FY22 ESTIMATE

Profitability to be subdued for NBFC-MFIs, SFBs: Icra

FE BUREAU
Kolkata, February 7

PROFITABILITY WILL BE subdued for non-banking finance companies-microfinance institutions (NBFC-MFIs) and small finance banks (SFBs) for this fiscal as credit costs are expected to remain elevated because of persisting uncertainty and expected slippages from the restructured book, rating agency Icra said on Monday.

NBFC-MFIs and SFBs' profitability performance was subdued in the last fiscal, given the pressure on yields, the impact of excess liquidity on the net interest margins (NIMs) and the increase in credit costs. The pressure was compounded by the second wave of the pandemic and the industry reported a further decline in profitability in the first half of the current financial year, the rating agency said in a release.

On the outlook for the microfinance industry, Sachin Sachdeva, vice president and sector head, Financial Sector Ratings, Icra, said, "Though the industry is expected to witness an improvement in the AUM (assets under management) growth compared to growth in FY21, the operating profitability is expected to remain moderate. Further, the credit costs are expected to remain elevated because of persisting uncertainty and expected slippages from the restructured book. This would keep the profitability subdued for NBFC-MFIs and SFBs in FY22, though the same is likely to witness a significant improvement from FY23."

In view of the muted performance in the first half of this fiscal, Icra has revised the FY22 growth outlook for the AUM of NBFC-MFIs to 12-14%

In view of the muted performance in the first half of this fiscal, Icra has revised the FY22 growth outlook for the AUM of NBFC-MFIs to 12-14%. "The growth rate in the AUM of NBFC-MFIs is estimated to improve to 18-22% in FY23. There would, however, be downside risk to our estimates in case of significant disruptions caused by the new wave of [Covid-19] infections in Q4FY22 or future waves if any," Sachdeva said.

The rating agency said the asset quality metrics weakened quite sharply in H1FY22 because of the localised lockdowns imposed by various states/ Union territories on account of the second wave, which impacted borrowers' cash flows and hence the collection efficiency (CE). With the gradual opening of the economy, microfinance activities resumed in Q2FY22 and collections also bounced back to the March 2021 level. Delinquencies had risen significantly in May-June 2021. However, with incremental restructuring and some recovery in collection efficiency, reported delinquencies declined by September 30, 2021, though they remain elevated as compared to March 2021. In addition, NBFC-MFIs (Icra sample) had around 10.7% of their AUM as restructured as on September 30, 2021, the performance of which remains monitorable.

"Notwithstanding the recovery in the CE in Q2FY22, the 90+ days past due (dpd) of NBFC-MFIs (Icra sample) deteriorated to 6.6% as on September 30, 2021, from 5.3% as on March 31, 2021. While regulatory tightening in the form of daily recognition of non-performing advances (NPAs) and upgradation on the full recovery of overdues could impact the reported NPA numbers, we expect the 90+ dpd to decline slightly in H2FY22, though it would remain elevated and would also depend on the impact of the ongoing third wave," Sachdeva said.

Punjab & Sind Bank reports net profit of ₹301 cr in Dec quarter

PRESS TRUST OF INDIA
New Delhi, February 7

STATE-OWNED PUNJAB & Sind Bank (PSB) on Monday reported a net profit of ₹301 crore for the quarter ended December 2021 as the lender saw good growth in overall business mix and better cash recoveries following its turnaround strategy started a year back.



The lender had posted a net loss of ₹2,376 crore in the same quarter a year ago. Sequentially, the net profit was up by 38.1% from ₹218 crore in the quarter ended September 2021.

"The bank was undergoing a turbulent time a year before and then the bank turned around in the quarter ended March 2021 after a consecutive loss for about eight quarters.

"Since then, the bank has been continuously making profits. Having said that, if we look into Q3FY22, it is one of the highest bottomline that we have. The net profit is at ₹301 crore while a year before it was a huge loss," S Krishnan, MD and CEO, Punjab & Sind Bank, told a media conference after the earnings announcement.

Total income rose to ₹2,042.03 crore, as against ₹1,973.78 crore in Q3 FY21, PSB said in a regulatory filing. Net interest income was up by 23.1% to ₹758 crore, from ₹616 crore.

The net interest margin improved to 3.17% from 2.86 per cent in the year-ago period. Also, the cost of deposits for the bank fell to 4.24% from 4.97%, while the cost of funds came down to 3.64% from 4.30%.

Provisions for non-performing assets (NPAs) fell to ₹325 crore during the quarter, as against ₹1,482 crore reserved for the same period of the previous fiscal.

JM Financial's net profit jumps 20%

JM FINANCIAL ON Monday said its consolidated net profit witnessed a 20% jump to ₹216.80 crore for the December quarter. Consolidated income grew 8.25% to ₹964.48 crore.

The company's consolidated loan book of its two credit verticals stood at ₹11,240 crore in December 2021, up from ₹10,407 crore in Dec 2020.

The assets quality deteriorated as gross NPAs and net NPAs rose to 4.39% and 2.76%, respectively, from 1.79% and 1.16% a year ago. Gross NPAs and net NPAs stood at 2.32% and 1.38%, respectively, in September 2021. — PTI

Sundaram Finance net profit declines 17%

FE BUREAU
Chennai, February 7

SUNDARAM FINANCE ON Monday posted a 16.53% drop in its net profit for the third quarter ended December to Rs 202 crore, compared with Rs 242 crore in the year-ago period.

Total revenue from operations contracted 8.23% to Rs 958 crore from Rs 1,044 crore. The company declared an interim dividend of Rs 10 per share.

Harsha Viji, executive vice chairman, said, "Overall, economic activity improved in Q3 and demand remained robust across segments. However, supply-side issues, including the global semiconductor chip shortage, caused a decline in industry volumes across multiple asset classes. Medium and heavy commercial vehicles witnessed robust growth albeit on a smaller base. We anticipate broad-based recovery across all segments in Q4."

Disbursements were at Rs 3,843 crore, compared to Rs 4,334 crore. The assets under management stood at Rs 29,796 crore as on December 31, 2021 as against Rs 29,811crore as on September 20, 2021.

Rajiv Lochan, MD, said, "...We expect Q4 to see recovery to normalcy which will enable pick-up in activity and credit off take. We are well-poised to capture growth opportunities across all asset classes in Q4."

Gross stage 3 assets as on December 31, 2021 stood at 3.39% with provision cover of 39%, compared to 3.45% with 39% provision cover as of September 30, 2021. Net stage 3 assets closed at 2.09%, against 2.12% as of September 30, 2021.

IPO of Manyavar owner Vedant Fashions subscribed 21%

THE INITIAL PUBLIC offering of Vedant Fashions, which owns ethnic wear brand Manyavar, received 21% subscription on Monday. The IPO received bids for 52,37,564 shares against 2,54,55,388 shares on offer, according to the data available with BSE.

The category for retail individual investors attracted 31% subscription, qualified institutional buyers received 11% subscription and non-institutional investors 9%. The IPO is purely an offer-for-sale of 3,63,64,838 equity shares by the promoters and existing shareholders. The OFS comprises sale of up to 1.74 crore shares by Rhine Holdings; up to 7.23 lakh shares by Kedaara Capital Alternative Investment Fund-Kedaara Capital AIF I; and up to 1.81 crore shares by Ravi Modi Family Trust. — PTI

Time ripe for 20 bps reverse repo rate hike: SBI

PRESS TRUST OF INDIA
Mumbai, February 7

CITING THE MASSIVE spike in credit growth during the first half and the steeper fall in deposits and the resultant rise in term money rates, coupled with the record high borrowings, an SBI report has called for a 20 bps increase in reverse repo rate outside the MPC ambit so that the central bank find buyers for the flooding new debt papers.

The report said rising deposit rates means lending rates will have to go up else banks will have to cut into margins

Budget 2023 has pegged the Centre's gross borrowing at a record ₹14.3 lakh crore and for the FY22 at ₹10.5 lakh crore, lower than ₹13.5 lakh crore this fiscal, while together with the states, the gross borrowing will be ₹23.3 lakh crore and net will be ₹17.8 lakh crore. The Budget seeks to pay back ₹3.1 lakh crore next fiscal, up from ₹ 2.7 lakh crore this fiscal.

Given this and the rising interest scenario elsewhere and the fact the Budget did not speak about the government bond inclusion into global bond indices, Soumya Kanti Ghosh, group chief economic adviser at State Bank of India, said the RBI cannot but hike the repo rate by 20 bps outside the MPC meeting because rising deposit rates means lending rates will also have to go up else banks will have to cut into their margins.

The time is now appropriate to go for a 20 bps hike in reverse repo rate, but outside the MPC meeting as enshrined in the RBI Act that clearly lays down that reverse repo is more of a liquidity management, he said.

A. K. Capital Finance Limited

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NOTICE TO THE DEBENTURE HOLDERS FOR EXERCISING CALL OPTION

(REGULATION 15 (7) OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021)

A. K. Capital Finance Limited - Series B-II (ISIN: INE197P07037)

This is to notify that A. K. Capital Finance Limited proposes to exercise call option for the aforesaid ISIN in terms of the relevant issue documents. The **Call option will be exercised on March 07, 2022**. The Record Date for this purpose has been fixed on February 27, 2022 as per the terms of the relevant issue documents.

The principal amount along with interest due till the Call option date of the aforesaid ISIN shall be remitted on **March 07, 2022.**

This is for information of the concerned Debenture Holders only.

Place: Mumbai
Date: Feb. 08, 2022

A. K. Mittal
Managing Director

Steel majors getting ready to cater to increased domestic demand

KUNAL BOSE

MORE THAN A decade ago, when JSW Steel acquired Ispat Industries owning a 3.3 million tonne (mt) mill at Dolvi in Maharashtra, its chairman Sajjan Jindal made a candid observation about what stands in the way of capacity consolidation in the industry. He said: "Wherever I go, people often would tell me that Lakshmi Mittal has led consolidation in steel industry outside China. But when will such a thing happen in India? In India a majority of steel companies are family owned. The industry, therefore, remains highly fragmented. Promoters' egos are high. They may be sinking. They may take the shareholders downhill with them. But they still will not sell their businesses."

On an earlier occasion, former SAIL chairman SK Roongta credited with the launch of PSU's massive modernisation and capacity expansion of five integrated mills also thought that whatever be their distress, families would not let go of their steel companies till they are brought to their knees.

See how strongly the Dolvi unit, which collapsed by a mountain of debt, inability to service bank loans, a weak steel market and issues of corporate governance has come back with steelmaking capacity hugely expanded to 10 mt supported by installation of a 4.5 mt blast furnace, a 5 mt steel melt shop and a 5 mt hot strip mill under JSW. Moreover, JSW is moving Dolvi forward in value chain "through continued expansion of value added and downstream capacities." Dolvi is just one example of where JSW intervened to turn around ailing mills and then explore scope for building new capacity. So the company now has in its bag Bhusan Power & Steel (2.5 mt crude steel), Asian Colour Coated Ispat (1 mt downstream capacity), plate and coil mill of Welspun (1.2 mt) and Vallabh Tinplate (0.1 mt). Then a highly stressed asset, Dolvi ownership change happened outside the Insolvency and Bankruptcy Code (IBC) resolution process through a three way deal between the two Mittal brothers, Sajjan Jindal and not easily yielding banks.

Credit for initiating major sick steel capacity acquisition and its turnaround goes unquestionably to JSW. But Tata Steel, which stayed busy in building a modern greenfield mill at Kalinganagar in Odisha, adding whatever capacity is possible at the mother Jamshedpur plant and reinforcing its value added branded portfolio, has by now picked up as many as three units from the sick bay, one of these through IBC route.



Credit for initiating major sick steel capacity acquisition and its turnaround goes unquestionably to JSW

Incidentally, Tata Steel acquisition of the 5.6 mt Bhusan Steel (since renamed Tata Steel BSL) in 2018 was the first acquisition of a stressed steel asset under IBC Code. In the following year, Tata Steel through its subsidiary Tata Sponge acquired the steel business of Usha Martin with a nameplate capacity of 1 mt speciality long product steel but actual production was half that. Subsequently, Tata Sponge was rechristened Tata Steel Long Products (TSLP) reflecting its new bearing. In the meantime, under the oversight of the new owner, TS BSL, benefiting from synergies, cross-fertilisation of ideas, increasing use of captive iron ore, combined logistics planning and "manufacturing of Tata Steel branded products at TS BSL plants at arm's length" has been able to raise production and introduce new value added products as its EBITDA margins continue to improve.

Tata Steel management expertise and technology prowess have also come to the aid of rapid turnaround of steel business acquired from Usha Martin. Apart from growing crude steel output by 11% to nearly 650,000 tonnes last year, the focus remains on progressively making bigger volumes of high alloy steel. Production is expected to be around 700,000 tonnes this year through debottlenecking. The roadmap for TSLP that chairman TV Narendran has talks of "exploring possibilities to reach nameplate capacity of 1 mt along with investment in matching downstream and finishing facilities." In fact, the kind of progress seen in quality and working of assets on ownership change will work as a positive for future consolidation of the steel industry. Interestingly, China thinks consolidation in steel capacity will greatly aid its decarbonisation goals. The recent acceleration in mergers is seen as attempts to ensure that by 2025, five top steelmakers account for 40% of Chinese steel output. Having copied Lakshmi Mittal's capacity unification idea, China Baowu Steel Group has dethroned ArcelorMittal from the world's largest steelmaker ranking. But in recent years, ArcelorMittal has shed capacity both in the US and Europe.

But what made Tata Steel to bid aggressively for Neelachal Ispat Nigam Limited (NINL)? NINL's 1mt closed mill located in close proximity to Tata Steel's Kalinganagar plant has quite a few pluses such as ownership of 2,500 acres of land and iron ore deposits of around 100 mt. Equally importantly, NINL for its enormous capacity growth scope in long products is an excellent strategic fit for Tata Steel, which is targeting capacity of 35 mt to 40 mt by 2030. Tata Steel has a strong presence in flat products, thanks to its mills at Kalinganagar and Dhenkanal (TS BSL) both offering major scope for expansion besides what is there in Jamshedpur. The goal is also to have a significantly large capacity for long steel for which demand will remain strong as India pursues infrastructure development and promotes industrialisation under Aatmanirbhar Bharat campaign. While the NINL 1 mt tonne facility will be restarted expeditiously, Tata Steel's bigger plan is to first build a "state of the art 4.5 mt long products complex in the next few years and then further expand it to 10 mt by 2030" making optimum use of the available land.

Also consider profound changes happening at Hazira plant after ArcelorMittal in partnership with Nippon Steel acquired the 9.6 mt mill at Hazira. The mill is now to be expanded to 15 mt by 2024 leaving scope for further expansion by optimum utilisation of land.

(A former FT correspondent, the author is now India correspondent for Euro Money publication Metal Market Magazine)

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NOTICE

Notice is hereby given that pursuant to the Regulation 29 read with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. Notice is hereby given that a Meeting of the Board of Directors of the Company will be held on **Monday, the 14th February, 2022**, inter alia, to consider, approve and take on record the Unaudited Standalone Financial Results of the Company for the Quarter and Nine Months ended on 31st December, 2021.

This Notice is also available on the website of the Company at **www.centuryextrusions.com** and on the website of the Stock Exchanges where the shares of the Company are listed at **www.bseindia.com** and **www.nseindia.com**

For Century Extrusions Limited
Sd/-
(Rohit Kumar)
Company Secretary & Compliance Officer

Place : Kolkata
Date : 7.2.2022

JSL JINDAL STAINLESS

EXTRACTS OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2021

(₹ in crores except per share data)

Sr. No.	Particulars	Consolidated				
		For the quarter ended		For the nine months ended		For the year ended
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
		Unaudited				Audited
1	Total income from operations	5,670.02	3,584.63	14,729.46	8,274.82	12,188.46
2	EBITDA*	796.82	473.15	2,145.54	881.97	1,424.19
3	Net profit for the period (before tax, exceptional and/or extraordinary items)	622.96	259.05	1,641.79	220.57	582.05
4	Net profit for the period before tax (after exceptional and/or extraordinary items)	654.07	273.60	1,723.36	256.02	689.67
5	Net profit for the period after tax (after exceptional and/or extraordinary items)	435.49	170.09	1,145.73	130.04	419.23
6	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	434.36	170.85	1,143.03	132.57	422.82
7	Paid up Equity Share Capital (face value of ₹2/- each)	100.85	97.45	100.85	97.45	97.45
8	Other equity					3,107.68
9	Earning per share (EPS) (face value of ₹2/- each)					
	a) Basic	8.66	3.49	23.14	2.67	8.60
	b) Diluted	8.37	3.41	22.23	2.61	8.48
	(EPS for the period not annualised)					

*EBITDA = Earnings before interest, tax, depreciation & amortization and other income

Notes:

1. The above is an extract of the detailed format of quarterly/nine months financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated quarterly/nine months financial results are available on the Company's website: (www.jslstainless.com) and on the websites of Bombay Stock Exchange (www.bseindia.com) and the National Stock Exchange of India Ltd. (www.nseindia.com).
2. Standalone financial information of the Company, pursuant to regulation 47(1)(b) of SEBI (LODR):

(₹ in crores)

Particulars	For the quarter ended		For the nine months ended		For the year ended
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	Unaudited				Audited
Total income from operations	5,368.47	3,451.99	14,024.73	7,869.51	11,679.14
EBITDA*	739.24	444.61	2,029.65	874.49	1,395.85
Profit before tax (before exceptional items)	573.38	244.16	1,548.22	249.34	601.03
Profit before tax (after exceptional items)	573.38	250.84	1,548.22	294.59	700.42
Profit after tax	371.82	151.68	1,005.87	162.98	427.92

*EBITDA = Earnings before interest, tax, depreciation & amortization and other income

3. The financial results of the Company/Group for the quarter and nine months ended 31 December 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 07 February 2022 and a limited review of the same has been carried out by the statutory auditors.
4. These results have been prepared in accordance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
5. At its meeting held on 29 December 2020, the Board considered and approved a Composite Scheme of Arrangement pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, between the Company, Jindal Stainless (Hisar) Limited, JSL Lifestyle Limited, Jindal Lifestyle Limited, JSL Media Limited and Jindal Stainless Corporate Management Services Private Limited ('Scheme'). The aforementioned Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the National Company Law Tribunal in India which is currently awaited.

Place: New Delhi
Date: 07 February 2022

By Order of the Board of Directors
For Jindal Stainless Limited

Tarun Kumar Khulbe
Whole Time Director

JINDAL STAINLESS LIMITED

(**CIN:** L26922HR1980PLC010901)

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