

# India Equity Analytics

## Results Preview Q1FY20 - Building Materials



**Analyst**  
Rajeev Anand  
rajeev.anand@narnolia.com  
+91-22-62701229

CPBI IN

**CMP** 168  
**Target** 180  
**Upside** 7%  
**Rating** NEUTRAL

	FY18	FY19	FY20E	FY21E
<b>Roe%</b>	20%	18%	19%	18%
<b>Roce%</b>	17%	18%	20%	20%
<b>P/E</b>	46.3	29.2	18.3	16.5
<b>EV/Sales</b>	3.9	2.2	1.7	1.5
<b>EV/Ebdita</b>	25.3	16.9	11.4	10.3

	FY18	FY19	FY20E	FY21E	Q1FY19	Q4FY19	Q1FY20E
Segmental Revenue							
Plywood - Revenue	1,263	1,273	1,379	1,456	316	323	343
Plywood - EBITDA	181	174	198	209	55	32	48
Laminates - Revenue	370	432	478	507	90	121	107
Laminates - EBITDA	61	39	53	57	9	11	12
MDF - Revenue	112	295	328	361	70	76	74
MDF - EBITDA	21	38	54	60	9	12	12
Particle Board - Revenue	73	97	110	124	18	24	25
Particle Board - EBITDA	13	22	26	29	5	6	6
Sales	1,967	2,264	2,460	2,620	537	583	590
Sales Gr%	10%	15%	9%	7%	22%	7%	10%
COGS	1,023	1,182	1,277	1,355	275	303	311
Ebdita	306	300	358	382	87	64	85
Ebdita Gr%	5%	-2%	19%	7%	42%	-23%	-2%
Net Profits	157	159	203	224	45	34	47
Profit Gr%	-16%	1%	28%	11%	33%	-4%	4%
Gross Margin%	48.0%	47.8%	48.1%	48.3%	48.7%	48.1%	47.3%
Ebdita Margin%	15.6%	13.3%	14.5%	14.6%	16.1%	10.9%	14.3%
Net Profit Margin%	8.0%	7.0%	8.2%	8.6%	8.4%	5.9%	8.0%

Std/Fig in Rs Cr

❑ Going by segments; Ply margins would be lower in near term due to change in strategy to focus on mid-market segment, stable input prices and price hikes will help laminates margin to improve, MDF (which is in a highly competitive market right now) is expected to improve with demand/supply gap narrow down, stand out segment Particle board margins will stabilise ~23% in FY20.

❑ With 6.6%/10% estimated volume growth in Ply/Lam and high growth in particle board of 38%, revenue for the quarter is expected to be up by 10% YoY to Rs 590 crores.

❑ Margins pressure in the major segment of Ply and Laminates will result in gross margins at 47.3% and EBITDA margin at 14.3%.

❑ To improve its customer reach, company aims to expand touchpoints for laminates to 30000 and plywood to 15000 in next 1, 1-1/2 years' time.

❑ Capex plans for now are Rs 20 crores for the Gabon plant. Expansion for particle board and MDF plant is still under discussion and would be announced on finalization

### Key Trackable this Quarter

- ❑ Success of company's strategy to focus on the mid-market segment for ply
- ❑ Capex plans of the company
- ❑ Demand/Supply dynamics of the MDF industry

**We value the stock at 11x FY20E EV/EBDITA. NEUTRAL**

**CMP** 2977  
**Target** 3147  
**Upside** 6%  
**Rating** HOLD

	FY18	FY19	FY20E	FY21E
<b>Roe%</b>	18%	17%	18%	18%
<b>Roce%</b>	23%	23%	24%	23%
<b>P/E</b>	45.1	35.2	26.8	23.7
<b>EV/Sales</b>	3.7	2.9	2.3	2.1
<b>EV/Ebdita</b>	25.6	20.3	15.5	13.6

	FY18	FY19	FY20E	FY21E	Q1FY19	Q4FY19	Q1FY20E
Segmental Revenue							
Sanitaryware & Allied	56%	53%	50%	48%	56%	50%	53%
Faucets	22%	24%	25%	25%	22%	25%	24%
Tiles	20%	21%	22%	24%	18%	21%	19%
Others	3%	3%	4%	4%	4%	3%	4%
Sales	1,182	1,344	1,512	1,681	281	413	313
Sales Gr%	17%	14%	13%	11%	20%	14%	12%
COGS	563	646	726	806	129	207	144
Ebdita	171	191	228	255	35	64	45
Ebdita Gr%	0%	12%	20%	12%	7%	25%	28%
Net Profits	100	115	139	157	21	38	27
Profit Gr%	-4%	15%	21%	13%	6%	24%	33%
Gross Margin%	52.3%	51.9%	52.0%	52.1%	54.1%	49.8%	54.1%
Other Expenses %	26.0%	26.1%	26.2%	26.2%	27.7%	25.0%	27.2%
Ebdita Margin%	14.4%	14.2%	15.1%	15.2%	12.6%	15.4%	14.4%
Net Profit Margin%	8.5%	8.6%	9.2%	9.4%	7.3%	9.2%	8.7%

Std/Fig in Rs Cr

- ❑ Strong growth in Faucets and Tiles will help the company to report revenue growth of 12% for the quarter
- ❑ The high growth in faucets segment will help it increase its share in the total revenue pie by 200bps YoY to 24% in the quarter.
- ❑ EBITDA margin is expected to be higher by 180bps YoY to 14.4% on the back of operational efficiency and lower gas costs
- ❑ PAT is expected to be Rs 27 crores, margins at 8.7%.
- ❑ The total capex guided for FY20 stands at Rs 75 and breakup is Rs7.5 crores for customer touchpoints, Rs 19 Crs for staff quarters near Kadi plant, Rs 12 crores for automation in faucet business, Rs 28 crores for automation in Sanitaryware business and Rs 8.5 crores for logistics, warehousing and IT spends.

### Key Trackable this Quarter

- ❑ Overall demand environment in the real estate sector
- ❑ Share of outsource based sales
- ❑ Further expansion/acquisition strategy to enhance capacity

**We value the stock at 26x FY21E P/E. HOLD**

**CMP** 759  
**Target** 855  
**Upside** 13%  
**Rating** ACCUMULATE

	FY18	FY19	FY20E	FY21E
<b>Roe%</b>	19%	20%	19%	19%
<b>Roce%</b>	19%	19%	20%	21%
<b>P/E</b>	42.7	29.7	20.4	20.7
<b>EV/Sales</b>	2.6	2.0	1.4	1.4
<b>EV/Ebdita</b>	19.9	15.8	10.7	10.8

	FY18	FY19	FY20E	FY21E	Q1FY19	Q4FY19	Q1FY20E
Laminates Volume*	13.8	13.5	14.6	15.7	3.2	3.8	3.3
Laminate Realisation	693	764	812	821	746	770	806
Segment Mix							
Laminates - Revenue	984	1,085	1,186	1,292	247	303	270
Laminates - EBITDA	134	148	166	180	33	43	36
Veneer - Revenue	160	196	226	263	41	58	47
Veneer - EBITDA	16	10	16	23	1	1	3
Sales	1,145	1,281	1,413	1,555	288	360	317
Sales Gr%	6%	12%	10%	10%	4%	16%	10%
COGS	598	688	756	833	150	203	168
Ebdita	149	159	181	203	34	44	39
Ebdita Gr%	8%	6%	14%	12%	3%	14%	16%
Net Profits	65	77	90	104	15	24	18
Profit Gr%	30%	19%	16%	16%	15%	33%	19%
Gross Margin%	47.7%	46.3%	46.5%	46.5%	47.8%	43.7%	46.9%
Ebdita Margin%	13.0%	12.4%	12.8%	13.1%	11.7%	12.3%	12.4%
Net Profit Margin%	5.6%	6.0%	6.4%	6.7%	5.3%	6.6%	5.8%

\*(in mn sheets)

Conso/Fig in Rs Cr

❑ The management guided that the overall demand pan-India has been muted, though they are seeing some traction in commercial real estate. Being cautious we expect laminates volume to grow by 6% YoY.

❑ While laminates industry has settled down from the high costs pressure, a positive uptick in operational environment is yet to be seen. The veneer segment is facing pressures due to higher costs and realisations impacted by adverse value mix.

❑ Sales to grow by 10% YoY to Rs 317 crores in the quarter.

❑ Eased cost pressures and better realisations would help gross Margins to be at 46.9% and EBITDA margins to improve by 70 bps YoY to 12.4%.

❑ The company has announced a brownfield expansion of 1.6 million sheets for laminates division at a layout of Rs 25 crores funded through internal accruals and is expected to be operational by third quarter of this financial year.

### Key Trackable this Quarter

- ❑ Overall demand environment and product pricing in market
- ❑ Sustainable EBITDA margin for the wooden doors segment
- ❑ Breakeven progress for the wooden floors segment

**We value the stock at 11x FY21E EV/EBDITA. ACCUMULATE**

JKCE IN

**CMP** 990  
**Target** 1094  
**Upside** 11%  
**Rating** ACCUMULATE

	FY17	FY18	FY19	FY20
<b>Roe%</b>	11%	16%	11%	15%
<b>Roce%</b>	5%	8%	7%	8%
<b>PE</b>	31.0	20.8	18.3	16.9
<b>PB</b>	3.5	3.3	2.1	2.5
<b>EV/Ebdita</b>	12.3	11.5	9.4	8.9

	FY17	FY18	FY19	FY20E	1QFY19	4QFY19E	1QFY20E
Grey Cement Vol(MT)	6.84	8.23	8.57	8.77	2.04	2.54	2.04
Wall putty(MT)	1.1	1.2	1.3	1.3	0.3	0.3	0.3
Total volume	7.9	9.4	9.9	10.1	2.3	2.9	2.3
Growth YoY	1%	19%	5%	2%	9%	6%	0%
<b>Financials</b>							
Sales	3,756	4,591	4,981	5,265	1,116	1,492	1,212
Sales Gr	6%	22%	8%	6%	7%	13%	9%
Ebdita	693	761	810	894	150	279	228
Ebdita Gr	34%	10%	7%	10%	-24%	54%	52%
Net Profits	211	342	325	380	49	150	98
Profit Gr%	107%	62%	-5%	17%	-38%	55%	99%
Adjusted Profits	211	342	325	326	49	211	98
Ebdita Margin%	18.5%	16.6%	16.3%	17.0%	13.5%	18.7%	18.8%
Net Profit Margin%	5.6%	7.4%	6.5%	7.2%	4.4%	10.1%	8.1%

Std/ Fig in Rs Cr

❑ Volume growth for Q1FY20 is expected to remain muted because in month of April, cement demand was lower as compared to march due to standstill of government spending in infra activities.

❑ In UAE operations: Cement sales volume for CY18 is 247,000 Ton and clinker volume is 103000 Ton. EBITDA was 4.37 mn AED.

❑ Company is making efforts to save Rs. 60-70/Ton in logistics cost, currently it is saving Rs.40-45/Ton. Further, re-positioning, better modalities and increasing trade volumes to save another Rs. 50-75/Ton. Overall company is working on to save 125-150/Ton. Presently company has achieved 70% of that and balance to be achieved in next 6 months.

### Key Trackable this Quarter

- ❑ Volume growth
- ❑ Status of ongoing expansion of 4.2 MT Nimbahera and Mangrol.
- ❑ Profitability of UAE business

**We value the stock at 10x FY20E EV/EBITDA. ACCUMULATE**

**CMP**        **589**  
**Target**    **643**  
**Upside**    **9%**  
**Rating**    **HOLD**

	FY18	FY19	FY20E	FY21E
<b>Roe%</b>	19%	15%	18%	17%
<b>Roce%</b>	24%	21%	24%	23%
<b>P/E</b>	38.4	41.3	30.4	27.3
<b>EV/Sales</b>	3.3	3.1	2.7	2.4
<b>EV/Ebdita</b>	19.9	20.5	16.3	14.5

	FY18	FY19	FY20E	FY21E	Q1FY19	Q4FY19	Q1FY20E
Tiles Volume Growth	6%	12%	12%	6%	9%	11%	10%
Segmental Revenue							
Own Mfg (Tiles)	56%	56%	55%	54%	59%	51%	58%
JVs (Tiles)	24%	23%	22%	22%	23%	24%	21%
Outsourcing (Tiles)	14%	14%	15%	15%	11%	17%	13%
Sanitaryware/Faucet	5%	6%	7%	8%	6%	6%	7%
Plywood	0%	1%	1%	1%	0%	1%	1%
Sales	2,711	2,956	3,375	3,644	657	815	737
Sales Gr%	6%	9%	14%	8%	5%	9%	12%
COGS	1,060	1,146	1,401	1,518	227	355	297
Ebdita	456	449	554	604	97	123	111
Ebdita Gr%	-8%	-2%	23%	9%	-7%	2%	14%
Net Profits	235	227	307	341	46	66	60
Profit Gr%	-7%	-4%	35%	11%	-8%	0%	33%
Gross Margin%	60.9%	61.2%	58.5%	58.4%	65.4%	56.5%	59.6%
Ebdita Margin%	16.8%	15.2%	16.4%	16.6%	14.7%	15.1%	15.0%
Net Profit Margin%	8.7%	7.7%	9.1%	9.3%	6.9%	8.1%	8.2%

Conso/Fig in Rs Cr

- ❑ Post the NGT order, the landscape of the whole tiles industry has changed with few Morbi players out of business while the rest finally taking price hikes in April to support higher costs from gas usage instead of coal. This has created a level playing field for the organised players.
- ❑ Management has guided for strong volume growth through market share gains. Cautiously we have taken 10% volume growth for Q1 and expect revenue to be Rs 737 crores, up 12% YoY.
- ❑ As company takes RLNG rates, the overall gas cost as a % of sales is expected to at 18.3%.
- ❑ The high volume sales growth and easing fuel cost pressures would help to report EBITDA margin at 15%, up 30bps YoY.
- ❑ PAT is expected to be Rs 60 crores, margins at 8.2%.
- ❑ The management has guided that the capex would be low for the next two years and expects not more than Rs 200 crores to be spent.

### Key Trackable this Quarter

- ❑ Pricing and capacity in the Industry post NGT order on Morbi
- ❑ Movement of RLNG prices in comparison to crude and spot gas prices
- ❑ Growth and breakeven progress of Sanitaryware and faucets segment

**We value the stock at 30x FY21E P/E. HOLD**

SCRM IN

**CMP** 21500  
**Target** 22366  
**Upside** 4%  
**Rating** HOLD

	FY17	FY18	FY19	FY20E
<b>Roe%</b>	17%	16%	10%	14%
<b>Roce%</b>	14%	13%	10%	14%
<b>PE</b>	44.3	40.7	68.0	46.8
<b>PB</b>	7.7	6.3	6.7	6.5
<b>EV/Ebdita</b>	24.1	24.1	25.3	22.1

	FY17	FY18	FY19	FY20E	1QFY19	4QFY19	1QFY20E
Cement Vol(Mn Ton)	20.6	22.5	25.9	27.5	7.0	7.3	7.1
Growth YoY	45%	9%	15%	6%	19%	13%	2%
Power vol.(Mn Units)	2,066	1,197	1,677	1,691	451	380	415
<i>Financials</i>							
Sales	8,594	9,833	11,722	12,996	3,070	3,285	3,310
Sales Gr	56%	14%	19%	11%	19%	17%	8%
Ebdita	2,513	2,473	2,653	3,312	575	848	846
Ebdita Gr	79%	-2%	7%	25%	-19%	35%	47%
Net Profits	1,339	1,384	951	1,520	279	321	394
Profit Gr%	17%	3%	-31%	60%	-36%	-20%	41%
Adjusted profit	1,339	1,384	1,129	1,520	279	321	394
Ebdita Margin%	29.2%	25.1%	22.6%	25.5%	18.7%	25.8%	25.6%
Net Profit Margin%	15.6%	14.1%	8.1%	11.7%	9.1%	9.8%	11.9%

Std/ Fig in Rs Cr

❑ Volume of shree cement is expected to remain under pressure on the back of slow-down in infrastructure activities. Hence we factor marginal growth rate of 2% in Q1 FY20.

❑ Revenue from power sector is expected to improve this quarter as the demand of power increased in summer season. We expect power sector to clock revenue of Rs. 577 Cr in Q1 FY20.

❑ Freight cost of the company is expected to increase marginally in Q1 FY20 as the benefit of railways discounts in off season will not be available in Q1 FY20.

❑ The company has commissioned Clinker capacity of 3MT Integrated Cement Plant at Kodla, Karnataka on 25 Dec'18. Any update on its production and utilization level from the management will remain key watchable.

❑ Company is expanding its capacities by adding 3 MT of cement at a capex of 4.23 Billion in Cuttack & 2.5mt in Jharkhand at a capex of 4.8 Billion, Cuttack capacity is expected to come on Steam by Sept-19 & Jharkhand by Jun-19. Capex for FY20 is Rs. 1200 Cr. Management commentary is awaited.

### Key Trackable this Quarter

- ❑ Status of capacity expansion at Cuttack and Jharkhand
- ❑ Update on sales by overseas arm

**We value the stock at 24x FY20E EV/EBITDA. HOLD**

**CMP** 440  
**Target** 490  
**Upside** 11%  
**Rating** ACCUMULATE

	FY18	FY19	FY20E	FY21E
<b>Roe%</b>	13%	8%	12%	14%
<b>Roce%</b>	13%	10%	12%	14%
<b>P/E</b>	38.0	30.4	24.7	18.7
<b>EV/Sales</b>	1.9	1.3	1.1	1.0
<b>EV/Ebdita</b>	17.2	13.4	11.1	9.1

	FY18	FY19	FY20E	FY21E	Q1FY19	Q4FY19	Q1FY20E
Tiles Volume Growth	-1%	5%	11%	10%	18%	-3%	11%
Sales	1,713	1,715	1,921	2,170	381	519	406
Sales Gr%	-1%	0%	12%	13%	15%	-4%	7%
COGS	707	722	843	942	131	246	154
Ebdita	186	163	198	236	31	70	42
Ebdita Gr%	-20%	-12%	21%	19%	16%	13%	33%
Net Profits	70	46	75	99	9	24	15
Profit Gr%	-28%	-34%	61%	32%	23%	-7%	77%
Gross Margin%	58.7%	57.9%	56.1%	56.6%	65.5%	52.7%	62.0%
Ebdita Margin%	10.9%	9.5%	10.3%	10.9%	8.2%	13.6%	10.3%
Net Profit Margin%	4.1%	2.7%	3.9%	4.6%	2.2%	4.6%	3.7%

Conso/Fig in Rs Cr

- ❑ The company has been an underperformer in the industry due to its initiatives of cutting down on credit period for a better working capital position. FY20 is expected to see revival in revenues impacted from this exercise.
- ❑ The company is expected to report a tiles volume growth of 11% in Q4.
- ❑ The bathware segment is expected to grow 25% for the quarter
- ❑ As company takes RLNG rates, the overall gas cost as a % of sales is expected to at 20.8%.
- ❑ Higher sales due to stabilising operations from working capital initiatives and stable gas prices would help in EBITDA margins to improve by 210 bps YoY to 10.3%.
- ❑ PAT is expected to be Rs 16 crores, margins at 3.9%.
- ❑ The Board has in-principally approved the amalgamation of Schablona India Limited and Somany Ceramics Limited.

### Key Trackable this Quarter

- ❑ Pricing and capacity in the Industry post NGT order on Morbi
- ❑ Movement of RLNG prices in comparison to crude and spot gas prices
- ❑ Growth and breakeven progress of Bathware segment

**We value the stock at 21x FY21E P/E. ACCUMULATE**



UTCEM IN

**CMP**        **4564**  
**Target**    **5400**  
**Upside**    **18%**  
**Rating**     **BUY**

	FY17	FY18	FY19	FY20E
<b>Roe%</b>	11%	9%	9%	11%
<b>Roce%</b>	13%	10%	11%	13%
<b>PE</b>	41.5	44.1	40.5	29.1
<b>PB</b>	4.6	4.2	3.6	3.2
<b>EV/Ebdita</b>	23.1	21.2	17.9	14.5

	FY17	FY18	FY19	FY20E	1QFY19	4QFY19	1QFY20E
Total Cement Vol.(MT)	48.4	50.2	60.7	72.5	17.5	21.3	19.5
Growth YoY	8%	4%	21%	20%	33%	15%	12%
Blend. Realiz.(Rs./Tn)	4,899	4,760	4,912	4,925	4,797	4,930	4,979
Growth YoY	-4%	-3%	3%	0%	-5%	1%	4%
<b>Financials</b>							
Sales	23,891	29,790	35,704	42,393	8,395	10,500	9,724
Sales Gr	1%	25%	20%	19%	27%	17%	16%
Ebdita	4,969	5,883	6,520	8,233	1,484	2,213	2,003
Ebdita Gr	7%	18%	11%	26%	-5%	30%	35%
Net Profits	2,628	2,231	2,456	3,414	598	1,017	816
Profit Gr%	11%	-15%	10%	39%	-33%	109%	36%
Ebdita Margin%	20.8%	19.7%	18.3%	19.4%	17.7%	21.1%	20.6%
Net Profit Margin%	11.0%	7.5%	6.9%	8.1%	7.1%	9.7%	8.4%

Std./ Fig in Rs Cr

❑ Ultratech volume growth is likely to remain unaffected as additional cement volume from the acquired plants has already started reflecting in the books. We expect volume growth to remain in the range of 11-13% in Q1 FY20.

❑ EBITDA margin of the company is expected to remain flat sequentially to 20.6% in Q1 FY20, as marginal hike in the cost is likely to erode benefits arising out of higher realization.

❑ JPA update- JPA is operating at 75% utilization. Plants' operational parameter is at par or better than UltraTech's existing plants standard.

❑ Ultratech Nathdwara integration has been stabilized now. Every month there is improvement in EBITDA/Ton and in Q4 UNCL reported EBITDA of Rs. 830/Ton. In Q1 FY0, EBITDA/Ton is expected to improve as management has increased usage of pet coke from NIL to 50%.

❑ Update on Bara grinding units and Dhar cement plant will remain the key watchable this quarter.

### Key Trackable this Quarter

❑ Volume and realization growth

❑ Update on integration of CTIL assets into Ultratech.

❑ Update debt raise of Rs. 1800 Cr to fund Binani acquisition.

**We value Ultratech at Rs 5400/- on SOTP basis. BUY**

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](http://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](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com).

Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkgarwal@narnolia.com](mailto:mkgarwal@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, nor 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, 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.

---

Narnolia Financial Advisors Ltd.  
803 & 703, A Wing, Kanakia Wall  
Street  
Andheri Kurla Road, Andheri (E)  
Mumbai-400093  
T: +912262701200  
D: +912262701236  
[www.narnolia.com](http://www.narnolia.com)