

SKS MICROFINANCE LIMITED

Regd. Office: Ashoka Raghupathi Chambers, D No. 1-10-60 to 62, Opp Shoppers Stop, Begumpet, Hyderabad- 500 016 (A.P)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED SEPTEMBER 30, 2010

(Rs in Lakhs)

Sr No.	Particulars	Quarter ended		Six months ended		Year Ended
		September 30, 2010 Unaudited	September 30, 2009 Unaudited	September 30, 2010 Unaudited	September 30, 2009 Audited	March 31, 2010 Audited
1	Income from Operations	34,165.08	19,296.75	62,590.66	34,136.72	87,357.06
	Other Operating Income	2,491.71	1,452.25	4,722.23	2,005.29	5,480.59
	Total	36,656.79	20,749.00	67,312.89	36,142.01	92,837.65
2	Expenditure					
	Personnel Expenses	8,785.15	4,959.71	16,935.53	9,461.59	21,642.50
	Depreciation	476.44	283.64	897.76	527.93	1,259.99
	Provisions and write offs	1,730.89	1,355.01	2,926.72	2,486.84	5,171.78
	Operating and Other expenditure	4,805.92	2,545.55	8,921.70	4,682.85	12,207.95
	Total	15,798.40	9,143.91	29,681.71	17,159.21	40,282.22
3	Profit from Operations before Other Income & Interest (1-2)	20,858.39	11,605.09	37,631.18	18,982.80	52,555.43
4	Other Income	603.81	514.28	1,309.17	2,326.89	3,055.29
5	Profit before Interest (3+4)	21,462.20	12,119.37	38,940.35	21,309.69	55,610.72
6	Interest and Finance Expenses	9,077.67	6,407.54	16,404.44	12,743.50	28,840.52
7	Profit before tax (5-6)	12,384.53	5,711.83	22,535.91	8,566.19	26,770.20
8	Tax expense (Including Deferred Tax and Fringe Benefit Tax)	4,329.82	1,976.44	7,811.47	3,005.60	9,374.81
9	Profit after tax (7-8)	8,054.71	3,735.39	14,724.44	5,560.59	17,395.39
10	Paid-up equity share capital (Face Value of Rs. 10 Each) (Out of 51,996,017 equity shares of Rs 10 each as on Sep 30, 2009, 3,863,415 equity shares, Rs.0.50 paid up, September 30, 2010 - Nil)	7,199.85	4,832.58	7,199.85	4,832.58	6,452.72
11	Reserves (excluding Revaluation reserves)					88,932.54
12	Earnings Per Share (EPS) (Not annualised)					
	Basic	11.74	7.77	22.12	11.58	32.82
	Diluted	10.99	5.94	20.66	8.93	27.33
13	Public shareholding					
	- Number of shares	4,53,23,015	1,58,79,244	4,53,23,015	1,58,79,244	2,85,05,436
	- Percentage of shareholding	62.95%	30.54%	62.95%	30.54%	44.17%
14	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of shares	Nil	Nil	Nil	Nil	6,70,000
	- Percentage of shares (% of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	1.86%
	- Percentage of shares (% of the total share capital of the company)	Nil	Nil	Nil	Nil	1.04%
	b) Non - encumbered					
	- Number of shares	2,66,75,527	3,61,16,773	2,66,75,527	3,61,16,773	3,53,51,783
	- Percentage of shares (% of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	98.14%
	- Percentage of shares (% of the total share capital of the company)	37.05%	69.46%	37.05%	69.46%	54.79%

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STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at	
	September 30, 2010 Unaudited	September 30, 2009 Audited
Share holders' Funds		
(a) Capital	7,199.85	5,873.14
(b) Stock Options Outstanding	848.32	197.27
(c) Reserve and Surplus	1,72,390.33	71,003.69
Loan funds	3,49,974.19	2,60,259.13
Total	5,30,412.69	3,37,333.23
Fixed Assets	2,323.83	1,410.46
Intangible Assets	866.59	604.92
Investments	375.61	20.00
Deferred Tax Assets (Net)	2,582.44	799.13
Current Assets, Loans and Advances		
(a) Sundry Debtors	342.96	648.30
(b) Cash and Bank Balances	58,763.74	72,068.12
(c) Other Current Assets	7,733.17	5,695.30
(d) Loans & Advances	5,01,306.76	2,83,105.40
Less: Current Liabilities and Provisions		
(a) Liabilities	38,160.56	24,063.15
(b) Provisions	5,721.85	2,955.25
Total	5,30,412.69	3,37,333.23

SKS MICROFINANCE LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED SEPTEMBER 30, 2010

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 22, 2010 in terms of clause 41 of Listing Agreement.
2. The Statutory Auditors have carried out a “Limited Review” of the results for the quarter ended September 30, 2010
3. The Board of Directors of the Company in its meeting held on 3rd October 2010, which was adjourned and re-convened on 4th October 2010, has:
 - i. Passed a resolution terminating the appointment of Mr. Suresh Gurumani as Managing Director and Chief Executive Officer of the Company (pursuant to the terms of his appointment letter with the Company), and withdrawn all powers and authorities granted to him or otherwise enjoyed by him in the Company as Managing Director and Chief Executive Officer of the Company, with immediate effect.
 - ii. Appointed Mr. M. R. Rao, Deputy Chief Executive Officer as the Managing Director and Chief Executive Officer for a period of 3 years w.e.f. 4th October 2010, subject to the completion of necessary statutory and other procedures.
 - iii. Accepted the resignation of Mr. Ashish Lakhanpal (Non-Executive and Non- Independent Director) as a Directorship of the Company with immediate effect. Mr. Ashish has tendered his resignation so that the Board composition complies with the requirements of the Listing Agreement in connection with the prescribed ratio for independent and non-independent directors.
4. The Company operates in a single reportable segment i.e. lending to members, which has 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 does not have any reportable geographical segment.
5. Pursuant to clause 41 of the Listing Agreement. the status of Investors complaints for the quarter ended September 30, 2010 are given below is as follows:

Pending as on July 1, 2010	Received during the quarter	Disposed off during the quarter	Pending as on September 30, 2010
- Nil -	3596	3585	11

6. Figures for the previous period/year have been regrouped/ rearranged wherever necessary to conform to current period presentation.

For SKS Microfinance Limited
Sd/-