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 I 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

January 24, 2017

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

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

Dear Sirs,

Sub: Press Release on financial results

Please find attached hereto a copy of Press Release dated January 24, 2017 on financial results for quarter ended December 31, 2016.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For **Bharat Financial Inclusion Limited**
(formerly known as "**SKS Microfinance Limited**")

Bharat Financial Inclusion Limited

Rajendra Patil
Executive Vice President – Legal & Company Secretary

Encl: as above.

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 I 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

Bharat Financial Inclusion Limited's Gross Loan Portfolio grows by 38% YoY to Rs. 8,531 crore in Q3-FY17; Company launches cashless, paperless project

Mumbai, January 24, 2017: Bharat Financial Inclusion Limited (earlier SKS Microfinance Limited) today announced that its Gross Loan Portfolio excluding the states of Andhra Pradesh and Telangana registered a 38% year-on-year growth to Rs. 8,531 crore in Q3-FY17 (Rs. 6,177 crore in Q3-FY16) as the Company takes the next steps with regard to cashless, paperless operations.

Building on the strong foundation laid with the complete Tab roll-out in 2015, the Company announced the phase-wise launch of its Instant Loan approval (Aadhar-based eKYC, credit bureau authentication and eSign) project with a completion target date of June 30, 2017. The launch is following the success of a pilot in paperless, cashless disbursals in Odisha between September and December 2016.

"The technology upgradation is the fruition of the relentless efforts of our teams in the last couple of years, driven by the realization that such initiatives herald immense gains for our borrowers," said M.R. Rao, CEO and Managing Director, Bharat Financial Inclusion Limited. "We are already the most efficient global MFI with the lowest lending rate of 19.75%."

In Q3-FY17, the Company registered Loan disbursements of Rs. 2,981 crore -- 34% year-on-year growth to Rs. 10,765 crore in 9M-FY17 (Rs. 8,022 crore in 9M-FY16). The collection efficiency for the dues in the November 11-30, 2016 period improved to 97.5% by January 19, 2017. Overall collection efficiency for Q3-FY17 was 95%.

"We had incremental drawdowns of Rs. 1,048 crore (Rs. 947 crore post demonetization) in Q3-FY17 and Rs. 4,324 crore in 9M-FY17 (Rs. 4,093 in 9M-FY16) excluding origination under managed loans," said Ashish Damani, CFO, Bharat Financial Inclusion Limited. "The Company also originated Rs. 226 crore and Rs. 835 crore loans under managed portfolio in Q3-FY17 and 9M-FY17 respectively."

Bharat Financial Inclusion Limited's marginal cost of borrowing remained stable at 10%.

Profit stood at Rs. 143 crore in Q3-FY17 and Rs. 428 crore for 9M-FY17. MAT credit of Rs. 29 crore has been recognised on the balance sheet in Q3-FY17. With this, accumulated MAT credit is Rs. 191 crore as on December 31, 2016.

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 I 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

The un-availed deferred tax benefit of Rs. 204 crore will be available to offset tax on future taxable income.

As of September 30, 2016, Bharat Financial Inclusion Limited had a net worth of Rs. 2,671 crore and a capital adequacy of 36.2%. Cash and cash equivalents stood at Rs. 1,824 crore.

About Bharat Financial Inclusion Limited:

Bharat Financial Inclusion Limited is among the largest microfinance companies in India with presence across 18 states covering 1,00,000 villages. The states include: 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@bfil.co.in