



Press Release
SK Finance Limited (Erstwhile Ess Kay Fincorp Limited)
July 29, 2024
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	175.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	175.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs. 175.00 Cr. Principal Protected Market Linked Debentures of SK Finance Limited (Erstwhile ESS KAY Fincorp Limited) (SKFL) without assigning any rating as the instrument is fully paid. The withdrawal is on account of request received from client, NOC received from the debenture trustee and in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

About the company

Incorporated in 1994, SK Finance Limited (Erstwhile Ess Kay Fincorp Limited) is a Jaipur (Rajasthan) headquartered non-banking finance company (NBFC) registered with the Reserve Bank of India (RBI). SK Finance Limited has a wide network of more than 400+ branches across 10 states i.e., Gujarat, Rajasthan, Punjab, Haryana, Maharashtra, Chhattisgarh, Madhya Pradesh, Himachal Pradesh, Delhi NCR and Uttarakhand. The company has a track record of 29 years into financing a wide range of tractors and vehicles, which includes used and new, 2wheelers, car loan as well as extending loans to MSMEs i.e., Micro, Small and Medium Enterprises. Mr. Rajendra Kumar Setia, Mr. Amar Lal Daultani, Mr. Anand Raghavan, Mr. Debanshi Basu, Mr. Yash Setia, Mr. Mukul Mathur, Mr. Nanda Sameer Dave and Mr. Simit Batra are the directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strength

Not Applicable

Weakness

Not Applicable

ESG Factors Relevant for Rating

Not Applicable

Rating Sensitivity

Not Applicable

Liquidity Position

Not Applicable

Outlook:

Not Applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets**	Rs. Cr.	12289.40	9029.26
Total Income*	Rs. Cr.	1050.61	766.76
PAT	Rs. Cr.	311.92	222.78
Networth	Rs. Cr.	3108.58	1833.74
Return on Average Assets (RoAA)	(%)	2.93	2.93
Return on Net Worth (RoNW)	(%)	12.62	12.99
Total Debt/Tangible Net Worth (Gearing)**	Times	2.87	3.88
Gross NPA***	(%)	-	1.94%
Net NPA***	(%)	-	1.31%

*Total income equals to Net interest income plus other income

**Total assets are net off deferred tax assets

***Gross NPA and Net NPA are as per IND AS.

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Dec 2023	Principal protected market linked debentures	Long Term	175.00	ACUITE PP-MLD AA- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1971.71	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	28.29	ACUITE AA- (Reaffirmed & Withdrawn)
23 May 2023	Proposed Long Term Bank Facility	Long Term	1971.71	ACUITE AA- Stable (Reaffirmed)
	Term Loan	Long Term	28.29	ACUITE AA- Stable (Reaffirmed)
	Principal protected market linked debentures	Long Term	175.00	ACUITE PP-MLD AA- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	500.00	ACUITE Not Applicable (Withdrawn)
	Proposed Commercial Paper Program	Short Term	50.00	ACUITE Not Applicable (Withdrawn)
23 May 2022	Proposed Long Term Bank Facility	Long Term	2460.00	ACUITE AA- Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE AA- Stable (Reaffirmed)
	Proposed principal protected market linked debentures	Long Term	175.00	ACUITE PP-MLD AA- Stable (Assigned)
	Proposed Commercial Paper Program	Short Term	50.00	ACUITE A1+ (Reaffirmed)
10 Feb 2022	Proposed Commercial Paper Program	Short Term	50.00	ACUITE A1+ (Assigned)
	Proposed Long Term Bank Facility	Long Term	2500.00	ACUITE AA- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE124N07598	Principal protected market linked debentures	26 May 2022	Not avl. / Not appl.	26 May 2024	Complex	175.00	Not Applicable Withdrawn

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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