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# Due Diligence Report - SK Finance Limited

## 1. Overview and Business of the Company

### 1.1 Business of the Company

SK Finance Limited is a finance company focused on financial inclusion for unserved and underserved sections of society, with over two decades of experience in the NBFC space. The company offers loans for commercial vehicles, tractors, cars, two-wheelers, and MSMEs.

### 1.2 Key Information

#### 1.2.1 Business Segments

* Commercial Vehicles
* Tractors
* Cars
* Two-Wheelers
* MSMEs

#### 1.2.2 Branches

423 branches across 10 states and union territories including Rajasthan, Punjab, Haryana, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Himachal Pradesh, Uttarakhand, and Delhi NCR.

#### 1.2.3 Any Other Key Details

* Over 60 active lending partnerships with major institutions
* Investors include Norwest Venture Partners, Texas Pacific Group, Evolvence Coinvest, Baring Private Equity India, Karma Holdings, IIFL Special Opportunities Fund, MIT Investment Management
* Vision: To become the most preferred customer and employee-friendly finance company, providing last-mile coverage to unbanked customers
* Mission: CARE - Customer First, Agility, Reliable, Empathy

### 1.3 Key Findings

#### 1.3.1 Financial Performance

* AUM: ₹4,714 crore
* Disbursements: ₹3,226 crore
* Net Profit: ₹143 crore
* Revenue: ₹821 crore
* Net Worth: ₹1,596 crore
* Active Loan Accounts: 2,33,635
* Gross Stage 3: 2.83%
* Net Stage 3: 2.04%
* CSR budget: ₹1.89 crore

#### 1.3.2 Any Other Key Finding

* Strong focus on digitalization and leveraging technology for efficiency
* Emphasis on environmental, social, and governance (ESG) issues
* People-centric approach with emphasis on learning and development, diversity, equity, and inclusion

## 2. Corporate Details

### 2.1 Corporate Overview

|  |  |
| --- | --- |
| **Item** | **Details** |
| Name of the company | SK Finance Limited |
| Registered office | G 1-2, New Market, Khasa Kothi, Jaipur – 302001, Rajasthan |
| Date of Incorporation | 1994 |
| Place of Incorporation | Jaipur, Rajasthan |
| Corporate Status | Public Limited Company |
| Corporate Identification number (CIN) | U65923RJ1994PLC009051 |
| Authorized share capital | ₹30,00,00,000/- divided into 15,00,00,000 equity shares of ₹2/- each |
| Paid up capital | ₹5,81,66,148.25/- |

### 2.2 Directors

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Nationality** | **Date of Appointment** | **Type of Director** |
| Amar Lal Daultani | Indian | Not specified | Non-Executive Independent Director |
| Rajendra Kumar Setia | Indian | Not specified | Managing Director and Chief Executive Officer |
| Yash Setia | Indian | Not specified | Whole-time Director |
| Anand Raghavan | Indian | Not specified | Non-Executive Independent Director |
| Nanda Sameer Dave | Indian | Not specified | Non-Executive Independent Director |
| Mukul Mathur | Indian | Not specified | Non-Executive Independent Director |
| Simit Batra | Indian | Not specified | Non-Executive Director |
| Debanshi Basu | Indian | Not specified | Non-Executive Director |

### 2.3 Share Capital of the Company

#### 2.3.1 Details about Paid Up Share Capital and Equity Shares

Authorized Share Capital: ₹30,00,00,000/- divided into 15,00,00,000 equity shares of ₹2/- each.  
Paid Up Share Capital: ₹5,81,66,148.25/-

#### 2.3.2 Dividend Declaration

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **Rate of Dividend** | **Amount of Dividend** | **Status of Payment** |
| Require more documents for this section | | | |

### 2.4 Investments by the Company

#### 2.4.1 Any Subsidiaries and Associate Companies

Require more documents for this section

#### 2.4.2 Other Investment Details

Require more documents for this section

### 2.5 Constituent Document of the Company

#### 2.5.1 MOA Summary

Require more documents for this section

#### 2.5.2 AOA Summary

Require more documents for this section

### 2.6 Board and Board Committees

#### 2.6.1 Board Composition Table

|  |  |  |
| --- | --- | --- |
| **Name** | **Designation** | **Type** |
| Amar Lal Daultani | Chairperson | Non-Executive Independent Director |
| Rajendra Kumar Setia | Managing Director and Chief Executive Officer | Executive Director |
| Yash Setia | Whole-time Director | Executive Director |
| Anand Raghavan | Director | Non-Executive Independent Director |
| Nanda Sameer Dave | Director | Non-Executive Independent Director |
| Mukul Mathur | Director | Non-Executive Independent Director |
| Simit Batra | Director | Non-Executive Director |
| Debanshi Basu | Director | Non-Executive Director |

#### 2.6.2 Board Meetings

* Frequency: 14 meetings held during the year
* Notice and Agenda: Compliant with Companies Act
* Maintenance of Minutes: Compliant with Companies Act

#### 2.6.3 Board Committees

|  |  |  |  |
| --- | --- | --- | --- |
| **Committee Name** | **Composition** | **Designation** | **Other Observations** |
| Audit Committee | Not specified | Not specified | Not specified |
| Nomination and Remuneration Committee | Not specified | Not specified | Not specified |
| Corporate Social Responsibility Committee | Not specified | Not specified | Not specified |
| Risk Management Committee | Not specified | Not specified | Not specified |
| IT Strategy Committee | Not specified | Not specified | Not specified |
| Executive Committee | Not specified | Not specified | Not specified |
| Asset Liability Management Committee | Not specified | Not specified | Not specified |

#### 2.6.4 Shareholder Meetings

* Frequency: Last three Annual General Meetings held on 18th August 2021, 24th September 2020, and 15th June 2019
* Notices for Shareholder Meetings: Compliant with Companies Act
* Minutes of the Shareholder Meetings: Compliant with Companies Act

#### 2.6.5 Statutory Registers

* Company has provided us with the copies of the following statutory registers: Require more documents for this section

#### 2.6.6 Corporate Social Responsibility

##### 2.6.6.1 CSR Obligations

|  |  |
| --- | --- |
| **Financial Year** | **Expenditure in Rs.** |
| 2021-22 | ₹1,89,14,961 |

##### 2.6.6.2 CSR Expenditure Compliance

* Amount spent: ₹17,10,687
* Amount transferred to Unspent CSR Account: ₹1,72,10,000

##### 2.6.6.3 CSR Committee Meeting Minutes

Require more documents for this section

##### 2.6.6.4 Any Other Information

* CSR initiatives in areas such as Education & Livelihood, Healthcare, Animal Welfare, Environment, and Road Safety.
* Community initiatives through ESS KAY Foundation, including education support, healthcare donations, and skill academies.

#### 2.6.7 Ongoing Related Party Transactions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Details of the Contracting Party** | **Name of Interested Director** | **Name of Relationship** | **Nature of Transaction** | **Value of Transaction as per Last Financial Year** |
| Require more documents for this section | | | | |

#### 2.6.8 ROC Filings and Compliance Matters

##### 2.6.8.1 ROC Filings

Require more documents for this section

##### 2.6.8.2 Review of ROC Filings

Require more documents for this section

## Requisition List

* Dividend declaration details
* Details about subsidiaries and associate companies
* MOA and AOA summaries
* Board committees' composition and details
* Statutory registers list
* CSR committee meeting minutes
* Ongoing related party transactions details
* ROC filings and compliance matters review

``` This HTML report follows the provided format, organizes the available data, and highlights sections where additional documents are required in red. This structure ensures a clean and professional presentation of the due diligence findings while maintaining legal accuracy.