

**SKS MICROFINANCE LIMITED**

Regd. Office: 3rd floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh, Begumpet, Hyderabad- 500 016 ( A.P)

Statement of Standalone unaudited financial results for the quarter ended June 30, 2012					
Part I					Rs. In lakhs
Sr No.	Particulars	Quarter ended			Year ended
		June 30, 2012 Unaudited	March 31, 2012 Unaudited	June 30, 2011 Unaudited	March 31, 2012 Audited
1	Income from operations	5,900.88	5,279.50	14,959.53	39,347.24
	Other operating income	1,547.17	1,335.50	1,104.87	4,222.85
	<b>Total income from operations</b>	<b>7,448.05</b>	<b>6,615.00</b>	<b>16,064.40</b>	<b>43,570.09</b>
2	<b>Expenses</b>				
	Employee benefits expense	4,805.58	5,572.11	7,359.35	26,111.88
	Depreciation and amortization expense	174.41	249.04	241.36	1,001.97
	Provisions and write offs	960.32	27,781.64	18,366.19	117,349.16
	Other expenses	2,571.99	2,302.12	3,708.39	15,127.33
	<b>Total expenses</b>	<b>8,512.30</b>	<b>35,904.91</b>	<b>29,675.29</b>	<b>159,590.34</b>
3	Profit / (loss) from operations before other income & finance costs (1-2)	(1,064.25)	(29,289.91)	(13,610.89)	(116,020.25)
4	Other income	497.33	553.04	1,607.72	3,660.18
5	Profit (loss) before finance costs (3+4)	(566.92)	(28,736.87)	(12,003.17)	(112,360.07)
6	Finance costs	3,316.81	4,215.96	6,299.97	20,014.45
7	<b>Profit (loss) before tax (5-6)</b>	<b>(3,883.73)</b>	<b>(32,952.83)</b>	<b>(18,303.14)</b>	<b>(132,374.52)</b>
8	Tax expense (Including deferred tax)	-	-	3,570.99	3,685.17
9	<b>Profit (loss) after tax (7-8)</b>	<b>(3,883.73)</b>	<b>(32,952.83)</b>	<b>(21,874.13)</b>	<b>(136,059.69)</b>
10	Paid-up equity share capital (Face Value of Rs.10 Each )	7,326.36	7,235.69	7,234.50	7,235.69
11	Reserves (excluding Revaluation reserves)				35,781.33
12	Earnings Per Share (EPS) (Not annualised)				
	Basic	(5.32)	(45.54)	(30.24)	(188.06)
	Diluted	(5.32)	(45.54)	(30.24)	(188.06)
<b>Part II</b>					
<b>A</b>	<b>Particulars of shareholding</b>				
1	Public shareholding				
	- Number of shares	45,701,368	45,701,368	45,669,447	45,701,368
	- Percentage of shareholding	62.38%	63.16%	63.13%	63.16%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares (% of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of shares (% of the total share capital of the company)	Nil	Nil	Nil	Nil
	b) Non - encumbered				
	- Number of shares	27,562,261	26,655,527	26,675,527	26,655,527
	- Percentage of shares (% of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	- Percentage of shares (% of the total share capital of the company)	37.62%	36.84%	36.87%	36.84%

Particulars		Quarter ended June 30, 2012
<b>B</b>	<b>Investor complaints</b>	
	Pending at the beginning of the quarter	-
	Received during the quarter	2
	Disposed off during the quarter	2
	Remaining unresolved at the end of the quarter	-



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BY  
S. R. PATIL & CO.  
3/8/12

## SKS MICROFINANCE LIMITED

### UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012

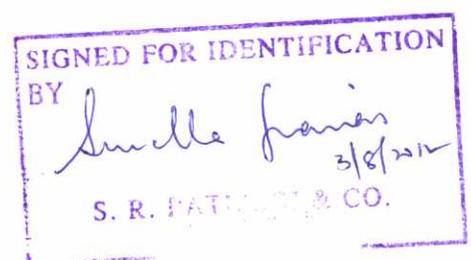
#### Notes:

1. The above results have been reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors at their respective meetings held on August 3, 2012, in terms of clause 41 of Listing Agreement.
2. The Statutory Auditors have carried out the 'Limited Review' of the results for the quarter ended June 30, 2012.
3. The unaudited figures in respect of the results of preceding quarter ended March 31, 2012 are the balancing figures between the audited financial results in respect of the financial year ended March 31, 2012 and the published year to date figures upto the third quarter ended December 31, 2011.
4. The Company has made an issue of 30,498,069 equity shares of Rs.10 each at a premium of Rs.65.40 per equity share aggregating Rs.22,995.54 lakhs through a qualified institutions placement ('QIP') to qualified institutional buyers, in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the SEBI ICDR Regulations') on July 19, 2012. The issue and allotment of shares was approved by the QIP Committee of the Board of Directors in its meeting held on July 19, 2012, pursuant to the approval of the shareholders obtained through a postal ballot on December 7, 2011.
5. The Company has received a binding offer from Kumaon Investment Holdings, a SEBI registered sub-account of a Foreign Institutional Investor, (a 100% subsidiary of WestBridge Ventures II, LLC, one of the promoters of the Company) ('the Investor') to subscribe to 4,450,000 equity shares of the Company of Rs.10 each at a premium of Rs.65.40 per equity share aggregating Rs. 3,355.30 lakhs on a preferential allotment basis ('the Issue'). The Issue of equity shares to the Investor shall be in accordance with the requirements of Chapter VII of the SEBI ICDR Regulations and subject to the approval of the shareholders at the ensuing Ninth Annual General Meeting of the Company scheduled to be held on August 10, 2012.
6. The Government of Andhra Pradesh promulgated "The Andhra Pradesh Micro Finance Institution (Regulation of Money Lending) Ordinance 2010" on October 15, 2010, subsequently enacted the same as "The Andhra Pradesh Micro Finance Institution (Regulation of Money Lending) Act, 2011 (Act 1 of 2011)" ('AP MFI Act') on December 31, 2010. The AP MFI Act resulted in restriction of the Company's operations and reduction in the collection rates in the state of Andhra Pradesh. As a result, the Company reassessed the provisioning estimates for the non-performing portfolio in the state of Andhra Pradesh during the financial year ended March 31, 2011 and elected to apply the provisioning requirements as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Reserve Bank of India ('RBI') issued the 'Non Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) – Directions' on December 2, 2011 which provide the regulatory framework, including the prudential norms for asset classification and provisioning, applicable to microfinance institutions on being registered as NBFC-MFIs. The norms relating to asset classification and provisioning were to be applicable with effect from April 1, 2012 to all NBFCs registered as NBFC-MFI. However, RBI has deferred the implementation of these norms to April 1, 2013.

Further, the Micro Finance Institutions (Development and Regulation) Bill, 2012, which lays down the foundation for a central regulation of the microfinance industry and consequently overrides the AP MFI Act, is pending in the Parliament for its approval.

Due to such evolving regulatory environment, with no precedence, the Company continues to apply the provisioning estimates, as mentioned above, on the portfolio in the state of Andhra Pradesh as at June 30, 2012.



7. The Company has incurred a loss during the quarter ended June 30, 2012. The net deferred tax asset amounting to Rs. 47,211.86 lakhs as at June 30, 2012 has not been recognized. The said sum of Rs. 47,211.86 lakhs will be available to offset tax on future taxable income. Once there is virtual certainty of future taxable profits supported by convincing evidence in accordance with the requirements of Accounting Standard (AS) 22 – Accounting for Taxes on Income, notified by Companies (Accounting Standards) Rules, 2006, (as amended), deferred tax assets will be recognized.
8. The Company operates in a single reportable segment i.e. lending to members, who have similar risks and returns for the purpose of AS 17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). The Company operates in a single geographical segment i.e. domestic.
9. Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period presentation.

Place: Hyderabad

For SKS Microfinance Limited

Date: August 3, 2012

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BY  
*S. R. Batooli*  
3/8/2012  
S. R. BATOOLOI & CO.

