

Dated 6th May 2011
Ref No. SE / Clause 41/

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai-400001.

The Vice President – Listing
National Stock Exchange of India Limited
Exchange Plaza,
Bandra – Kurla Complex
Mumbai – 400 016

Dear Sirs,

Sub: **Submission of Audited Financial Results for the quarter / year ended 31st March 2011.**

Pursuant to Listing Agreement, we hereby inform you that the Board of Directors of the Company has approved the Audited financial results of the Company for the quarter / year ended 31st March 2011 in its meeting held today.

We request you to take the above on record.

Thanking You.

Yours faithfully,
for **SKS Microfinance Limited**


(Sudershan Pallap)
Company Secretary



Encl: As above.

REGIONAL OFFICES

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

SKS MICROFINANCE LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

(Rs in Lakhs)

Sr No.	Particulars	Quarter ended		Year ended	
		March 31, 2011 Unaudited	March 31, 2010 Unaudited	March 31, 2011 Audited	March 31, 2010 Audited
1	Income from operations	17,093.97	28,192.98	1,16,019.54	87,292.39
	Other operating income	1,672.07	1,816.11	8,527.44	5,480.59
	Total	18,766.04	30,009.09	1,24,546.98	92,772.98
2	Expenditure				
	Personnel expenses	6,832.55	6,506.36	32,634.68	21,642.50
	Depreciation	336.67	409.44	1,614.96	1,259.99
	Provisions and write offs	10,621.19	1,482.08	23,622.90	5,130.25
	Operating and other expenditure	3,385.60	4,029.35	17,049.60	12,207.95
	Total	21,176.01	12,427.23	74,922.14	40,240.69
3	Profit from operations before Other Income & Interest (1-2)	(2,409.97)	17,581.86	49,624.84	52,532.29
4	Other income	618.52	440.29	2,406.98	3,078.43
5	Profit before interest (3+4)	(1,791.45)	18,022.15	52,031.82	55,610.72
6	Interest and finance expenses	8,681.06	8,222.24	34,788.64	28,840.52
7	Profit before tax (5-6)	(10,472.51)	9,799.91	17,243.18	26,770.20
8	Tax expense (Including deferred tax and fringe benefit tax)	(3,495.66)	3,510.61	6,080.10	9,374.81
9	Profit after tax (7-8)	(6,976.85)	6,289.30	11,163.08	17,395.39
10	Paid-up equity share capital (Face Value of Rs. 10 Each)	7,232.39	6,452.72	7,232.39	6,452.72
11	Reserves (excluding Revaluation reserves)	1,69,908.71	88,932.54	1,69,908.71	88,932.54
12	Earnings Per Share (EPS) (Not annualised)				
	Basic	(9.66)	9.81	16.10	32.82
	Diluted	(9.18)	9.63	15.24	27.33
13	Public shareholding				
	- Number of shares	4,56,48,383	2,85,05,436	4,56,48,383	2,85,05,436
	- Percentage of shareholding	63.12%	44.17%	63.12%	44.17%
14	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	6,70,000	-	6,70,000
	- Percentage of shares	-	1.86%	-	1.86%
	(% of the total shareholding of promoter and promoter group)	-	1.86%	-	1.86%
	- Percentage of shares	-	1.04%	-	1.04%
	(% of the total share capital of the company)	-	1.04%	-	1.04%
	b) Non - encumbered				
	- Number of shares	2,66,75,527	3,53,51,783	2,66,75,527	3,53,51,783
	- Percentage of shares	100%	98.14%	100%	98.14%
	(% of the total shareholding of promoter and promoter group)	100%	98.14%	100%	98.14%
	- Percentage of shares	36.88%	54.79%	36.88%	54.79%
	(% of the total share capital of the company)	36.88%	54.79%	36.88%	54.79%


 (M.R. Rao)
 Managing Director & CEO



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STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2011

(Rs in Lakhs)

Particulars	As at	As at
	March 31, 2011 Audited	March 31, 2010 Audited
Shareholders' funds		
(a) Capital	7,232.39	6,452.72
(b) Share application money	29.73	-
(c) Stock Options outstanding	911.04	417.93
(d) Reserve and surplus	169,908.71	88,932.54
Loan funds	223,605.38	269,467.21
Total	401,687.25	365,270.40
Fixed assets	2,186.49	1,885.18
Intangible assets	925.68	550.74
Investments	375.61	20.00
Deferred tax assets (Net)	3,570.99	947.96
Current assets, loans and advances		
(a) Interest accrued on investment	17.69	-
(b) Sundry debtors	192.19	295.39
(c) Cash and bank balances	55,791.20	97,351.84
(d) Other current assets	1,555.51	2,121.42
(e) Loans & advances	365,351.64	301,577.17
Less: Current liabilities and provisions		
(a) Liabilities	19,401.59	36,948.34
(b) Provisions	8,878.16	3,302.44
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	771.48
Total	401,687.25	365,270.40



SKS MICROFINANCE LIMITED

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 4, 2011 and May 6, 2011 respectively in terms of clause 41 of Listing Agreement.
2. The above results have been audited by the statutory auditors.
3. 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)" on December 31, 2010 and notified by Gazette on January 1, 2011 ('AP MFI Act'). In compliance with the said Ordinance/Act, the frequency of the JLG loan repayments in the state of Andhra Pradesh changed from a 'weekly' to a 'monthly' basis.

Pursuant to the above change, the Company estimates its provisioning for the JLG loan portfolio with monthly repayment schedule, in the state of Andhra Pradesh as given below:

Asset Classification	Arrear Period	Provision (%)
Standard	Less than 180 days	0.25%
Sub-Standard	Overdue for 180 – 720	10%
Loss Assets	Overdue over 720 days	100%

The above-mentioned estimates for the provisioning of the loan portfolio in the state of Andhra Pradesh is as per the asset classification and provisioning norms as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

The amount of provisioning requirement is estimated taking into account the above, complete details of which are given in the presentation, which is available on the Company's website.

4. 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 does not have any reportable geographical segment.
5. A Committee of the Board of Directors allotted 197,144 Equity shares during the quarter ended March 31, 2011, pursuant to exercise of the options granted under Employee Stock Option Schemes (ESOPs) of the Company.
6. The status of Investors complaints for the quarter ended March 31, 2011 are given below:

Pending as on 1 st January, 2011	Received during the quarter	Disposed off during the quarter	Pending as on 31 st March, 2011
1	148	147	2

Dao

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

