

DATE

January 24, 2024

SECTORS

Financial Services

DEAL LOCATIONS



DEAL TEAM



Abhijit Chiripal
Managing Director



Archanaa Jayaraman
Vice President

UN SDG ACTIVITY



DC Advisory advises SK Finance and its existing investors on its \$160 M equity fundraise by a consortium of investors



Background

- Founded in 1994 by Rajendra Kumar Setia, SK Finance is a Jaipur based Non-Banking Financial Company (NBFC), specializing in financing used and new commercial vehicles, cars, tractors, two-wheelers, and secured business loans
- SK Finance primarily serves the underbanked, self-employed individuals in the low to mid-income bracket, who have limited access to organized lending. Approximately 500 SK Finance branches are located across 12 states and union territories in India with over 9,600 employees
- As of September 30 2023, SK Finance holds impressive credit ratings of AA- from CARE, ICRA, and India Ratings, as well as an A+ rating from CRISIL across various facilities
- SK Finance has secured consistent equity investments over the last seven years from reputed institutional investors including Norwest VP, TPG Growth, Baring PE India, Evolve India, 360 One Special Opportunities Fund and MIT

Process

- DC Advisory, led by Abhijit Chiripal and including Archanaa Jayaraman, Anirudh Poddar and Pulkit Jain, acted as an exclusive financial advisor to this transaction

- With its deep sector knowledge, DC Advisory worked with SK Finance to create a compelling investment case which led to significant investor interest and over subscription to this fundraising round, ahead of its IPO journey
- DC Advisory provided full advisory support including preparation of marketing materials, due diligence co-ordination, managing investor interactions, devising deal strategy and driving negotiations with multiparty investors, both new and existing

Outcome

- SK Finance has raised \$160 M through a combination of primary and secondary capital
- This primary capital infusion aims to help accelerate SK Finance’s growth through proposed investments in brand, distribution, technology and people
- This transaction funding came from a consortium of existing investors – Norwest VP, TPG Growth & Baring PE India – and new investors – MO Alternate Investment Advisors, Duro Capital, Mirae Asset Venture Investments (India), Axis Alternatives and Ananta Capital

“Our relationship with Abhijit goes a long way. He is a trusted friend and has helped us multiple times in the past. During this transaction, Abhijit, Archanaa and the team worked diligently to ensure that we found the right set of partners who would work with us with a longer-term perspective in mind. Their work ethic and professionalism stood out through their ability to provide the right advice at all times to all the stakeholders.”

Rajendra Kumar Setia
Managing Director & CEO, SK Finance

“We were privileged to be a part of one of the best journeys in deal making. The bonding and friendship with Rajendraji and each member of the SK Finance family has strengthened over years for which I'm grateful. My best wishes are with the team as they step up to scale new heights.”

Abhijit Chiripal

Managing Director, DC Advisory