

CAN FIN HOMES LIMITED

Industry Bloomberg BSE CODE	Financial CANF IN 511196	Downfall in Margin arrested, NIM will gradually improve going ahead.
-----------------------------------	--------------------------------	---

RATING	BUY
CMP	254
Price Target	331
Potential Upside	30%

Rating Change	↔
Estimate Change	↔
Target Change	↔

Stock Info

52wk Range H/L	557/217
Mkt Capital (Rs Cr)	3,387
Free float (%)	70%
Avg. Vol 1M (,000)	1,342
No. of Shares	13
(Crore)	
Promoters Pledged %	0%

Research Analyst

DEEPAK KUMAR

Deepak.kumar@narnolia.com

+91-22-62701205

SWETA PADHI

Shweta.padhi@narnolia.com

+91-22-62701227

3QFY19 Result Update

- ❑ NII grew at the rate of 7% YoY an improvement in growth after 2 quarters of muted growth. NII growth is driven by passing on the rise in interest rate by the management. Management has passed on 7 bps rise in yield with 6 bps rise in cost which resulted in margin expansion to 2.18%. PAT has grown at 21% YoY.
- ❑ CANF has been able to borrow fund from the market despite of liquidity issue. Management plans to enter into lower ticket size loans in non metro areas (tier III & IV cities) to avail cheaper funding & maintain margins.
- ❑ Non metro caters to 40% of the incremental disbursement. 1/3rd of the overall portfolio is from non metro branches. Management is planning to add another 30 non metro branches in tier III/IV cities.
- ❑ Due to focus on small ticket size and stringent underwriting practice, assets quality of CANF has been the best among peers. The rise in GNPA in 3QFY19 is seasonal & is expected to decline going ahead.
- ❑ Karnataka growth still remains sluggish, Growth numbers without Karnataka stands at fresh approvals: +6%, disbursements: +11%, loan book: + 22%.

View and Valuation

Rise in interest rates, MCLR hike & increased competition from banks had taken a toll on CANFINHOME margins. However, with rise in share of non-metro branches & passing on of the rise in interest rate to customers has resulted in gradual improvement in NIM. Management plans to move into lower ticket loans in non-metro to have some to offset the impact of competition on NIM. We believe spread for CANF has bottomed out and yield will start moving up due to recent increase in interest rate and change in geography strategy. Management plans for PSLC & affordable housing fund compliant products by NHB going ahead which can reduce the cost of fund for CANF. CANF loan book has got impacted due to RERA implementation in home region which resulted in 50% of the business then & now is at 31% of the business. However, management believes growth has been inching up sequentially and growth may improve going ahead with easing of competitions. Assets quality saw marginal deterioration but management expects to recover in 4Q FY19. CANF has buffer provisions in the balance sheet which provides cushion for credit cost. The stock is currently trading at 1.7x BVPS FY20e. We maintain BUY with the target price of Rs 331.

Key Risks to our rating and target

- ❑ Continuous increase in bond yield will further pressurize the NIM.
- ❑ Slower pace of loan growth.

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	301	422	507	536	671
PPP	273	389	480	492	613
PAT	157	235	302	319	394
NIM %	3.2	3.5	3.5	3.1	3.3
EPS (Rs)	12	18	23	24	30
EPS growth (%)	82.5	49.8	28.2	6	24
ROE (%)	19.0	24.1	24.9	21.4	21.7
ROA (%)	1.6	1.9	2.1	1.9	1.9
BV	66	81	101	123	150
P/B (X)	3.5	5.2	4.8	2.4	1.9
P/E (x)	19.6	23.9	21.4	12.1	9.8

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Narnolia Financial Advisors Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

3Q FY 19 Results
In-line with expectation
Stable Performance

Financials	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	378	386	396	414	438	15.6%	5.7%	1,306	1,487	13.9%
Interest Exp.	251	256	270	284	302	20.1%	6.2%	884	981	10.9%
NII	127	130	126	130	136	6.9%	4.4%	422	507	20.1%
Other Income	12	13	8	9	12	-2.0%	33.0%	47	60	27.7%
Total Income	139	144	134	139	148	6.1%	6.2%	469	566	20.7%
Ope Exp.	21	25	20	18	22	2.5%	22.2%	80	86	8.0%
PPP	118	119	114	122	126	6.8%	3.9%	389	480	23.3%
Provisions	9	1	-	-	-			20	22	12.5%
PBT	109	118	114	122	126	15.8%	3.9%	370	458	23.9%
Tax	43	43	39	45	46	7%	2.7%	134	156	16.4%
Net Profit	66	75	75	77	80	21.4%	4.6%	235	302	28%

*3Q FY19 results as per IND-AS

NIM has remained stable & is expected to improve going ahead

NIM has marginally increased to 3.18% on the back of passing on of the increased cost of fund to customer. Yield on advances increased by 7 bps while cost of fund increased by 6 bps QoQ which resulted in NIM by 1bps YoY to 3.18%. Going ahead management has planned to increase penetration in non metro areas we expect rising exposure to small ticket size loans will provided lower funding options providing more room for margin expansion going ahead.

Asset Quality deteriorated marginally.

GNPA has declined marginally by 8 bps to 0.71% and NNPA has remained stable at 0.42% on QoQ basis. Management stated that from 275 total SARFAESI cases it has taken possession of 75 properties & sold off 3 properties in 3QFY19. Management expects Q4 is a seasonally higher GNPA quarter & expects it to stabilize with the advance of recoveries in 4QFY19.

Loan growth has moderated.

Advances grew at the slower run rate of 17% YoY to Rs 17568 Cr. Loan book comprises of 90% housing and 10% Non- housing loans. CANFINHOME is increased its share towards the non-salaried class which stood at 28% of the total loan book as against 22% in the last 2 years, whereas professional book declined to 72% from 78% in the last 2 years. Professional's book grew by 13% YoY, while non-salaried book grew at the run rate of 26% YoY. Builder loans increased by 20% QoQ to Rs 12 Cr and the staff loans remained stable at Rs 17 Cr. Disbursement during the quarter has remained same YoY at Rs 1318 Cr. Delays in the implementation of RERA has resulted in the lower supply of affordable housing projects due to which CANF is facing slower loan book growth. CANF has guided to grow at a CAGR of 26% to loan book size of 40000 Cr by the end of FY22, when the government's "Housing for all" scheme will come to a closure.

Other Details.

- ✓ Operating expenses has marginally increased by 2%, which led to dip in C/I ratio from 15.10% to 14.58%. Branches count stands at 189 in Q3FY19.
- ✓ 88% of fresh loan approvals during 9m of FY19 were for Housing & 12% for Non-Housing.
- ✓ 66% of fresh loan approvals were to Salaried & Professionals while 34% were to SENP segment.
- ✓ Introduced 'Annual Resetting of Rate of Interest'.
- ✓ Growth in metro branches were at 11% YoY while from non metro branches growth was at 30% YoY.
- ✓ Raising of fresh equity upto Rs.1000 Crore through Rights Issue/QIP / Pref Share.
- ✓ 30 New Branches in Tier II/III Growth Centres & Rationalization of existing branches in Metros by FY20.
- ✓ Loan book size of Rs.40,000 Cr by the end of FY2022 (CAGR of 26%)

Concall Highlights

- Cost of fund has increased by 6 bps while yield has increased by 7 bps which resulted NIM expansion by 1 bps. Marginal cost is around 8%, which management has passed on to the customer by 50 bps. Management has increased interest rate on 1st oct to 9.25% & 15th oct to 9.5%.
- With bond yield is rising & rise in MCLR management has to pass on the rates to maintain yield. CANFINHOME is facing tough competition from banks in metro & tier I cities.
- Management has re-iterated its 2022 target of Rs 40000 Cr loan book.
- Management says Q3 is a seasonally higher delinquency month, management is optimistic of resolving these assets going ahead. Out of 275 SARFAESI account, 75 accounts management have physical possession & 3 properties were sold off.
- Metro branches stand at 66 with Non metro stands at 109. Non metro caters to 40% of the incremental disbursement. 1/3rd of the overall portfolio is from non metro branches. Management is planning to add another 30 non metro branch in tier III/IV cities.
- Management explains it has enough provision to bear few more quarters' provision.
- LGD is lower due to mortgage backed assets.
- Repayments/ rundowns have declined by 50% due to expansions to lower competitive non metro areas; this will continue to decline going ahead.
- Management plans to grow incremental book in non metro (ticket size 10-12 lakh) apart from metro (average ticket size 30 lakh.) it will available fund from PSLC & affordable housing fund of NHB. Contribution of salaried will be higher in non-metro. Presently, 50% of the portfolio is below Rs 6 lakh p.a salary customers.
- C/I are expected to be maintained at 14% present range.
- Management is trying to increase its deposit base. There is no overlap between asset & liability side.
- Share of Karnataka book has declined to 31% of the total portfolio. In new sanction & approval Karnataka is contributing larger share.
- Borrowings stand at Rs 15500 Cr as at 3QFY19.

Profitability Matrix

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	14.9	15.0	15.1	17.2	14.9	12.7	14.6	-0.52	1.91
Empl. Cost/ Tot. Exp. %	51.1	49.6	53.1	51.8	53.0	34.2	39.3	-13.81	5.12
Other Exp/Tot. Exp.%	45.7	33.5	32.6	44.7	34.4	47.0	44.9	12.26	-2.16
Provision/PPP %	3.6	6.8	7.8	0.6	-	-	-	-7.80	0.00
Tax Rate %	35.9	34.2	39.3	36.2	34.1	36.8	36.4	-2.92	-0.43
Int Exp./Int Inc. (%)	65.4	65.4	66.4	66.2	68.1	68.5	68.9	2.54	0.38
Other Inc./NII %	9.9	7.3	9.4	10.2	6.2	6.8	8.6	-0.78	1.86
PPP/ Net Income %	85.1	85.0	84.9	82.8	85.1	87.3	85.4	0.52	-1.91
PAT/ Net Income %	52.5	52.1	47.5	52.5	56.1	55.2	54.3	6.83	-0.84
NII Growth % (YoY)	34.2	26.7	15.4	9.7	1.2	2.0	6.9	-8.50	4.92
PPP Growth YoY %	37.0	25.0	18.4	7.1	1.1	4.3	6.8	-11.64	2.50
PAT Growth %	42.8	29.7	11.1	6.5	8.1	7.6	21.4	10.34	13.83

Margin Performance

Margin %	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
Overall Yield Cal.	11.0	10.9	10.7	10.5	10.3	10.4	10.9	0.26	0.57
Cost Of Funds Cal.	8.1	8.0	8.0	7.8	8.0	8.0	8.6	0.61	0.55
NIM Reported.	3.7	3.6	3.6	3.4	3.3	3.2	3.2	-0.41	0.00

Exhibit: Yield and Cost

Rise in both yield & cost

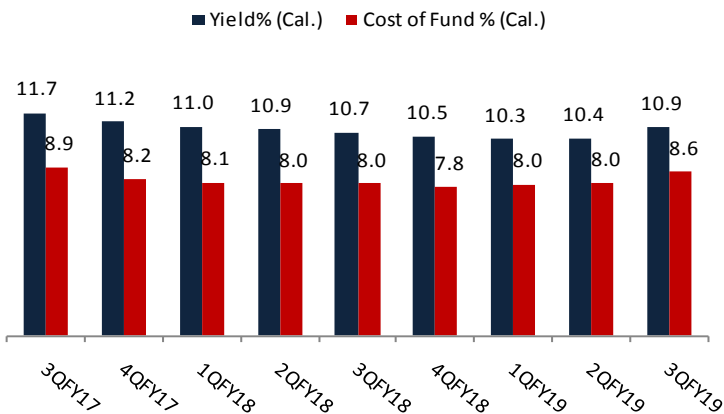
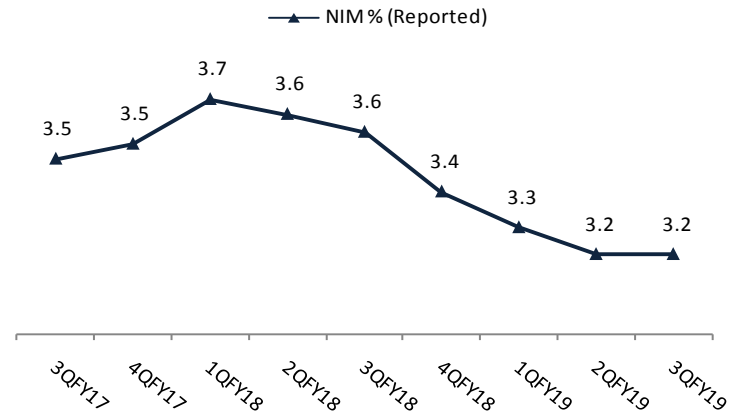


Exhibit: Net Interest Margin

NIM stable



Asset Growth Trend

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Sanctions	1351	1339	1186	1575	1547	1454	1209	1521	1483
Growth YoY %	24	-2	0	4	15	9	2	-3	-4
Disbursements	1207	1234	1153	1346	1322	1386	1164	1443	1318
Growth YoY %	25	3	10	4	10	12	1	7	0
AUM	12688	13313	13808	14456	17568	15743	16199	16935	17568
Growth YoY %	28	25	23	21	38	18	17	17	17
Borrowings	11380	11872	12276	12827	13303	13925	14272	15000	15500
Growth YoY %	29	25	23	19	17	17	16	17	13

Exhibit: AUM Growth %

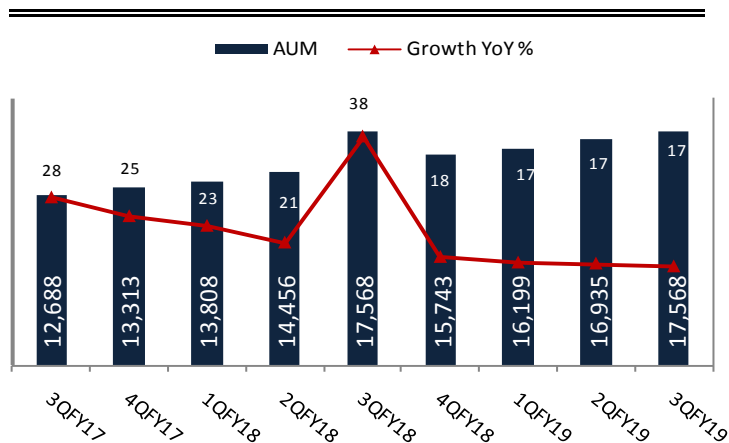
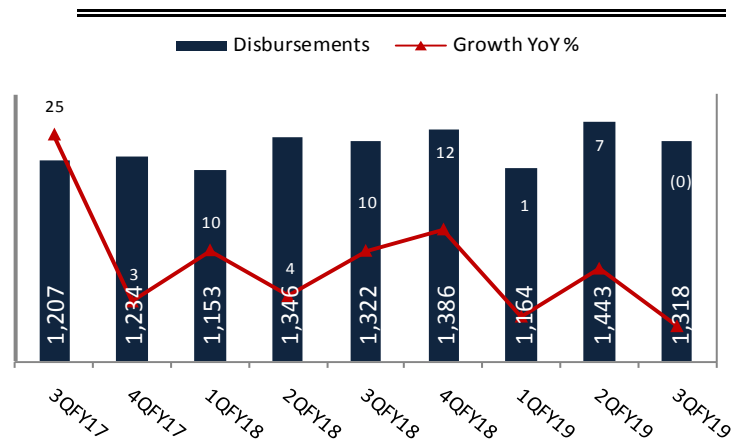


Exhibit: Disbursement Growth %



Borrowing Mix

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Market Borrowings	48	51	52	59	58	50	52	46	38
Bank Loans	20	19	19	20	22	33	38	45	48
Refinance from NHB	30	28	27	19	18	15	8	7	13
Deposits from public	2	2	2	2	2	2	2	2	1

Loan Portfolio Break up

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Salaried & Professionals	76.7	75.3	74.6	73.9	73.5	73.2	72.7	72.0	71.5
Non Salaried Class- Self Employed &	23.0	24.4	25.1	25.9	26.3	26.7	27.1	27.8	28.3
Builder Loans	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
Staff Loans	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	12,688	13,313	13,808	14,456	15,058	15,743	16,199	16,935	17,568

Asset Quality

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	52	58	69	67	107	107	125	55.68	17.66
GNPA %	0.38	0.40	0.46	0.43	0.66	0.63	0.71	0.25	0.08
NNPA (Rs in Cr)	23	26	38	32	71	71	89	51.58	17.66
NNPA %	0.17	0.18	0.25	0.20	0.44	0.42	0.42	0.17	0.00
Specific PCR %	55	55	46	53	33	33	29	-17.15	-4.72

Exhibit: Asset Quality

Asset quality deteriorated

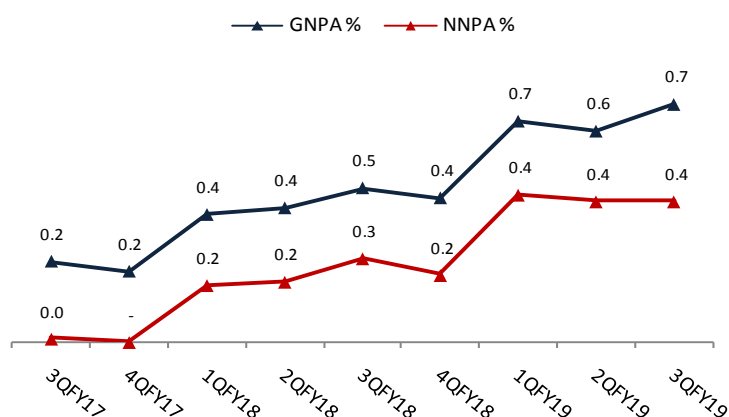
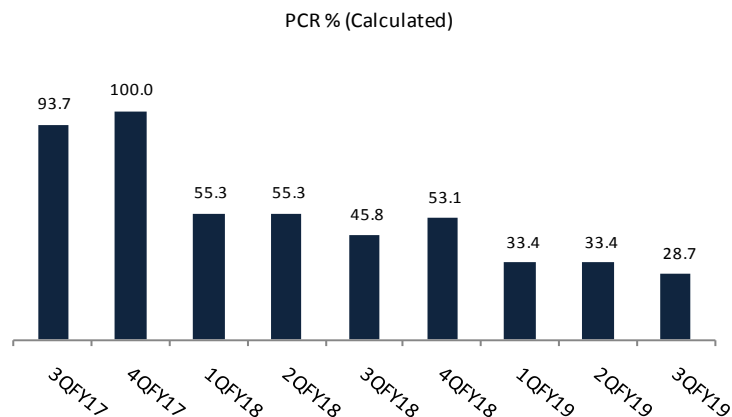


Exhibit: Provisions

PCR has declined



Financial Details

Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Share Capital	20	20	27	27	27	27	27	27
>> Equity Capital	20	20	27	27	27	27	27	27
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	372	432	745	851	1050	1320	1606	1968
Networth	392	452	771	878	1076	1346	1633	1995
Change (%)	13	15	71	14	23	25	21	22
Total Borrowings	3538	5269	7375	9478	11872	13925	16300	20064
Change (%)	54	49	40	29	25	17	17	23
Provisions	65	92	124	189	208	134	142	161
Other Liabilities	72	99	64	249	302	402	482	396
Total Liabilities	4067	5912	8334	10795	13458	15807	18557	22615
Investments	16	15	15	15	16	16	18	22
Loans	4016	5844	8232	10643	13313	15743	18419	22472
Change (%)	50	46	41	29	25	18	17	22
Fixed Assets	7	8	9	9	10	10	11	14
Other Assets	20	36	70	110	99	29	97	93
Cash Balances	9	9	8	17	20	10	12	15
Total Assets	4067	5912	8334	10795	13458	15807	18557	22615

Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Interest income	379	557	788	1,044	1,306	1,487	1,709	2,095
Interest expended	283	423	610	743	884	981	1,173	1,424
Net Interest Income	96	134	178	301	422	507	536	671
Change (%)	14	40	32	69	40	20	6	25
Other Income	14	21	29	39	47	60	38	40
Change (%)	85	50	40	33	21	27	(36)	5
Total Net Income	110	155	207	340	469	566	574	711
Change (%)	20	42	33	64	38	21	1	24
Operating Expenses	36	44	55	67	80	86	81	98
Change (%)	57	22	26	21	19	8	(5)	20
>> Employee Expenses	16	18	25	33	39	44	34	45
Change (%)	43	14	38	33	18	13	(22)	30
>>Other Expenses	20	26	31	34	41	42	47	53
Pre-provisioning Profit	74	111	152	273	389	480	492	613
Change (%)	8	51	36	80	42	23	3	24
Provisions	(1)	4	14	19	20	22	-	16
Change (%)	(119)	(420)	221	36	1	12	-	-
PBT	75	107	137	254	370	458	492	597
Tax	21	31	51	97	134	156	174	203
Profit After Tax	54	76	86	157	235	302	319	394
Change (%)	24	40	14	83	50	28	6	24
Adjusted Profit After Tax	54	76	86	157	235	302	319	394
Change (%)	24	40	14	83	50	28	6	24

Financial Details

Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Balance Sheet Metrics								
AUM	4016	5844	8232	10643	13313	15743	18419	22472
>> Off-Book AUM	0	0	0	0	0	0	0	0
AUM Growth (%)	50.2	45.5	40.9	29.3	25.1	18.3	17.0	22.0
Borrowing Growth (%)	53.8	48.9	40.0	28.5	25.3	17.3	17.1	23.1
Loan/Borrowing Ratio	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Disbursement (Rs Cr)	1814	2548	3346	3923	4792	5207	5399	6680
Disbursement Growth (%)	20	20	20	20	22	9	4	24
CRAR (%)	15	14	18	21	19	19	19	18
>> Tier 1 (%)	14.7	13.1	15.6	17.6	16.0	17.0	17.0	16.1
>> Tier 2 (%)	0.7	0.8	2.8	3.1	2.5	2.1	2.1	2.0
Debt/Equity (x)	9.0	11.6	9.6	10.8	11.0	10.3	10.0	10.1

Assets Quality Metrics

Gross NPA (Rs)	16	12	14	20	28	67	111	67
Gross NPA (%)	0.4	0.2	0.2	0.2	0.2	0.4	0.6	0.3
Net NPA (Rs)	-	-	-	-	-	32	72	44
Net NPA (%)	-	-	-	-	-	0.2	0.4	0.2
Provision Coverage (%)	100	100	100	100	100	53	35	35
Provision/Average Advances (%)	(0.0)	0.1	0.2	0.2	0.2	0.2	-	0.1

Margin Metrics

Yield On Advances (%)	11.3	11.3	11.2	11.1	10.9	10.2	10.0	10.2
Cost Of Funds (%)	9.7	9.6	9.7	8.8	8.3	7.6	7.8	7.8
Spread (%)	1.6	1.7	1.5	2.2	2.6	2.6	2.2	2.4
NIM on AUM (%)	2.9	2.7	2.5	3.2	3.5	3.5	3.1	3.3

Profitability & Efficiency Metrics

Int. Expended/Int.Earned (%)	74.7	75.9	77.5	71.2	67.7	65.9	68.7	68.0
Other Income/NII (%)	14.6	15.6	16.5	13.0	11.2	11.8	7.2	6.0
Operating Profit/ Net Income (%)	67.2	71.7	73.3	80.4	83.0	84.8	85.8	86.2
Net Profit/Net Income (%)	49.3	48.8	41.6	46.2	50.2	53.3	55.5	55.4
Cost to Income (%)	32.8	28.3	26.7	19.6	17.0	15.2	14.2	13.8
Employee Exp/ Net Income (%)	14.3	11.5	12.0	9.7	8.3	7.8	6.0	6.3
Cost on Average Assets (%)	1.1	0.9	0.8	0.7	0.7	0.6	0.5	0.5
Provisions/PPP (%)	(1.9)	4.0	9.4	7.1	5.0	4.6	-	2.6
Tax Rate (%)	27.9	28.9	37.3	38.1	36.3	34.1	35.3	34.0

Valuation Ratio Metrics

EPS (Rs)	5	7	6	12	18	23	24	30
Change (%)	23.7	39.9	(12.5)	82.5	49.8	28.2	5.6	23.7
ROAE (%)	14.6	17.9	14.1	19.0	24.1	24.9	21.4	21.7
ROAA (%)	1.6	1.5	1.2	1.6	1.9	2.1	1.9	1.9
Dividend Payout (%)	17.6	20.6	25.4	20.4	13.6	53.0	10.0	8.1
Dividend yield (%)	0.6	0.9	0.3	0.2	0.1	0.6	0.7	0.7
Dividend Per Share	0.8	1.3	1.4	2.0	2.0	2.0	2.0	2.0
Book Value (Rs)	38	44	58	66	81	101	123	150
Change (%)	12.8	15.3	31.3	13.8	22.6	25.1	21.3	22.2
P/B (X)	0.7	0.9	2.1	3.5	5.2	4.8	2.4	1.9
P/E (X)	5.2	5.1	18.7	19.6	23.9	21.4	12.1	9.8

Financial Details

Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest Income</i>	11.2	11.1	10.9	10.8	10.2	9.9	10.2
<i>Interest expended</i>	8.5	8.6	7.8	7.3	6.7	6.8	6.9
<i>Net Interest Income</i>	2.7	2.5	3.1	3.5	3.5	3.1	3.3
<i>Non-Fund Based Income</i>	0.4	0.4	0.4	0.4	0.4	0.2	0.2
<i>Total Income</i>	3.1	2.9	3.6	3.9	3.9	3.3	3.5
<i>Total Operating Expenses</i>	0.9	0.8	0.7	0.7	0.6	0.5	0.5
<i>>> Employee Expenses</i>	0.4	0.3	0.3	0.3	0.3	0.2	0.2
<i>>> Other Expenses</i>	0.5	0.4	0.4	0.3	0.3	0.3	0.3
<i>Operating Profit</i>	2.2	2.1	2.9	3.2	3.3	2.9	3.0
<i>Provisions</i>	0.1	0.2	0.2	0.2	0.2	-	0.1
<i>Others</i>	0.0	-	-	-	-	-	-
<i>PBT</i>	2.1	1.9	2.7	3.0	3.1	2.9	2.9
<i>Tax</i>	0.6	0.7	1.0	1.1	1.1	1.0	1.0
<i>PAT/RoAA</i>	1.5	1.2	1.6	1.9	2.1	1.9	1.9
<i>Equity Multiplier (x)</i>	11.8	11.6	11.6	12.4	12.1	11.5	11.3
<i>ROAE</i>	18.0	14.1	19.0	24.1	24.9	21.4	21.7

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

Disclosures: Narnolia Financial Advisors Ltd. (NFAL) (FormerlyMicrosec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFALis engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at www.narnolia.com

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, it's associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and it's associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Analyst Certification The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVelox Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

Disclaimer:

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL)and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances.The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.