MICROFINANCE

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Corporate Identity Number: L65999MH2003PLC250504

July 22, 2015

The Secretary
**BSE Limited**
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai-400001.
Fax No. 022-2272 2037 / 39 /41/61

The Vice President – Listing
**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra – Kurla Complex
Mumbai – 400 051
Fax No. 022- 2659 8120 / 2659 8237 / 38

Dear Sirs,

**Sub: Press Release.**

Please find attached hereto a copy of Press Release dated July 22, 2015.

This is for your information and records.

Thanking You.

Yours faithfully,
**For SKS Microfinance Limited**

**Rajendra Patil**
**Sr. Vice President – Legal & Company Secretary**

Encl: As above.

SKS Microfinance Limited
Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192
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# SKS Microfinance Limited's gross loan portfolio registers 15% QoQ growth to Rs. 4,797 crore in Q1-FY16

**Mumbai, July 22, 2015:** SKS Microfinance Limited today announced that its gross loan portfolio excluding the states of Andhra Pradesh and Telangana registered a 15% quarter-on-quarter growth to Rs. 4,797 crore (Rs. 2,783 crore in Q1-FY15, Rs. 4,171 crore in Q4-FY15) in Q1-FY16.

Loan disbursements increased by 105% on a year-on-year basis to Rs. 2,377 crore in Q1-FY16 (Rs. 1,160 crore in Q1-FY15). During the quarter, the Company had incremental drawdowns of Rs. 1,046 crore (Rs. 575 crore in Q1-FY15), excluding origination under managed loans.

SKS Microfinance Limited issued Commercial Papers of an aggregate amount of Rs. 405 crore (rated 'A1+') and Non-Convertible Debentures totalling Rs. 200 crore (rated 'A+') in Q1-FY16. The Company completed securitization worth Rs. 84 crore with a rating of 'AA (SO)' and also originated Rs. 243 crore of loans under managed portfolio in Q1-FY16.

Cost-to-income ratio reduced to 52.3% in Q1-FY16 as compared to 59.4% in Q4-FY15 while cost of interest-bearing liabilities stood at 11.9% (11.8% in Q4-FY15, 13.6% in FY14). On account of the reduction in the cost of borrowing, SKS Microfinance Limited could reduce the interest rate charged to borrowers from 23.55% to 22% with effect from July 1, 2015, as stated earlier. With this reduction, the Company charges the lowest rate among Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) on its core Income Generating Loans (IGL) which are unsecured micro loans.

The Company posted a PAT of Rs. 61.2 crore in Q1-FY16 (Rs. 40.5 crore in Q4-FY15, Rs. 49.3 crore in Q1-FY15).

The un-availed deferred tax benefit of Rs. 460 *crore and* minimum alternate tax (MAT) credit of Rs. 21 crore will be available to offset tax on future taxable income. As of June 30, 2015, SKS Microfinance Limited had a net worth of Rs. 1,115 crore and a capital adequacy of 27.2%. Cash and cash equivalents stood at Rs. 772 crore.

## Technology upgradation

SKS Microfinance Limited has upgraded its lending management software across its entire branch network barring the states of Andhra Pradesh and Telangana. The new software, SKS Smart features multi-product support, centralised automated product configuration and mobile computing extension at branches. The new software, with real-time connectivity, enables pre-

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printed credit application forms and transaction statements while aiding policy enforcements such as disablement of the loan applications rejected by Credit Bureaus.

SKS Microfinance Limited has also launched its Smart TAB project, enabling the Company's loan officers to carry out all their activities on tablets. The project, which has so far covered 10% of the Company's network, will be completed by the end of the current calendar year.

**About SKS Microfinance Limited:**

SKS Microfinance Limited is among the largest microfinance companies in India with presence across 17 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 and Himachal Pradesh. The Company's mission is to provide financial services to the economically weaker sections.

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