



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 | 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

July 26, 2017

The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400 001.

The Vice President,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra- Kurla Complex
Mumbai – 400 051

Dear Sir/Madam,

Sub: Press Release

Please find attached hereto a copy of Press Release dated July 26, 2017.

This is for your information and records.

Thanking you,

Yours faithfully,
For Bharat Financial Inclusion Limited
(Formerly known as 'SKS Microfinance Limited')

Rajendra Patil
Executive Vice President - Legal & Company Secretary



Encl: As above



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Bharat Financial Inclusion Limited's operations return to normalcy with 99.9% collection efficiency for loans disbursed post Jan 1, 2017; cashless disbursements soar to 98% in June 2017

Mumbai, July 26, 2017: Bharat Financial Inclusion Limited (earlier 'SKS Microfinance Limited')'s operations have returned to normalcy in Q1-FY18 with the cumulative collection efficiency for Rs. 7,635 crore worth of loans disbursed between January 1 and June 30, 2017, comprising 65% of the Gross Loan Portfolio, standing at 99.9%. Gross collection efficiency for June 2017 has improved to 98.6%. Consequently, net NPA fell to 1% in Q1-FY18.

Bharat Financial Inclusion Limited's cashless disbursements increased to 98% in the month of June 2017 (12% in January 2017). The Company in Q4-FY17 unveiled its plans to roll out 2 lakh Kirana Points across its network in 16 states of India. Kirana Points enable the Company's borrowers to make basic financial transactions like repaying loan, depositing money, withdrawing cash and making utility payments.

"Our strong collection efficiency for loans disbursed post-demonetisation reiterates the strength of our unique operating model," said M.R. Rao, CEO and Managing Director, Bharat Financial Inclusion Limited. "Our constant focus on digitization and operational efficiency is demonstrated by moving to complete cashless disbursements in a short span of six months. Further, with the initial success of our Kirana point pilot, we are building blocks for further gains in operational efficiency."

Bharat Financial Inclusion Limited also announced that its Gross Loan Portfolio excluding the states of Andhra Pradesh and Telangana registered a 14% year-on-year and 5% quarter-on-quarter growth to Rs. 9,631 crore in Q1-FY18 (Rs. 9,150 crore in Q4-FY17, Rs. 8,463 crore in Q1-FY17).

The Company reported a healthy addition of 4.2 lakh members in Q1-FY18 vis-à-vis 3.3 lakh in Q4-FY17 (year-on-year growth of 21% to 68.5 lakh in Q1-FY18).

In Q1-FY18, loan disbursements at Rs. 3,734 crore are in line with the historical trend of seasonality and also aligned with the disbursement guidance of Rs. 19,500 crore for FY18 (Rs. 14,667 crore in FY17).

Bharat Financial Inclusion Limited registered a 26% year-on-year growth in incremental drawdowns to Rs. 1,384 crore in Q1-FY18 (Rs. 1,096 crore in Q1-FY17). The Company originated Rs.168 crore under managed portfolio and completed an assignment transaction of Rs. 540 crore in Q1-FY18.

Marginal cost of borrowings reduced to 8.9% in Q1-FY18 from 9.9% in Q1-FY17.

Bharat Financial Inclusion Limited reported a PPP (Pre-Provisions & Write-offs Profit) of Rs. 139 crore in Q1-FY18 and a loss of Rs. 37 crore in Q1-FY18 in view of its conservative provisioning norms, that is, the Company has NPA recognition on 8 weeks (approximately 60 days) overdue basis compared to the RBI policy of 90 days. Also, the Company provides against principal outstanding as compared to the RBI's policy of providing only against overdue instalments.

The Company also reiterated its earlier guidance of Rs. 435 crore profit after tax for FY18.



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Bharat Financial Inclusion Limited has a network of Rs. 2,420 crore and strong capital adequacy at 31.8% as of Jun 30, 2017 (compared to the RBI requirement of 15% capital adequacy).

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, Chief Marketing & Communications Officer/ +91 9849199455/ sai@bfil.co.in