S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Review Report to
The Board of Directors
SK Finance Limited

9 February 2022

Independent Auditor's Review Report on the Quarterly and Year to date 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 31 December 2021 and year to date from 1 April 2021 to 31 December 2021 (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.

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5. We draw attention to Note 6 to the Statement, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.

6. The comparative financial information of the Company for the corresponding quarter and nine months ended December 31, 2020, 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.

7. The comparative Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor who expressed an unmodified opinion on those financial information on 5 May 2021.

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: 22094533AAYBWO1302

Place: Jaipur

SK Finance Limited
Erstwhile known as "Ess Kay Fincorp Limited"
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 and nine months ended December 31, 2021

(Amount in Rs. in lakh except otherwise stated)

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	March 31, 2021 (Audited)
	Revenue from operations						
	Interest income	20,761.88	19,267.79	16,098.09	55,182.50	46,260.69	64,597.69
	Fees and commission income	607.07	608.07	350.39	1,475.82	940.94	1,450.64
	Net gain on fair value changes	487.52	353.09	226.17	1,043.31	485.42	1,315.84
(I)	**Total revenue from operations**	**21,856.47**	**20,228.95**	**16,674.65**	**57,701.63**	**47,687.05**	**67,364.17**
(II)	Other income	185.52	204.88	167.86	479.22	653.19	963.45
(III)	**Total income (I+II)**	**22,041.99**	**20,433.83**	**16,842.51**	**58,180.85**	**48,340.24**	**68,327.62**
	Expenses						
	Finance costs	8,833.56	8,179.98	7,142.21	25,491.75	21,334.78	29,701.27
	Net loss on fair value changes	-	119.12	-	73.90	24.94	-
	Impairment on financial instruments	2,400.51	302.08	2,491.86	3,123.53	6,260.13	9,278.75
	Employee benefit expenses	5,476.76	4,648.50	3,746.45	14,472.89	8,951.08	12,012.48
	Depreciation and amortization	403.36	433.60	196.55	1,109.59	809.88	1,133.31
	Other expenses	1,678.25	1,400.10	983.08	3,803.53	2,310.14	3,860.16
(IV)	**Total expenses**	**18,792.44**	**15,083.38**	**14,560.15**	**48,075.19**	**39,690.95**	**55,985.97**
(V)	**Profit before tax (III-IV)**	**3,249.55**	**5,350.45**	**2,282.36**	**10,105.66**	**8,649.29**	**12,341.65**
(VI)	**Tax expense**						
	(1) Current tax	814.63	995.15	1,055.61	2,245.08	3,179.05	4,295.40
	(2) Tax related to earlier years	-	(347.46)	-	(623.75)	-	895.34
	(3) Deferred tax	(205.67)	285.56	(459.83)	(79.42)	(994.66)	(1,957.50)
	Total tax expense	**608.96**	**933.25**	**595.78**	**1,541.91**	**2,184.39**	**3,233.24**
(VII)	**Profit for the period (V-VI)**	**2,640.59**	**4,417.20**	**1,686.58**	**8,563.75**	**6,464.90**	**9,108.41**
(VIII)	**Other comprehensive income / (expenses)**						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	(9.59)	(19.18)	-	(28.77)	(69.93)	4.55
	Income tax relating to items that will not be reclassified to profit or loss	2.41	4.83	-	7.24	17.60	(1.15)
	Other comprehensive income/(expenses)	**(7.18)**	**(14.35)**	**-**	**(21.53)**	**(52.33)**	**3.40**
(IX)	**Total comprehensive income for the year (VII+VIII) (comprising profit/(loss) and other comprehensive income/(expenses) for the year)**	**2,633.41**	**4,402.85**	**1,686.58**	**8,542.22**	**6,412.57**	**9,111.81**
(X)	**Earnings per equity share#**						
	Basic (Rs.)	9.26	15.51	6.69	30.44	25.66	36.14
	Diluted (Rs.)	9.14	15.33	6.62	30.06	25.43	35.80

Earnings per share for the interim period is not annualized

SK FINANCE LIMITED JAIPUR

S.R. BATLIBOI & ASSOCIATES LLP

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 above financial results have been reviewed by the Audit Committee and approved by the Board at its Meeting held on February 09, 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 financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) 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 statement of financial results includes the results for the quarter ended December 31, 2021 being the balancing figure between year to date figures up to the nine months of the current financial year and half year ended September 30, 2021 of current financial year. The figures for quarter and nine months ended December 31, 2020 are approved by the Board of Directors and were not subject to limited review by Statutory Auditors of the Company.

6) "A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the "pandemic"), which was further extended in phases up to May 31, 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones but localised/regional restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The second wave of the COVID-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lockdown measures in various parts of the country. The second wave started to subside from June 2021 onwards and the lockdowns were gradually lifted, resulting in a significant improvement in economic activity.

India experienced another outbreak due to a new variant in December 2021 and as a precautionary measure, certain state governments have imposed localised/regional restrictions.

The extent to which the COVID19 pandemic, will continue to impact the Company's financial results, will depend on ongoing as well as future developments, which are highly uncertain, 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. At December 31, 2021, the Company believes that the impairment allowance of loans has been recorded considering the reasonable and supportable information available upto the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of the financial assets. The Company will continue to closely monitor any material changes to future economic conditions and resultant impact, if any, on the impairment allowance of loans."

7) Disclosure pursuant to RBI notification - RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05 May, 2021 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

Format - X : For the nine months ended December 31, 2021 (Amount in Rs. in lakh except otherwise stated)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	769	1,815	17
(B)	Number of accounts where resolution plan has been implemented under this window	769	1,815	17
(C)	Exposure to accounts mentioned at (B) before implementation of the plan **	1,518.72	5,170.44	74.93
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan *	171.74	595.33	9.75

*The Company, being NBFC, has complied with Ind-AS and has made adequate provision on impairment loss allowance as per ECL model for the nine months ended December 31, 2021

** Consist of unbilled and overdue principal

8) Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

(a) Details of transfer through assignment in respect of loans not in default during the nine months ended December 31, 2021 :

Amount of Loan accounts assigned	5533.76 lakh
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	26 Months
Weighted average holding period	10 Months
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

(b) During the nine months ended December 31 , 2021 , the Corporation has re-purchased loans amounting to ~ 293.14 lakh (Principal) in compliance with paragraph 48 of Master Direction - RBI (Transfer of Loan Exposures) Directions 2021.

(c) Details of stressed loans transferred during the nine months ended December 31, 2021 : Nil

9) Pursuant to RBI circular dated November 12, 2021, "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – clarifications", the Company has taken necessary steps and complied with the provisions of the circular for regulatory reporting, as applicable. The financial results for the quarter and nine months ended December 31, 2021, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".

SK FINANCE LIMITED JAIPUR

S.R. BATLIBOI & ASSOCIATES LLP

10) 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.

11) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

12) In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of financial results for the quarter and nine months ended December 31, 2021 has been carried out by the Statutory Auditors of the Company.

13) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at Chennai, Tamilnadu and first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% times of the amount outstanding.

14) Disclosures in compliance with Regulation 52/4) of the SEB1 (listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine morg ended December 31, 2021 is attached as Annexure I to these financial results.

15) 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

Place : Jaipur
Date : February 09, 2022

SK FINANCE LIMITED JAIPUR

S.R. BATLIBOI & ASSOCIATES LLP

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 December 31, 2021 with respect to listed secured debentures of the Company issued on a private placement basis.

(a) Omitted
(b) Omitted
(c) Debt – Equity Ratio as on December 31, 2021: 2.45 (Refer Note 1)
(d) Omitted
(e) Omitted
(f) Debt service coverage ratio: Not applicable
(g) Interest service coverage ratio: Not applicable
(h) Outstanding redeemable preference shares (quantity and value): Not applicable
(i) Capital redemption reserve/debenture redemption reserve: Not applicable
(j) Net worth as on December 31, 2021: 1,49,309.41 (in lakh) (Refer Note 2)
(k) Net profit after tax for the year to date ended on December 31, 2021: 8,563.75 (in lakh)
(l) Earnings per share for the year to date ended on December 31, 2021:

Basic (Rs.)	30.44
Diluted (Rs.)	30.06

(m) Current ratio: Not applicable
(n) Long term debt to working capital: Not applicable
(o) Bad debts to Account receivable ratio: Not applicable
(p) Total debts to total assets as on December 31, 2021 (%): 69.04% (Refer Note 3)
(q) Debtors turnover: Not applicable
(r) Inventory turnover: Not applicable
(s) Operating margin (%): Not applicable
(t) Net profit margin (%): 14.72% (Refer Note 4)
(u) Sector specific equivalent ratios as on December 31, 2021:
i) Gross Stage 3 asset (%): 4.88% (Refer Note 5)
ii) CRAR (%): 33.25%

Notes:

1 Debt to equity ratio = (Debt Securities + Borrowings other than debt securities + Subordinated debts) / (Net worth)
2 Net worth = (Share Capital + Reserves & Surplus - Deferred tax - Intangible assets - Prepaid Expenses)
3 Total debt to total assets = (Debt Securities + Borrowings other than debt securities + Subordinated debts) / (Total Assets)
4 Net profit margin = (Net profit after tax / Total income)
5 Gross Stage 3 asset = (Stage III loan book / Total loan book)

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