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SKS Microfinance Limited completes Rs. 222.65 crore securitization

Mumbai, February 11, 2014: SKS Microfinance Limited today announced the sixth substantial microfinance securitization during the current financial year of Rs. 222.65 crore. The first five substantial securitizations were: Rs. 321 crore (on September 30, 2013), Rs. 80.81 crore (on December 11, 2013), Rs. 215 crore (on December 19, 2013), Rs. 55 crore (on December 30, 2013) and Rs. 55.56 crore (on January 30, 2014).

"With this, the total sum of securitizations completed for FY14 (YTD) is Rs. 950 crore," said Mr. S. Dilli Raj, President, SKS Microfinance Limited. "This transaction is priced at a good 250 basis points lower than our cost of borrowing for the previous quarter."

SKS Microfinance Limited has downloaded the receivables from micro loans extended to 3,00,000 rural women entrepreneurs to a Special Purpose Vehicle, and Pass Through Certificates (PTCs) have been purchased by a major public sector bank. The entire pool qualifies for priority sector treatment as per RBI's priority sector lending guidelines.

Notably, 25% of the pool comprises women entrepreneurs from Scheduled Castes and Scheduled Tribes, 19% from minorities, 40% from Backward Castes and the remaining 16% from women belonging to the other castes. The entire pool comprises receivables from women entrepreneurs belonging to weaker sections.

The pool is rated AA (SO) by a leading rating agency signifying ‘a high degree of safety regarding timely servicing of financial obligations’. Such instruments carry very low credit risk.

The pool is structured with geographical diversity as it comprises receivables from 14 non-Andhra Pradesh states, and has been subjected to a seasoning of three months.

About SKS Microfinance Limited:

SKS Microfinance Limited is among the largest microfinance companies in India with presence across 15 states covering 1,00,000 villages. The states include: Andhra Pradesh, Karnataka, Maharashtra, Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttaranchal, Haryana, West Bengal, Jharkhand, Chhattisgarh, Kerala and Punjab. The Company’s mission is to provide financial services to the economically weaker sections.

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