

KEEPING SFBs AFLOAT

Where do small finance banks go from here?

RAGHU MOHAN
New Delhi, 28 September

It does not depend so much on whom you ask but on whether you want them to speak on the record or off. On record, they say the correct things: Small finance banks (SFBs) are meant to enhance financial inclusion, act as savings vehicles, and be vendors of credit to small businesses, marginal farmers, and the unorganised sector through high-technology, low-cost operations.

Off the record, it is a different story. Both the stories acquire relevance with recent developments. There is talk of one SFB being in preliminary talks to acquire another. Last year, Unity SFB, a joint venture between Centrum and BharatPe, acquired Punjab & Maharashtra Cooperative Bank in a rescue operation.

More recently, albeit less momentous in impact, Ujjivan Small Finance Bank announced a strategic partnership with SMC Global Securities for online trading services, leading to a rise in share prices of both.

The developments show the various ways in which SFBs are trying to carve out a space for themselves. It is an arena that has to contend with their special circumstances.

Take the SFBs' priority sector lending target — loans to the bottom of the pyramid, much of it unsecured — set at 75 per cent of the book. As the book gets bigger, so does the challenge of meeting this target. Other modes of making up the shortfall — securitisation, or co-lending with non-banking financial companies — are off the table.

For universal banks, the priority sector lending target is 42 per cent of the book. So, ask the off-the-record voices, why not keep it at 42 per cent for SFBs as well, and let them tap other routes just as universal banks can? This will help reduce the risk of concentration.

The counterargument is that there is no real

and past data may not be sufficiently representative of the extreme climate events that might lie ahead.

The other concern is the cost of deposits. SFBs pay higher interest on deposits than universal banks. This also holds true when they avail of refinancing. The additional interest increases the overall cost of funds. The increased costs are passed on to borrowers.

What lies ahead

Many saw SFBs as a step towards a universal banking licence. The SFB operating guidelines (November 27, 2014) said they were eligible for transition to universal bank after five years of operations. This was subject to conditions. However, there is now a demand for a detailed road map for the application and conversion process.

Several big private equity names have stakes in the sector. Given the stock performance of SFBs, leaving out a couple of outliers, further supply of capital may not be easy to come by — even in the unlisted ones, whose valuation is influenced by their listed peers.

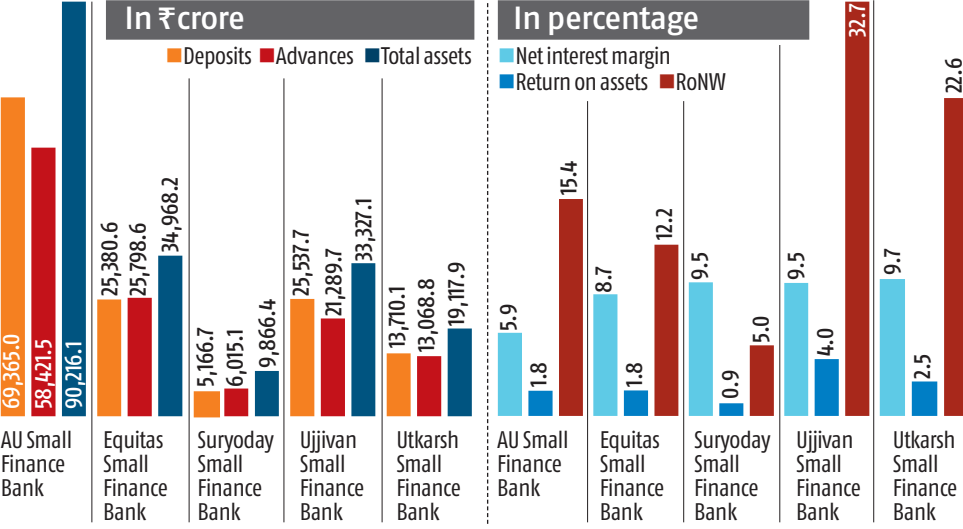
Fearing investor hesitance compounded by an oversupply of SFB stock, some sought an extension of the time limit for listing from six

years to eight. They cited the "accepted recommendation 27" of the RBI's Internal Working Group (IWG), which said: "Such banks should be listed 'within six years from the date of reaching a net-worth equivalent to prevalent entry capital requirement prescribed for universal banks', or 'ten years from the date of commencement of operations', whichever is earlier."

The RBI, while accepting the recommendation, made a modification: "Such banks should be listed within 'eight years from the date of commencement of operations'." The RBI reasoned: "This has been stipulated considering the importance of listing and to provide sufficient time to these banks for stabilisation, consolidation of operations and to gain investors' confidence."

This was related to the IWG's Recommendation 31, which said: "Whenever a new licensing guideline is issued, if the new

PEER COMPARISON



rules are more relaxed, the benefits should be given to existing banks immediately... (if) the new rules are tougher, legacy banks should also conform to new tighter regulations, but a transition path may be finalised in consultation with affected banks to ensure compliance with new norms in a non-disruptive manner."

Industry players say Recommendation 31 was for equal treatment of newly minted and existing SFBs.

But when it came to listing, the new players were to do so in eight years while it was six years for the existing ones.

The RBI did not press for a listing in the sixth year as SFBs had faced the brunt of the after-effects of the demonetisation and, later, of the pandemic.

Parity with UCBs

Urban co-operative banks (UCBs) that aspire to become SFBs have urged the RBI and Ministry of Finance for more favourable entry norms. They do

not want the same limits on loan size and priority sector targets that SFBs have, especially when not many of them have sought to become SFBs.

The RBI's Report on the Trend and Progress of Banking in India noted that SFBs' primary cash flows were adversely affected during the first phase of the pandemic. But structural problems had beset the sector even earlier.

On the liabilities side, they had low savings and current accounts and relied heavily on bulk deposits and term deposits from cooperative banks. On the assets side, the share of unsecured microfinance loans was disproportionately large.

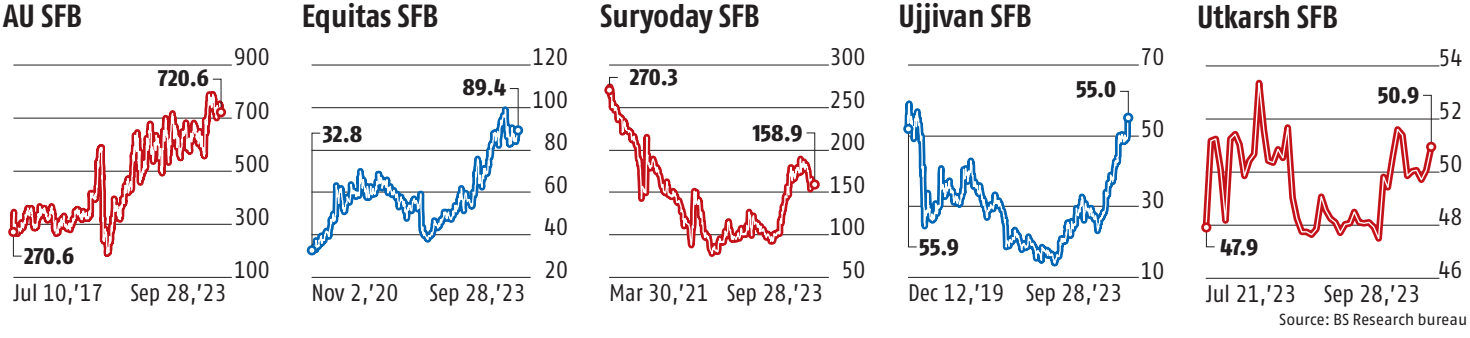
Many of these issues linger on. So, is the SFB model workable?

SFBs have been around for eight years. A paper on the "Performance of SFBs — An Early Reflection" in the RBI August bulletin 2021, authored by Nitin Kumar (assistant advisor, Department of Statistics and Information Management) and Sarita Sharma (manager, Department of Economic and Policy Research), said empirical results showed that micro-factors such as efficiency, leverage, liquidity and banking business were important in determining SFBs' profitability during this early period of operations.

The outcome could be because SFBs are established with the objective of serving a niche segment of under-privileged population instead of a purely profit-making intermediary. "Due to the limited time span available, the outcome of the analysis may be considered as indicative at this stage and needs to be substantiated with greater data," the paper said.

Regardless, there is a steady stream of applications at the RBI's on-tap window for SFB licences. Few make the cut.

HOW STOCKS HAVE FARED



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Telephone No: 044-4228 1100 | Email id: investor.relations@esab.co.in

NOTICE is hereby given that the following share certificates issued by the company are stated to have been lost or misplaced or stolen and the registered holders of the shares have applied to the company for issue of duplicate share certificate.

NOTICE OF LOSS OF SHARE CERTIFICATES

NAME OF THE SHAREHOLDER	Folio No.	Certificate No.	Distinctive Nos.	Shares
1. S ILANGO VAN	S08879	13251	3319111-3319210	100
2. UMA ILANGO VAN				

The public are hereby warned against purchase or dealing in any way with the above said share certificates. Any person(s) who has / have any claim(s) in respect of the said share certificates should lodge such claim(s) with the company at its registered office at the address given above within 15 days of the publication of the notice after which no claim will be entertained and the company will proceed to issue the duplicate share certificate(s).

For ESAB India Limited
G. Balaji
Company Secretary

Place : Chennai
Date : 28 September, 2023

EKI ENERGY SERVICES LIMITED
CIN: L74200MP2011PLC025904 • BSE Scrip Code - EKI | 543284
Registered Address: Plot 48, Scheme 78 Part-2, Vijay Nagar, Indore-452 010, M.P., India
Corporate Address: 903, B-1, 9th Floor, NRK Business Park, Scheme 54 PU4, Indore-452 010, M.P., India, Phone: (+91) 731 42 89 086
E-mail: business@enkingint.org, Website: www.enkingint.org

Notice to the Shareholders of 12th Annual General Meeting (AGM)
Notice is hereby given that the **12th Annual General Meeting (AGM)** of the Company will be held on **Friday, October 27, 2023 at 11.30 A.M.** (IST), through two-way Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the business as set out in the Notice of AGM. In compliance with all the applicable provisions of the Companies Act, 2013 ("the Act") read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022, Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 and other applicable circulars issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "relevant circulars"), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the AGM of the Company will be held through VC/OAVM Facility, without physical presence of the Members of the Company at a common venue. In compliance with the relevant circulars, the Notice of the AGM along with the Annual Report for the financial year 2022-23, will be sent in due course only through electronic mode to those Members, whose email addresses are registered with the Company / Depository Participant(s). The Notice convening the 12th AGM along with the Annual Report for the financial year 2022-23 will also be made available on the Company's website at **www.enkingint.org**, website of the Stock Exchange, i.e., BSE Limited at **www.bseindia.com** and website of the CDSL at **www.evotingindia.com**. Members can attend and participate in the AGM through VC/OAVM facility only. The instructions for joining the AGM and the detailed procedures for e-voting will be provided in the Notice of the AGM. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Company will be providing to its Members the remote e-voting facility ("remote e-voting") to cast their votes on all resolutions set out in the Notice of the AGM. Additionally, the Company is providing the facility of voting through e-voting system during the AGM ("e-voting"). Detailed procedure for remote e-voting / e-voting will be provided in the Notice of the AGM. Members who have not registered their email addresses are requested to refer to the Notice of the AGM for the process to be followed for obtaining the user ID and password for casting the vote through remote e-voting. In order to receive the Notice and Annual Report, Members are requested to register/update their email addresses with the Depository. For EKI Energy Services Limited
Sd/-
Manish Kumar Dabkara
Managing Director

Place : Indore
Date : 28.09.2023

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH
COMPANY SCHEME PETITION NO. C.P.(CAA)154/KB/2023
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. C.A.(CAA)116/KB/2023

In the matter of the Companies Act, 2013;
And
In the matter of Petition under Sections 230 - 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;
And
In the matter of Scheme of Amalgamation by way of merger by absorption among L&T Finance Limited, L&T Infra Credit Limited, L&T Mutual Fund Trustee Limited and L&T Finance Holdings Limited and Arrangement.

L&T Finance Limited, a company)
incorporated under the provisions of the)
Companies Act, 1956 and having)
Company Identification Number (CIN:)
U65910WB1993FLC060810) and having)
its Registered Office at 15th Floor, PS Srijan)
Tech Park, Plot No. 52, Block DN, Sector - V,)
Salt Lake City, Kolkata - 700091 in the)
State of West Bengal.)

NOTICE OF HEARING OF COMPANY SCHEME PETITION.
NOTICE is hereby given that a Company Scheme Petition ("Petition") seeking sanction to the Scheme of Amalgamation by way of merger by absorption among L&T Finance Limited ("Petitioner Company"), L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited), L&T Mutual Fund Trustee Limited and L&T Finance Holdings Limited and Arrangement ("Scheme") under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Act") was presented by the Petitioner Company before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal") on August 19, 2023. The Petition was admitted by the Hon'ble Tribunal by an order dated September 21st, 2023 and fixed for hearing on October 11, 2023 at 10:30 a.m. (1030) hours or soon thereafter.
If any person concerned is desirous of supporting or opposing the Petition, he/she should send to the Hon'ble Tribunal and to the Advocates for the Petitioner Company, at Rahul Auddy & Co. Nicco House, 2nd Floor, 2 Hare Street, Kolkata, West Bengal 700001, notice of his/her intention, signed by him/her or his/her advocate, with his/her name and address, so as to reach the Hon'ble Tribunal not later than 7 (seven) days before the date fixed for hearing of the Petition. Where such person concerned seeks to oppose the Petition, the grounds for his /her opposition or a copy of his/her affidavit should be furnished with such notice.
A copy of the Petition can be obtained from the Advocates for the Petitioner Company, between 11:00 a.m. and 4:00 p.m. on any working day (except Saturdays, Sundays and public holidays) and not later than 7 (seven) days before the date fixed for hearing of the Petition by any person concerned requiring the same, on payment of required charges.
Dated this 28 day of September, 2023
Sd/-
Adurva Rathod
Company Secretary
L&T Finance Limited
CIN: U65910WB1993FLC060810
Tel: +91 22 6212 5000
Email: investorgrievances@ltfs.com
15th Floor, PS Srijan Tech Park, Plot No. 52, Block DN, Sector - V, Salt Lake City, Kolkata - 700091 in the State of West Bengal

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E-mail: invest_grievances@tnpl.co.in Website: www.tnpl.com

NOTICE OF POSTAL BALLOT
Notice is hereby given that:
1. In accordance with Section 110 of the Companies Act, 2013 ('the Act') read together with the Companies (Management and Administration) Rules, 2014 as amended from time to time, including any statutory modification or re-enactment thereof for the time being in force, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), Secretarial Standard issued by the Institute of Company Secretaries of India on General Meetings ("SS-2") and the relaxations and clarifications issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India vide its Circulars and other applicable laws and regulations, if any,
- that a Postal Ballot Notice, seeking consent of the members on the resolution (Ordinary Resolution for appointment of Thiru S. Nagarajan, I.A.S., as Director of the Company) as set out in the said notice has been sent electronically to the members whose e-mail address is registered with the Company/ M/s. Cameo Corporate Services Limited (Cameo), Registrar and Share Transfer Agent (RTA)/ Depository Participants as on Friday, 22nd September 2023 i.e. the cut-off date. The Company has completed the dispatch of Postal Ballot Notice along with the Explanatory Statement on Thursday, 28th September, 2023.
2. The Postal Ballot Notice is available on the website of the Company at **www.tnpl.com** and on the website of the Stock Exchanges, i.e. BSE at **www.bseindia.com** and **www.nseindia.com** and on the website of Central Depository Services (India) Limited (CDSL) at **www.evotingindia.com**.
3. The documents referred to in the Postal Ballot Notice are available for inspection to the members at the Registered Office of the Company between **10:00 a.m. (IST) and 1:00 p.m. (IST)** on any working day, except Saturdays, Sundays and public holidays, till the last date for remote e-voting by the members.
4. In accordance with the applicable MCA Circulars, the Company is providing the facility to exercise the right to vote on the resolutions proposed in the said Postal Ballot Notice only by electronic means (Remote e-voting).
5. Thiru R Sridharan, of M/s R Sridharan & Associates, Company Secretaries, Chennai (CP No. 3239 and FCS No.4775) has been appointed as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.
6. The Communication of assent or dissent of the members would take place through remote e-voting process only. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-voting facility. Members may cast their votes during the period mentioned below:
Commencement of remote e-voting : **Friday, 29th September, 2023 at 9.00 A.M. I.S.T.**
End of remote e-voting : **Saturday, 28th October, 2023 at 5.00 P.M. I.S.T.**
Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period.
7. Members who have not registered or who wish to update their e-mail ID, postal address, telephone/mobile numbers, Permanent Account Numbers, bank account details are requested to register/intimate the same with their Depository Participant, if the shares are held by them in electronic form and in case of members holding shares in physical form, all intimations are to be sent to M/s. Cameo Corporate Services Limited at **investor@cameoindia.com**.
8. The manner of voting remotely for shareholders holding shares in dematerialized mode, physical mode and for shareholders who have not registered their email address is provided in the notice of the Postal Ballot. The manner in which persons who have forgotten the User ID and Password, can obtain/generate the same, has also been provided in the said Notice.
9. A person whose name is recorded in the Register of Members/List of Beneficial Owners as on the Cut-off date shall only be eligible for the purpose of e-voting. Voting rights of a member/beneficial owner shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date. A person who becomes a member after the cut-off date should treat this notice for information purposes only.
10. The resolution, if approved, shall be deemed to have been passed on the last date of e-voting i.e. Saturday, 28th October, 2023. The results of the e-voting will be announced on or before Monday, 30th October, 2023 to the stock exchanges and depositories and will be displayed on the website of the Company, the Stock Exchanges i.e. BSE, NSE and CDSL.
11. Members are requested to go through the notes of the Notice of Postal Ballot. In case of any query pertaining to e-voting, please visit help and Frequently Asked Questions (FAQs) section available at CDSL's website: **www.evotingindia.com**.
12. If you have any grievances or issues regarding Postal Ballot & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdsindia.com** or contact at **022-23058738** and **022-23058542/43** or call at toll free no **1800 22 55 33**.

For TAMILNADU NEWSPRINT AND PAPERS LIMITED
Sd/-
ANURADHA PONRAJ
COMPANY SECRETARY
Place : Chennai
Date : 28.09.2023
DIPR/1119/Display/2023