

 Early Warning System

ADB-58140-001

SK Finance Supporting Financing for Micro, Small, and Medium-Sized
Enterprises and Electric Vehicles Project



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-10-15
Borrower	SK Finance Limited
Sectors	Energy, Finance, Industry and Trade
Investment Amount (USD)	\$ 100.00 million



Project Description

The proposed project involves an ADB loan of up to \$100 million to SKF (SK Finance Limited) to support financing to MSMEs, including WMSMEs, and EV buyers.

The project will contribute to ADB country partnership strategy for India 2023-2027 strategic pillar 2: climate-resilient green growth which includes transport decarbonization and strategic pillar 3: deepen social and economic inclusiveness with focus on the underserved or underserved segments.

The project is aiming for gender equity theme (GEN) gender categorization.

Use of proceeds will be limited to MSME loans for expansion or improvement of small businesses such as grocery shops, tailoring, salons, handicrafts, milk collection and agricultural trading ranging from INR 50,000 to INR 4,000,000, and purchase of electric vehicles ranging from INR 35,000 to INR 135,000. SK Finance will also not finance through ADB proceeds any activity that would result to physical or economic displacement. SK Finance has an existing ESMS which includes screening and categorization procedure and exclusion list. However, this will be enhanced to fully align with ADB SPS. On Indigenous Peoples, the project will be categorized as FI-C. SK Finance has committed not to use ADB proceeds to finance subloans that will have impacts to distinct and vulnerable Indigenous Peoples.

The main stakeholders of the project are SK Finance employees, MSME borrowers and their employees, SK Finance clients who take loans for the purchase of electric vehicles, and communities that may be affected by the use of loan proceeds. Due to the nature of the project, there will be limited opportunity to involve stakeholders in the project's design. However, SK Finance management and employees will be involved in ESMS enhancements to fully comply with ADB's Safeguard Policy Statement and Social Protection Requirements. Stakeholder engagement will be geared towards information dissemination while the external grievance redress mechanism can serve as a venue to provide feedback to SK Finance.



Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [SK Finance Limited](#) (Financial Intermediary)



Private Actors Description

SK Finance Limited is an operator of a non-banking financial company intended to serve micro, small, and medium enterprises. The company offers an extensive range of financial services in the form of loans, financial planning, and management, as well as it also supports in setting up of small businesses, allowing customers with end-to-end and secured financial assistance from expert employees of the company. (Source: <https://pitchbook.com/profiles/company/169640-47#overview>)



Contact Information

Responsible ADB Officer: Oli, Nikunj

Responsible ADB Division: Private Sector Financial Institutions Division

Responsible ADB Department: Private Sector Operations Department

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Preliminary Poverty and Social Assessment](#) [Original Source]
- [SK Finance Supporting Financing for Micro, Small and Medium-Sized Enterprises and Electric Vehicles](#)