



## **SKS Microfinance Limited's Gross Loan Portfolio grows by 13% QoQ to Rs. 6,177 crore in Q3-FY16, marginal cost of borrowing reduces to 10%**

**Mumbai, January 27, 2016:** SKS Microfinance Limited today announced that its Gross Loan Portfolio excluding the states of Andhra Pradesh and Telangana registered a 13% quarter-on-quarter and a 93% year-on-year growth to Rs. 6,177 crore (Rs. 3,195 crore in Q3-FY15, Rs. 5,462 crore in Q2-FY16) in Q3-FY16.

The Company's marginal cost of borrowing reduced to 10% in Q3-FY16 from 11.2% in Q2-FY16 while its weighted average cost of borrowing (historical) stood at 11.5% in Q3-FY16, down from 12.1% in Q2-FY16. Also, the Operating Expense to Gross Loan Portfolio ratio reduced to 6.8% in this quarter from 7.6% in Q2-FY16. On account of these achievements, SKS Microfinance Limited is probably the most efficient MFI in the globe.

Loan disbursements increased by 93% on a year-on-year basis to Rs. 2,980 crore in Q3-FY16 (Rs.1,544 crore in Q3-FY15). During the quarter, SKS Microfinance Limited had incremental drawdowns of Rs. 1,478 crore (Rs. 931 crore in Q3-FY15) including securitization transactions of Rs. 616 crore rated as 'AA (SO)' and Commercial Paper of Rs. 100 crore rated as 'A1+' by a leading rating agency. The Company also originated Rs. 260 crore worth of loans under managed portfolio in Q3-FY16.

The quarter marks two other significant achievements:

- The Company has reduced the interest rate charged to borrowers from 20.75% to 19.75% on income-generating loans extended on or after December 7, 2015. With this reduction, SKS Microfinance Limited charges the lowest rate among private MFIs in the world. There has been an aggregate interest rate reduction of 4.8% since October 2014.
- Availed Rs.100 crore refinance from MUDRA at 10% per annum.

The Company posted a PAT of Rs. 79.5 crore in Q3-FY16 (Rs. 77.9 crore in Q2-FY16, Rs. 41.1 crore in Q3-FY15).

The un-availed deferred tax benefit of Rs. 389 crore will be available to offset tax on future taxable income. Also, a minimum alternate tax (MAT) benefit of Rs. 24 crore in Q3-FY16 has conservatively not been availed as P&L credit, despite supporting accounting standards in favour of recognition. The total MAT credit of Rs. 71 crore as of December 31, 2015 is also available to offset actual tax liability in future.

As of December 31, 2015, SKS Microfinance Limited had a net worth of Rs. 1,292 crore and a capital adequacy of 23.9%. Cash and cash equivalents stood at Rs. 886 crore.

**SKS Microfinance Limited**

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**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.

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