



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

October 28, 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
The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Madam /Sir,

Sub : Press Release

Please find attached hereto a copy of the Press Release dated October 28, 2017.

We request you to take the same on record.

Thanking You,

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

Rajendra Patil
EVP-Legal & Company Secretary



Encl. : a/a



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Bharat Financial Inclusion Limited restores complete normalcy in operations with 99.8% cumulative collection efficiency for loans disbursed during Jan 1 - Oct 15, 2017; registers 17% YoY growth in Gross Loan Portfolio to Rs. 10,597 crore as on Sept 30, 2017

Healthy addition of 6.3 lakh members in Q2-FY18; cashless disbursements at 97% in Q2-FY18.

Mumbai, October 28, 2017: Bharat Financial Inclusion Limited (earlier known as 'SKS Microfinance Limited') has restored complete normalcy in its operations with a cumulative collection efficiency of 99.8% for loans disbursed worth Rs. 12,582 crore between January 1, 2017 and October 15, 2017. This portfolio comprises 82% of the total Gross Loan Portfolio (GLP) of Rs. 10,697 crore (till October 15, 2017).

The Company's disbursement growth too (Rs. 4,288 crore in Q2-FY18 or 22% of the targeted Rs. 19,500 crore in FY18) has been aligned with the historical trend of seasonality with a quarter-on-quarter growth of 15% in Q2-FY18 (Rs. 3,734 crore in Q1-FY18). Consequently, the Company's GLP registered a 17% year-on-year and 10% quarter-on-quarter growth to Rs. 10,597 crore as of September 30, 2017.

Net interest income increased 13% year-on-year and 22% quarter-on-quarter to Rs. 261 crore in Q2-FY18 (Rs. 232 crore in Q2-FY17, Rs. 213 crore in Q1-FY18). Profit after tax for Q2-FY18 stood at Rs. 119 crore.

The Company reported a healthy addition of 6.3 lakh members in Q2-FY18 vis-à-vis 4.2 lakh members in Q1-FY18. Cashless disbursements stood at 97% in Q2-FY18.

"The return to normalcy in the shortest possible time post-demonetization alongside our record scale-up on the technology front will enable increased focus on digitization, greater cost efficiencies and faster borrower acquisition," said M.R. Rao, CEO and Managing Director, Bharat Financial Inclusion Limited. "In Q2-FY18, Cost to Income has fallen to 48.6% (51.8% in Q1-FY18), and we are on track to achieve 40% by FY19."

In Q2-FY18, marginal cost of borrowings has remained stable at 8.9% on a quarter-on-quarter basis (9.4% in Q2-FY17), while weighted average cost of borrowing reduced to 9.8% in the quarter (10.2% in Q1-FY18). The Company registered an 83% growth in incremental drawdowns to Rs. 2,529 crore in Q2-FY18 (Rs. 1,384 crore in Q1-FY18) and originated Rs. 219 crore under managed portfolio.

Bharat Financial Inclusion Limited has a net worth of Rs. 2,561 crore and a capital adequacy of 31% as of September 30, 2017 (compared to the RBI requirement of 15% capital adequacy). Cash and cash equivalent stood at Rs. 1,651 crore as of September 30, 2017.

A MAT Credit of Rs. 32 crore has been recognized on the balance sheet in Q2-FY18 with the accumulated MAT credit standing at Rs. 251 crore as on September 30, 2017. The un-availed deferred tax benefit of Rs. 246 crore will be available to offset tax on future taxable income.



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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