, Karnataka, Maharashtra, Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttaranchal, Haryana, West Bengal, Jharkhand, Chhattisgarh, Kerala, Punjab, Himachal Pradesh and Delhi. The Company's mission is to provide financial services to the economically weaker sections.

For further details, contact: J S Sai/ +91 9849199455/ sai@sksindia.com