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**SKS Microfinance Limited secures 'A', 'A1' ratings for bank facilities worth Rs. 2000 crore**

*The ratings are likely to enhance credit availability and reduce the cost of borrowing as they will free up capital allocation for banks in the case of the Company's borrowings*

**Hyderabad, September 17**, **2013:** SKS Microfinance Limited today announced that a leading rating agency has assigned 'A' for its long-term and 'A1' for its short-term bank facilities for an aggregate sum of Rs. 2000 crore.

According to the rating agency, instruments with 'A' rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk. Instruments with 'A1' rating are considered to have very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk.

"The ratings would help to reduce the risk weights assigned to banks' exposure on SKS Microfinance Limited from the present 100% to 50% in the case of long-term facilities and 30% for short-term facilities," said Mr. S. Dilli Raj, Chief Financial Officer, SKS Microfinance Limited. "The ratings are likely to enhance credit availability and reduce the cost of borrowing as they will free up capital allocation for banks in the case of SKS Microfinance Limited's borrowings. We are unable to quantify the gains at this juncture, but expect the impact will be positive."

SKS Microfinance Limited's borrowings as of August 31, 2013 are Rs. 1,675 crore.

The ratings are significant in view of the fact that the Company has sustained and completed its turnaround in Q1-FY14 with three consecutive quarters of profit. During the Andhra Pradesh situation, the Company had repaid Rs. 5,800 crore to the banking system without any rescheduling or deferral or haircut. As of June 30, 2013, the Company had a Capital Adequacy ratio of 30% and cash and bank balance of Rs. 310 crore. Collection efficiency of the non-Andhra Pradesh portfolio is at 99.8% in Q1-FY14.

**About SKS Microfinance Limited:**

SKS Microfinance Limited (SKS) is a non-banking finance company (NBFC), registered and regulated by the Reserve Bank of India, whose mission is to provide financial services to low-income households. SKS operates across 16 states of India. They include: Andhra Pradesh, Karnataka, Maharashtra, Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttaranchal, Haryana, West Bengal, Jharkhand, Chhattisgarh, Kerala, Punjab and Delhi.

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