



SK Finance Limited

Presentation - 2024



COMPANY PROFILE

- **Prominent NBFC:** SK is a key non-deposit-taking NBFC in the middle layer (NBFC ML).
- **Established in 1994:** Founded by Rajendra Kumar Setia, with 30 years of experience.
- **Focus Areas:** Specializes in vehicle and MSME financing, offering tailored solutions.
- **Market Leader:** Fastest-growing in vehicle and MSME financing.
- **Extensive Network:** 579 branches in 11 states and 1 union territory, with 8,853 DSAs and a strong rural presence.

Credit Rating: It has A+ credit ratings assigned by agencies like CRISIL, ICRA, or CARE Ratings based on its debt instruments and overall creditworthiness.

PRODUCT PORTFOLIO

Vehicle Financing: Commercial Vehicles, Cars, Tractors, Two-Wheelers.

- AUM (Assets Under Management): ₹8,081 crore (as of March 2024)
- Growth: Achieved a 34% Year-over-Year (YoY) growth

MSME Financing: Asset-backed loans for working capital, targeting rural and semi-urban MSMEs.

- AUM (Assets Under Management): ₹2,131 crore (as of March 2024)
- Growth: Contributed around 20% to the total book in March 2024, up from 16% in March 2023, highlighting the steady growth in MSME lending.



Operational Metrics

Branch Network

- 579 branches across 11 states and 1 UT.
- Focus on rural and semi-urban areas.
- MSME loans available at 322 branches.

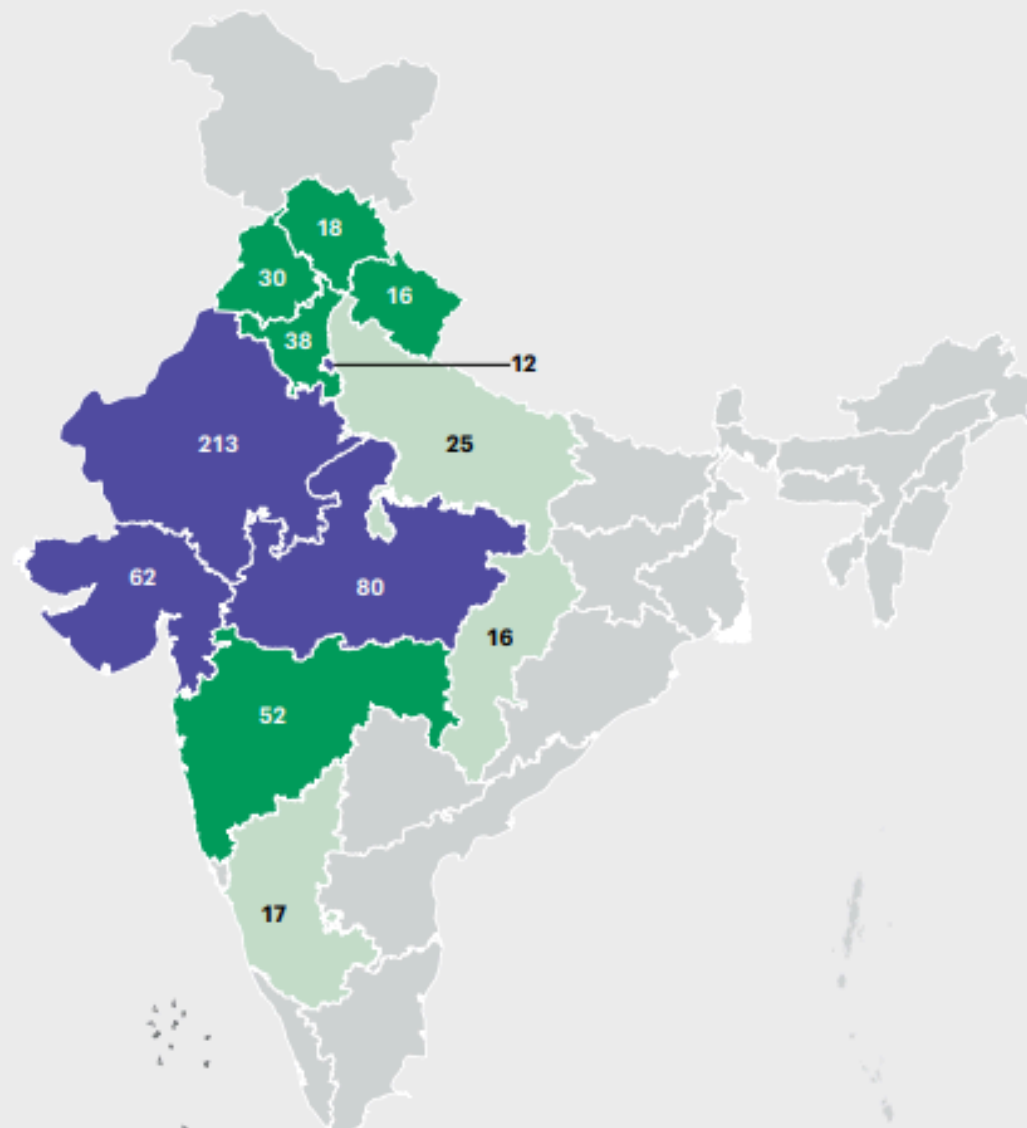


Employee Composition

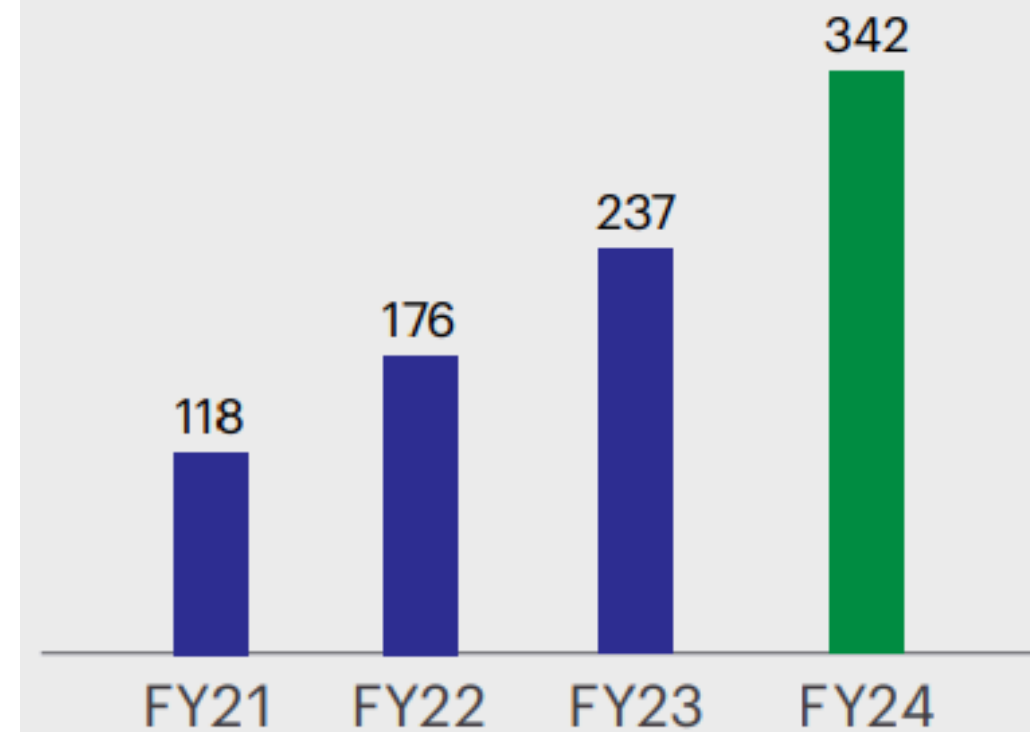
As of December 31, 2024, they have a total of 11,401 employees.



579 branches as of 31st March, 2024



MSME branches



MANAGEMENT



Amar Lal Daultani

Chairperson and Non-Executive
Independent Director

- Holds a bachelor's degree in science from Agra University.
- Over 34 years of experience in credit, forex, treasury, risk management, and other banking operations.
- Previously worked at Allahabad Bank and Corporation Bank.



Rajendra Kumar Setia

Managing Director and Chief
Executive Officer

- Holds a bachelor's degree in science from the University of Rajasthan.
- Over 29 years of experience in financial services.
- Recognized as one of the "ET Business Leaders of Rajasthan 2019" by the Times Group.

AWARDS AND RECOGNITION

- Rajasthan Gaurav Award 2024: Mr. Yash Setia, Whole-Time Director.
- BFSI Leadership Awards 2024
- CFO of the Year – NBFC: Mr. Atul Arora.
- Best Digital Transformation Initiative – NBFC: Mr. Girish Dangayach.
- Chief Compliance Officer of the Year – NBFC: Mrs. Anubha Khandelwal.
- Best Brand of 2023: Honoured by The Economic Times.
- ITOTY Awards 2023: Fastest Growing Tractor Financer in India.



FINANCIALS

₹ in crores

Key Takeaways

- **Total income** increased to ₹1,051 Crs. in FY24 from ₹767 Crs. in FY23 | Y-o-Y growth: 37%.
- **Net Interest Income** increased to ₹885 Crs. in FY24 from ₹663 Crs. in FY23 | Y-o-Y growth: 33%.
- **Assets Under Management (AUM)** reached ₹10,476 Crs. in FY23, up from ₹7,378 Crs. in FY23 an increase of 42%.
- **Disbursements** increased by 29%, reaching ₹7,237 Crs. in FY23 from ₹5,623 Crs. in FY23.

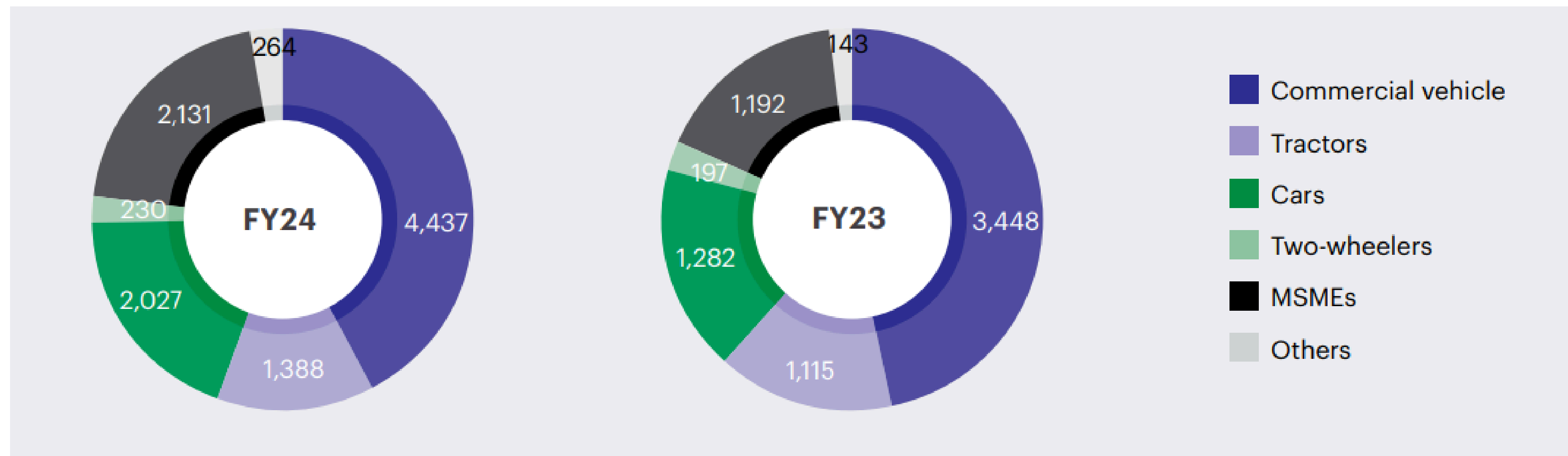
Financials	FY 2024	FY 2023	% increase
Revenue	1791	1302	38%
EBITDA	1176	851	38%
PAT	312	223	40%
PAT Margins	18%	17%	-

FINANCIALS

AUM AND DISBURSEMENT SPLIT:

Financial performance	FY24	FY23	y-o-y (%)
Disbursement	7,237	5,623	29%
CV	3,016	2,709	11%
Tractor	853	726	18%
Car	1,496	979	53%
Two-Wheeler	186	190	-2%
SME	1,404	854	64%
Others	282	164	72%
AUM	10,476	7,378	42%
Commercial vehicles	4,437	3,448	29%
Tractors	1,388	1,115	24%
Cars	2,027	1,282	58%
Two-wheelers	230	197	16%
SMEs	2,131	1,192	79%
Others	264	143	84%

Segment Wise Revenue Contribution



INDUSTRY OVERVIEW

Banking Sector

- Credit Growth: Bank loans to services and agriculture led a 16.3% credit growth in FY24 (up from 15% in FY23).
- Non-Food Credit: Expanded by 16.3% to ₹164.12 lakh crore by March 2024, with the services sector credit rising to 20.19%.
- Liquidity & Rates: Tight liquidity and high benchmark rates created challenges, yet credit demand remained strong.

Non-Banking Financial Companies (NBFCs)

- Role in Financial Inclusion: NBFCs serve underserved households and businesses with deep rural reach, faster processing, and customized products.
- Credit Growth: NBFC credit grew by 15.35% YoY in FY24. Retail loans (47% of NBFC credit) are expected to grow at an 18-19% CAGR through FY25.
- Challenges: Faced higher costs of credit and competitive pressures from banks, especially in new car financing.

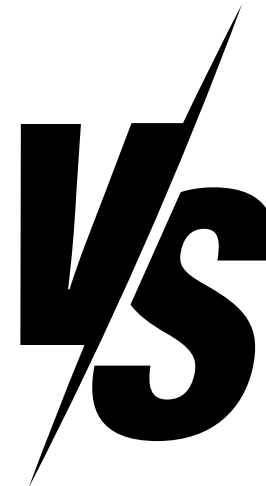
Vehicle Finance Market

- Market Size: The vehicle finance market was around ₹11.8 trillion in FY23, with NBFCs holding the largest market share (40%).
- Growth: Recovering demand led to a 24.24% YoY growth in vehicle finance, with NBFCs dominating commercial and used vehicle segments.

MSME Sector

- Significance: MSMEs are a dynamic part of the Indian economy, fostering employment and contributing to industrial growth.
- Credit Gap: MSME credit demand reached ₹138 trillion in March 2024, but formal financing met only 25% of this need, highlighting an immense opportunity.

PEER COMPARISON



Particulars	Total Income	AUM	PAT	Net Profit Margins	CMP (12/11/24)	Market Cap	P/E Ratio	P/B Ratio
SK Finance Ltd.	1791 Crs.	8081 Crs.	312 Crs.	18%	₹ 899	₹ 12033 Crs.	36	3.87
MAS Financial Services Ltd. (FY24)	1297 Crs.	9672 Crs.	254 Crs.	19%	₹ 297	₹ 5,391 Cr.	21.6	2.7

FUNDING

- **Recent Round:** Raised ₹13,283.71 million on March 24, 2024, at ₹2,306/share.
- **Key Investors:** Norwest Venture Partners, TPG Growth, Baring Private Equity India, Motilal Oswal's MO Alternate Investment Advisors, and Duro Capital.
- **Use of Funds:** Branding, distribution, technology, and workforce expansion.

DRHP Filing Date: May 1st, 2024 | Fresh Issue: 500 Crs. | OFS: 1700 Crs.



Thank You

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