



SKS MICROFINANCE LIMITED

Registered Office: 'Ashoka Raghupati Chambers', D No. 1-10-60 to 62,
Opp. Shoppers Stop, Begumpet, Hyderabad – 500 016, A.P. (India)
Tel: +91 40 4452 6000; Fax: +91 40 4452 6001

NOTICE

Notice is hereby given that Extraordinary General Meeting of the members of the Company will be held on December 21, 2011, at 10:00 a.m. at Surana Udyog Auditorium, #11-6-841, The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI), Red Hills, Hyderabad – 500 004, A.P. (India), to transact the following **SPECIAL BUSINESS**:

Item No. 1 Increase the FII investment limit.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED** that pursuant to the applicable provisions of the Companies Act, 1956, Foreign Exchange Management Act, 1999 ("**FEMA**"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000, the Master Circular on Foreign Investments in India dated July 1, 2011 issued by the Reserve Bank of India ("**RBI**") and other applicable rules, guidelines, regulations, notifications, circulars and procedures, if any (including any amendments or re-enactments or re-notification thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Ministries of Finance and Company Affairs, Government of India, the Foreign Investment Promotion Board, RBI and other concerned authorities and such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company, consent of the Company be and is hereby accorded to increase the investment limits by SEBI registered Foreign Institutional Investors (FII), including SEBI approved sub accounts of FIIs in the equity share capital of the Company, either by direct investment or by purchase or otherwise by acquiring from the market under Portfolio Investment Scheme under FEMA, on repatriation basis, from 24% to 74% of the paid-up equity share capital of the Company. "

"**RESOLVED FURTHER** that the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds & things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

*By order of the Board of Directors
for SKS Microfinance Limited*

Sd/-

*Sudershan Pallap
Company Secretary*

*Date: November 26, 2011
Place: Hyderabad*

Notes

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.** Voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid up capital of at least Rs. 50,000/-. A proxy shall not vote except on a poll. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. Members/ proxies should bring duly-filled attendance slips sent herewith to attend the meeting.
3. The relative Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the resolutions proposed, is annexed hereto.
4. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) Id. Number on all correspondence with the Company. Members are requested to address all correspondences to the Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar, Madhapur 414, Hyderabad 500081, A.P. India.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956.

The Company is desirous of seeking your consent for the proposals as contained in the draft resolutions attached herewith. Explanatory Statements pertaining to the said draft resolutions setting out all material facts and the reasons therefore is annexed.

Item No. 1 Increase the FII investment limit.

The Reserve Bank of India had through its Master Circular No. 15/2011-12 dated July 1, 2011 on Foreign Investments in India permitted companies to increase the limit of investments by Foreign Institutional Investors (FII) up to their sectoral caps or statutory limits, as applicable, by passing a resolution by its Board of Directors followed by a special resolution to that effect by its General Body. Under extant provisions of the Foreign Exchange Management Act, 1999 and rules/regulations issued thereunder, foreign investment of up to 100% of the Company's paid-up Share Capital is permissible. The resolution in the notice seeks shareholder approval for increase in the Investment limits of Foreign Institutional Investors (FIIs), registered with SEBI/ SEBI approved sub accounts of FIIs put together from 24% to 74% of the aggregate paid up Share Capital of the Company. The Board considers the increased investment by FII to be in the interests of the Company.

The Board recommends the resolution for increasing the maximum limit of FII investment in the Company to 74% of the paid up Share Capital of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

*By order of the Board of Directors
for SKS Microfinance Limited*

*Sd/-
Sudershan Pallap
Company Secretary*

Date: November 26, 2011

Place: Hyderabad

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PROXY FORM

Extraordinary General Meeting on December 21, 2011

Folio No. / DP Client ID :

No. of Shares held :

I/ We ofin the district ofbeing a member/ members of the Company hereby appoint of in the district of or failing him/ her of in the district of as my/ our proxy to vote for me/ us on my/ our behalf at the **Extraordinary General Meeting** of the Company to be held at Surana Udyog Auditorium, #11-6-841, The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI), Red Hills, Hyderabad – 500 004, A.P. (India) at 10.00 a.m. on December 21, 2011 and at any adjournment(s) thereof.

Affix
15 Paise
Revenue
Stamp

Signed this day of 2011

Signature

Note : This form duly completed, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

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ATTENDANCE SLIP

Extraordinary General Meeting on December 21, 2011

Folio No. / DP Client ID :

No. of Shares held :

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at **Extraordinary General Meeting** of the Company to be held at Surana Udyog Auditorium, #11-6-841, The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI), Red Hills, Hyderabad – 500 004, A.P. (India) at 10.00 a.m. on December 21, 2011.

Full name of Member :

Signature :

Full name of Proxy :

Signature :

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Your entry to the Meeting will be regulated by this attendance slip.