

Ref: SKS/HO/2010-11/

15th December, 2010

The Bombay Stock Exchange Limited,
Floor 25, P J Towers,
Dalai Street,
Mumbai - 400 001
Fax No. 022-2272 2037 / 39 /41/61

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex
Mumbai — 400 051
Fax No. 022-2659 8237 / 38 /47 / 48

Dear Sir / Madam,

Sub: SKS clarifies its stand on Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Bill, 2010 passed by the AP State Assembly on 14th December, 2010

SKS understands that the AP State Assembly has approved a legislation named the Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Bill, 2010 ("Bill") on 14th December, 2010 to regulate the microfinance sector by ratifying the Andhra Pradesh Microfinance Institution (Regulation of Money Lending) Ordinance, 2010 ("Ordinance"). SKS understands that the said Bill has not yet been approved by the AP Legislative Council and the Honourable Governor of AP. However, we have not received a copy of the Bill.

SKS has already sent notifications about the impact of the Ordinance to the Stock Exchanges (BSE & NSE) vide various intimations including 8th and 17th November, 2010. So long as the Bill remains in accordance with the Ordinance, the previously stated implications shall stand true.

SKS reiterates that, as per the Ordinance, it has already registered in all the Districts of AP.

Furthermore, the writ petitions filed by the Company against the Ordinance are pending with the Honourable High Court of Andhra Pradesh.

Thanking You

Yours Faithfully
For SKS Microfinance Limited


(S. K. Bansal)
Vice President (Legal) & Company Secretary



REGIONAL OFFICES

AGRA AHMEDABAD BANGALORE BHAGALPUR BHOPAL BHUBANESHWAR DEHRADUN DELHI ERNAKULAM GULBARGA HUBLI
HYDERABAD JAIPUR KOLKATA KURNOOL LUCKNOW NAGPUR PATNA PUNE RAIPUR RANCHI SILLIGURI VARANASI VIJAYAWADA