S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Review Report to
The Board of Directors
SK Finance Limited

4 August 2022

Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of SK Finance Limited (the "Company") for the quarter ended 30 June 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The comparative financial information of the Company for the corresponding quarter ended June 30, 2021, as reported in these unaudited Ind AS financial results have been approved by the Company's Board of Directors but have not been subjected to a review.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP

per Amit Kabra
Partner
Membership No.: 094533

UDIN: 22094533AOFRLC1791

Place: Jaipur

SK FINANCE LIMITED
Erstwhile known as "Ess Kay Fincorp Limited"
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001
Email : info@skfin.in || Phone : 0141-4161300
CIN : U65923RJ1994PLC009051

Statement of unaudited financial results for the quarter ended June 30, 2022

(₹ in lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2022 (Unaudited)	March 31, 2022 (Audited)*	June 30, 2021 (Unaudited)*	March 31, 2022 (Audited)
	Revenue from operations				
	Interest income	25,643.56	22,342.85	15,152.83	77,525.35
	Fees and commission income	833.90	997.72	260.68	2,473.54
	Net gain on fair value changes	653.56	469.93	356.98	1,439.34
(I)	**Total revenue from operations**	**27,131.02**	**23,810.50**	**15,770.49**	**81,438.23**
(II)	Other income	216.56	151.27	88.82	630.49
(III)	**Total income (I+II)**	**27,347.58**	**23,961.77**	**15,859.31**	**82,068.72**
	Expenses				
	Finance costs	10,918.98	9,189.76	8,478.21	34,681.51
	Net loss on fair value changes	-	-	109.06	-
	Impairment on financial instruments	2,853.95	(1,495.00)	420.94	1,628.53
	Employee benefit expenses	6,590.48	6,019.28	4,347.63	20,492.17
	Depreciation and amortization	494.54	471.83	272.63	1,581.42
	Other expenses	1,534.53	2,121.24	725.18	5,924.77
(IV)	**Total expenses**	**22,392.48**	**16,307.11**	**14,353.65**	**64,308.40**
(V)	**Profit before tax (III-IV)**	**4,955.10**	**7,654.66**	**1,505.66**	**17,760.32**
(VI)	**Tax expense**				
	(1) Current tax	1,444.55	1,398.57	435.30	3,643.65
	(2) Tax related to earlier years / period	-	158.19	(276.29)	(465.56)
	(3) Deferred tax	(196.19)	374.24	(159.31)	294.82
	Total tax expense / (income)	**1,248.36**	**1,931.00**	**(0.30)**	**3,472.91**
(VII)	**Profit for the period (V-VI)**	**3,706.74**	**5,723.66**	**1,505.96**	**14,287.41**
(VIII)	**Other comprehensive income / (expenses)**				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans	49.50	(67.89)	-	(96.66)
	Income tax relating to items that will not be reclassified to profit or loss	(12.46)	17.09	-	24.33
	Other comprehensive income/(expenses)	**37.04**	**(50.80)**	**-**	**(72.33)**
(IX)	**Total comprehensive income for the year / period (VII+VIII) (comprising profit/(loss) and other comprehensive income/(expenses) for the year / period)**	**3,743.78**	**5,672.86**	**1,505.96**	**14,215.08**
(X)	**Earnings per equity share #**				
	Basic (₹)	12.74	19.68	5.51	50.47
	Diluted (₹)	12.54	19.45	5.45	49.85

Earnings per share for the interim period is not annualized.

* Refer note 5

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SK FINANCE LIMITED

Notes:

1) The Company is a systemically important non-deposit taking non-banking financial company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
2) The unaudited financial results for the quarter ended June 30, 2022, which have been subjected to limited review by statutory auditors of the company, have been reviewed by the audit committee and approved by the board of directors at its meeting held on August 04, 2022. The report is being filed with the Bombay Stock Exchange Limited ("BSE") and is also available on the Company's website www.skfin.in.
3) The Company has changed the name from "Ess Kay Fincorp Limited" to "SK Finance Limited". The same is in effect from September 07, 2021.
4) The above unaudited financial results have been prepared in accordance with the requirements of Regulation 52 of the Securities and exchange board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended and the Indian Accounting Standards ("IND AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve bank of India or other regulators are implemented as and when they are issued/applicable.
5) The figures of quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and reviewed figures for the nine months ended December 31, 2021. The corresponding figures for quarter ended June 30, 2021 are approved by the Board of Directors and were not subject to limited review by Statutory Auditors of the Company.
6) India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.
7) Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

(a) The company has not transferred any loans (not in default) through assignment during the quarter ended June 30, 2022.

(b) Details of loans (not in default) acquired through assignment during the quarter ended June 30, 2022:

Amount of loan accounts assigned (₹ in lakh)	455.75
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	23 Months
Weighted average holding period	19 Months
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

(c) The Company has not transferred any stressed loan during the quarter ended June 30, 2022.

(d) The Company has not acquired any stressed loan during the quarter ended June 30, 2022.

8) Pursuant to RBI circular dated November 12, 2021, "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – clarifications", the Company have taken necessary steps and complied with the provisions of the circular for regulatory reporting, as applicable. The financial results for the quarter ended June 30, 2022, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".
9) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
10) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
11) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that secured listed Non-Convertible Debentures of the Company are secured by pari passu mortgage of immovable property situated at Chennai, Tamilnadu and/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% times of the amount outstanding.
12) Disclosures in compliance with Regulation 52(4) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2022 is attached as Annexure I to these financial results.
13) The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors of
SK Finance Limited
(Erstwhile known as "Ess Kay Fincorp Limited")

Rajendra Kumar Setia
Managing Director
DIN : 00957374

SK FINANCE LIMITED

S.R. BATLIBOI & ASSOCIATES LLP

Place : Jaipur
Date : August 4, 2022

Annexure I:

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at June 30, 2022 with respect to listed debentures of the Company issued on a private placement basis.

S No	Particulars	June 30, 2022
(a)	Debt – Equity Ratio (Debt Securities + Borrowings other than debt securities + Subordinated debts) / (Net worth)	3.21
(b)	Net worth (Share Capital + Reserves & Surplus - Deferred tax - Intangible assets - Prepaid expenses) (₹ in lakh)	1,58,467.11
(c)	Net profit after tax (₹ in lakh)	3,706.74
(d)	Total debts to total assets (Debt Securities + Borrowings other than debt securities + Subordinated debts) / (Total assets)	0.74
(e)	Net profit margin (%) (Net profit after tax / Total income)	13.55%
(f)	Earnings per share (not annualized)	
	(i) Basic (₹)	12.74
	(ii) Diluted (₹)	12.54
(g)	Sector specific equivalent ratios as on June 30, 2022:	
	i) Gross Stage III ratio (%) (Gross stage III loans / Total loans)	3.20%
	ii) Net Stage III ratio (%) (Gross stage III loans - ECL on stage III loans) / (Total loans - ECL on stage III loans)	2.31%
	iii) CRAR (%)	30.03%
	iv) Liquidity coverage ratio (%)	114.60%
	v) Provision coverage ratio (%) (ECL on stage III loans) / (Gross stage III loans)	28.65%

Note : Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), current ratio,capital redemption reserve/debenture redemption reserve, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin(%) are not applicable/ relevant to the Company and hence not disclosed.

SK FINANCE LIMITED

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