

# Tata Metaliks Limited

Industry Metals  
Bloomberg TML IN  
BSE CODE 513434

## DI pipe business continues to perform well, slowdown in pig iron industry impacting profitability....

**RATING** **NEUTRAL**

**CMP** **558**

**Price Target** **505**

**Potential Upside** **-10%**

**Rating Change**

**Estimate Change**

**Target Change**

### Stock Info

52wk Range H/L 754/541  
Mkt Capital (Rs Cr) 1411  
Free float (%) 50%  
Avg. Vol 1M (,000) 15  
No. of Shares (Cr.) 3  
Promoters Pledged % 0%

**Research Analyst**

**Sagar Sharma**

sagar.sharma@narnolia.com

+91-22-62701234

### 1QFY20 Result Update

- ❑ 1QFY20 revenue came in at Rs.499cr (up 6.7% YoY), DI pipe revenue grew by 13% YoY and pig iron revenue grew by 4% YoY.
- ❑ Pig iron sales volume for the quarter was at 71500 MT and DI pipe sale was at 53600MT. Hot metal production in the quarter was around 130000MT and FY20 target is of around 550000MT.
- ❑ Gross margin in the quarter was at 37.5% (vs.40.6% in 1QFY19 and 35.8% in 4QFY19). Margin improved on QoQ basis on the back of decline in input cost.
- ❑ EBITDA for the quarter came in at Rs.45cr (down 31.9% YoY), and EBITDA margin was at 9% (vs.14.1% in 1QFY20). Higher other expense at 22.6% of sales (vs.20.7% in 1QFY19) and higher employee cost at Rs.30cr (vs.Rs.27cr in 1QFY19) has impacted EBITDA margin in the quarter.
- ❑ Pig iron EBIT for the quarter was at Rs.0.66cr (down 98% YoY and 96% QoQ) and DI pipe EBIT was at Rs.34cr (up 79% YoY and down 35.9% QoQ). Significant reduction in pig iron and coke spread led to subdued performance in pig iron segment.
- ❑ Finance cost for the quarter was at Rs.7.3cr (down 30.6% YoY and 36.4% QoQ).
- ❑ Effective tax rate for the quarter was at 27.9% and PAT was at Rs.20cr (down 35.4% YoY).
- ❑ Management maintained yearly volume guidance of 300-305Kt for pig iron and around 230-240KT for DI pipe business in FY20.

### View and Valuation

Tata metaliks 1QFY20 revenue came in at Rs.499cr (up 6.7% YoY) primarily driven by 13% growth in DI pipe revenue and 4% growth in pig iron revenue. Over near term pig iron market is expected to remain sluggish due to slow down in steel sector and auto sector, however, DI pipe business is expected to continue its robust performance going ahead as well. We are positive about the long term prospects of the company, however, company continues to operate above its installed capacity and the ongoing capacity expansion of DI pipe from the current 2LTPA to 4LTPA will come online from FY22 onwards (1st phase of the capacity is expected to commission in 2HFY21). Considering operations are running at optimal capacity there is no incremental volume expected over near future leading to movement in DI pipe realization and pig iron prices and the raw material prices the only revenue and profitability driver. However, benefits from commission of PCI plant and Oxygen plant may lead to improvement in margins going ahead. Our FY20 EBITDA/PAT stand reduced by 14%/18% as we factor in 1QFY20 performance and increase other expenses estimate but we maintain out FY21 estimates. We continue to maintain our **NEUTRAL stance on the stock with a target price of Rs.505 (5x FY21e diluted EV/EBITDA).**

### Key Risks to our rating and target

- ❑ Slow down in pig iron industry.
- ❑ Volatility in coking coal and iron ore prices is a concern.

KEY FINANCIAL/VALUATIONS	FY17	FY18	FY19	FY20E	FY21E
Net Sales	1318	1873	2155	2122	2207
EBITDA	225	277	307	290	370
EBIT	189	228	250	227	302
PAT	116	159	182	150	201
EPS (Rs)	46	63	65	54	67
EPS growth (%)	3%	37%	3%	-17%	25%
Diluted EPS (Rs)	46	63	58	48	64
ROE (%)	56%	44%	24%	17%	17%
ROCE (%)	52%	41%	31%	24%	23%
BV	82	142	273	322	402
P/B (X)	7.2	5.2	2.4	1.7	1.4
P/E (x)	12.8	11.7	10.0	10.4	8.3

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.

## 1QFY20 Results

Sequential improvement in gross margin offset by high other expenses....

Financials	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Net Sales	468	547	546	594	499	6.7%	-16.0%	1,873	2,155	15.0%
Other Income	1	1	1	3	4	197%	56.0%	20	7	-67%
Total Income	469	548	548	597	503	7%	-15.6%	1,894	2,162	14.2%
COGS	278	335	339	381	312	12%	-18.2%	1,088	1,333	22.4%
Staff Cost	27	27	28	29	30	8%	2.2%	100	112	11.7%
Other Exp.	97	100	105	103	113	17%	9.8%	407	403	-1.0%
Expenditure	402	462	472	513	454	13%	-11.5%	1,596	1,848	15.8%
EBITDA	66	86	75	81	45	-32%	-44.4%	277	307	10.8%
Depreciation	15	13	14	15	14	-5%	-5.5%	49	58	17.5%
EBIT	51	72	61	66	30	-40%	-53.5%	228	250	9.4%
Interest	11	10	11	12	7	-31%	-36.4%	47	43	-8.1%
PBT	42	63	51	57	28	-34%	-51.6%	201	213	5.8%
Excpt. Item	0	0	0	0	0	-	-	-	-	-
Tax	11	15	11	-8	8	-31%	-	41	30	-26.8%
PAT	30	48	40	64	20	-35%	-69.5%	159	182	14.3%

## Operating Matrix

Volume (ton)	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY %
Hot metal	127526	135226	135857	115436	134718	128039	139807	125100	8.4%
Pig iron	81896	85046	71229	68393	83984	61503	68120	71500	4.5%
DI pipe	45630	50180	64628	47043	50734	66536	71687	53600	13.9%

## Pig iron profitability significantly impacted

The current slowdown in pig iron industry due to slow down in steel and auto sector has impacted the profitability of the pig iron segment. EBIT for pig iron in 1QFY20 was at Rs.0.66cr (down 98% YoY and 95.6% QoQ). The significant fall in pig iron and coke spread has led to the subdued performance in the segment. Management stated the pig iron and coke spread which was at Rs.5000/t in 1QFY19 was at Rs.3000/t in 1QFY20. Auto ancillary industry is consumer of company's foundry grade pig iron product, the recent slowdown in auto industry has impacted the demand from this segment thereby impacting the realization and margins in pig iron segment. Furthermore, the slowdown in pig iron industry still persist in 2QFY20 and is expected to be remain a cause of concern over near term.

## DI pipe business continue to perform well

Management stated that there was some slow down in order booking in DI pipe business due to election , however, post election the order booking has again picked up. DI pipe sales volume for the quarter was around 53600MT (up 14% YoY) and revenue was also up 13% at Rs.257cr. There may be delay in sales dispatch in 2QFY20 due to monsoon and flood in some regions.

## Significant contraction in EBITDA margin

Company's EBITDA for the quarter was at Rs.45cr (down 31.9% YoY and 44.4% QoQ), and margin was at 9% (vs. 14.1% in 1QFY19 and 13.6% in 4QFY19). Higher other expenses (due to cost related to extended period of maintenance shutdown, issues with power plant leading increase in purchase of power from state grid, increase in store and spares expense and higher provision for bad debt) and higher employee cost at Rs.30cr (vs. Rs.27cr in 1QFY20) led to significant contraction in EBITDA margin. Going ahead other expenses is expected to remain in the range of Rs.108cr-110cr on quarterly basis.

## Other Updates

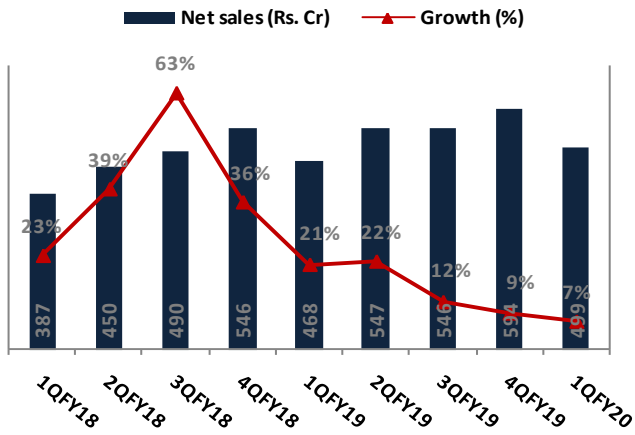
Ongoing capacity expansion of DI pipe from 2LMTPA to 4LMTPA, increase in Mini Blast Furnace capacity and installation of 15MW power plant is on track and is expected to get completed in 18-24 months. Company commissioned its Oxygen plant and going ahead increase in availability of oxygen will help to increase coal injection rate and lower company's fuel rate. The Mini Blast Furnace is expected to go under maintenance shutdown in Aug'19 or Sep'19.

**Concall highlights**

- Management stated next 5 year prospect in relation to demand looks very optimistic and 10-12% YoY growth is expected over the period.
- Pig iron sales volume for the quarter was at 71500 MT and DI pipe sale was at 53600MT. Hot metal production in the quarter was around 130000MT and FY20 target is of around 550000MT.
- Margins in the quarter were down due to significant reduction in spread of pig iron and coke prices. The spread reduced by almost Rs.2000/t from Rs.5000/t in 1QFY19 to Rs.3000/t in 1QFY20 which impacted profitability by almost Rs.22cr in the quarter.
- Furthermore, maintenance shutdown of one of the furnace in 1QFY20 was extended by couple of day. However, the furnace is now operating properly and produced highest volume of hot metal at 49000MT in Jun'19 vs. 33000MT in May'19.
- Company's second blast furnace (mini blast furnace) will go under a planned maintenance shutdown in Aug'19 or Sep'19.
- Other expenses in the quarter were higher due to cost related extended period of maintenance shutdown, issues with power plant which led to increase in purchase from power grid and increase in store and spares consumption and marginal provision for doubtful debt also increased other expenses. Going ahead other expenses is expected to be in range of Rs.108cr-110cr per quarter.
- Company commissioned the Oxygen plant, going ahead increase availability of oxygen will help to increase coal injection rate and lower company's fuel rate.
- Management expects much better performance from the pig iron division from 2QFY20 onwards.
- DI pipe business continues to grow well. Order booking has started after the election.
- In 2QFY20 there may be some delays in dispatches of DI pipes due to monsoon and floods in some regions.
- Pig iron market was sluggish in 1QFY20 and continues to be that way in 2QFY20 as well. However, some benefit of reduction in prices of raw material in 1QFY20 will come in 2QFY20 with a lag.
- Slow down in auto is impacting the demand and prices in pig iron business as auto ancillary's players are customer of company's foundry grade pig iron product.
- Governments intention of providing water to every household in rural India has given a lot of boost.
- The orders of around 600KT from Andhra Pradesh which was earlier talked about are now on hold due to new govt. in the state. Management expects that the new govt. may re-tender those orders.
- Company currently has 9 months of order book (vs. 10-11 months of order couple of months back).
- The ongoing DI pipe expansion from 2LMTPA to 4LMTPA along with augmentation of the Mini Blast Furnace capacity and installation of 15MW power plant is on track and is expected to get completed in 18-24 months.
- Management maintained yearly volume guidance of 300-305Kt for pig iron and around 230-240KT for DI pipe business in FY20.
- Iron ore sourcing from Tata Steel is currently around 50%-60% and rest is from market.

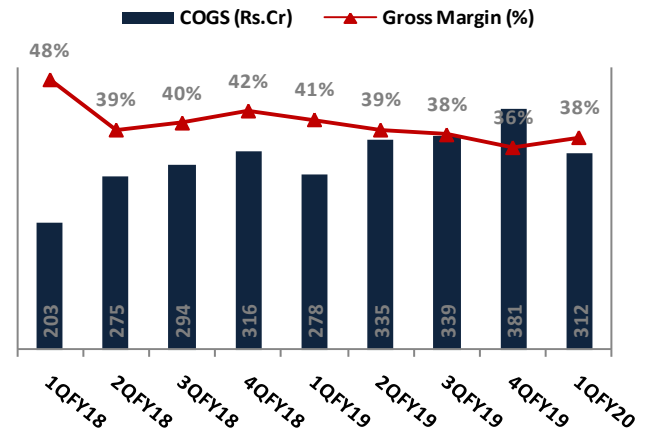
## Exhibit: Net sales and growth trend

continuous fall in sales growth rate primarily on account of fall in pig iron prices....



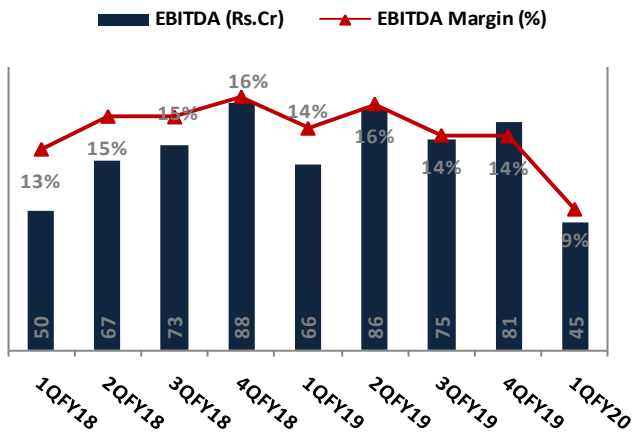
## Exhibit: Cost of good sold and realization trend

Gross margin improved QoQ due to lower iron ore and coking coal prices, however, still lower on YoY basis....



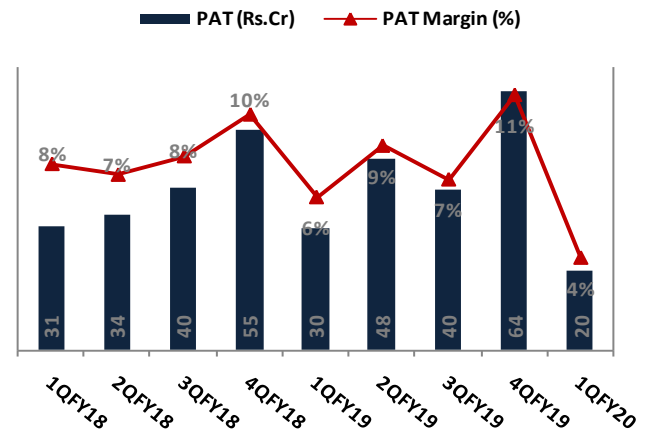
## Exhibit: EBITDA and EBITDA margin trend

higher maintenance and power cost and increase in bad debt provision led to higher other expense and lower margin....



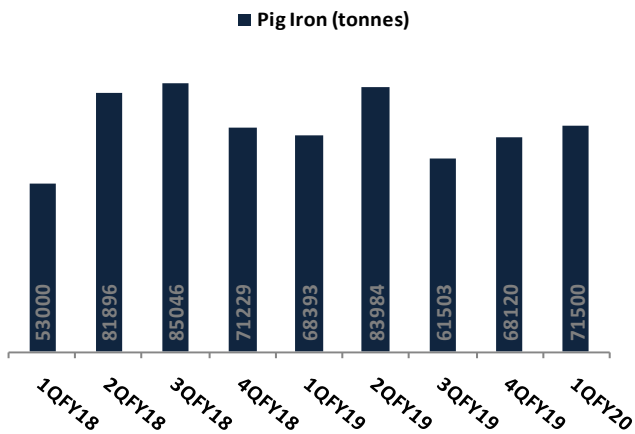
## Exhibit: PAT and PAT margin trend

fall in PAT margin was in line with fall in EBITDA margin....



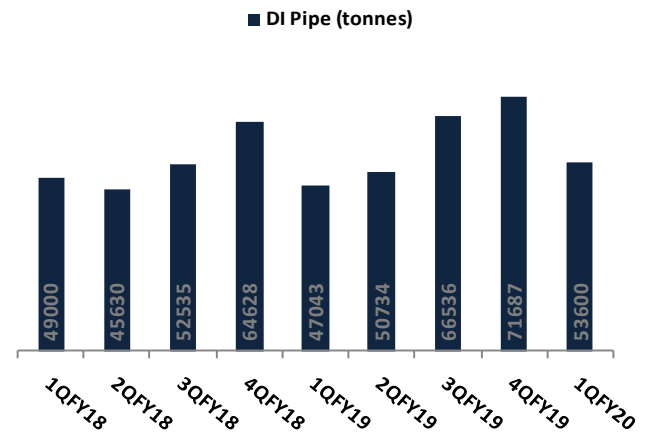
## Exhibit: Pig iron volume trend

Pig iron volume higher by around 4.5% on YoY basis....



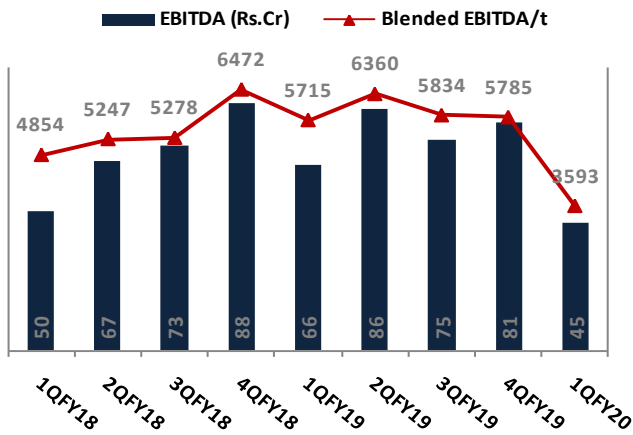
## Exhibit: DI pipe volume trend

Pig iron volume higher by around 4.5% on YoY basis....



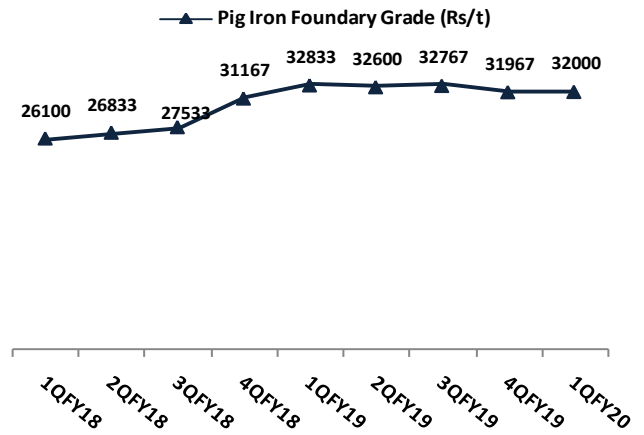
## Exhibit: EBITDA/t trend

EBITDA/t declined significantly on the back of higher other expenses....



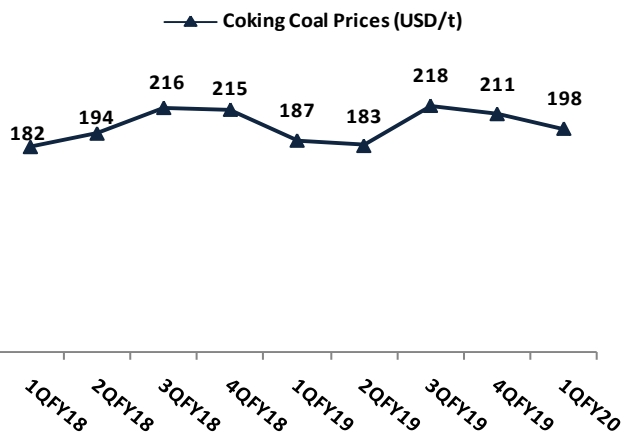
## Exhibit: Domestic Pig iron price trend

pig iron prices trade stable on an average at around Rs.32000-32700 level....



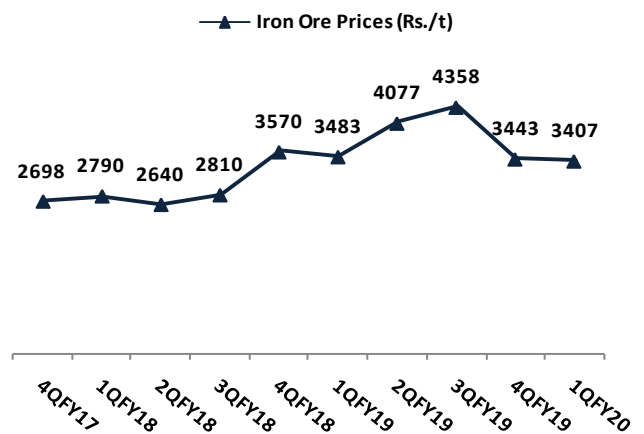
## Exhibit: Coking coal price trend

coking coal prices remain volatile....



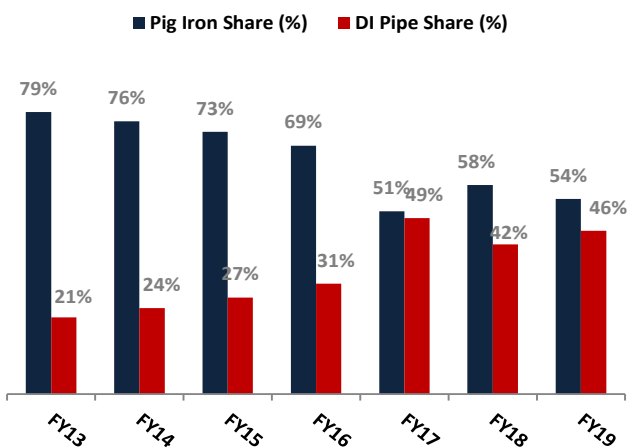
## Exhibit: Iron ore price trend

Domestic Iron ore price on an average remained flat on QoQ basis....



## Exhibit: Pig iron and DI pipe share in total production

management has steadily increased its DI pipe share in total production....



## Financial Details

### Balance Sheet

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	125	125	25	25	25	28	28	30
Reserves	(145)	(38)	74	182	333	739	878	1,178
<b>Networth</b>	<b>(20)</b>	<b>87</b>	<b>99</b>	<b>207</b>	<b>359</b>	<b>767</b>	<b>906</b>	<b>1,208</b>
Debt	265	174	307	331	418	39	208	250
Other Non Cur Liab	10	10	12	18	13	15	15	15
<b>Total Capital Employed</b>	<b>246</b>	<b>261</b>	<b>406</b>	<b>538</b>	<b>776</b>	<b>806</b>	<b>1,113</b>	<b>1,458</b>
Net Fixed Assets (incl CWIP)	401	379	440	623	610	661	837	1,169
Non Cur Investments	0	0	0	0	0	0	-	-
Other Non Cur Asst	3	3	54	18	9	9	9	0
Non Curr Assets	455	451	495	643	631	701	853	1,169
<b>Inventory</b>	<b>118</b>	<b>103</b>	<b>120</b>	<b>160</b>	<b>199</b>	<b>315</b>	<b>291</b>	<b>308</b>
<b>Debtors</b>	<b>101</b>	<b>125</b>	<b>171</b>	<b>188</b>	<b>215</b>	<b>278</b>	<b>274</b>	<b>285</b>
<b>Cash &amp; Bank</b>	<b>21</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>29</b>	<b>14</b>	<b>12</b>
Other Curr Assets	2	2	59	53	38	23	21	23
Curr Assets	280	277	364	423	494	681	633	666
Creditors	302	278	249	171	208	481	291	302
Provisions (both)	11	23	31	41	17	20	16	16
Other Curr Liab	177	166	14	24	37	59	42	42
Curr Liabilities	480	457	442	510	335	562	357	362
<b>Net Curr Assets</b>	<b>(199)</b>	<b>(180)</b>	<b>(77)</b>	<b>(87)</b>	<b>158</b>	<b>119</b>	<b>276</b>	<b>304</b>
<b>Total Assets</b>	<b>735</b>	<b>728</b>	<b>859</b>	<b>1,066</b>	<b>1,125</b>	<b>1,382</b>	<b>1,485</b>	<b>1,834</b>

### Income Statement

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Revenue from Operation</b>	<b>1,424</b>	<b>1,419</b>	<b>1,317</b>	<b>1,318</b>	<b>1,873</b>	<b>2,155</b>	<b>2,122</b>	<b>2,207</b>
Change (%)	43%	0%	-7%	0%	42%	15%	-2%	4%
Other Income	2	5	2	1	20	7	7	4
<b>EBITDA</b>	<b>96</b>	<b>202</b>	<b>216</b>	<b>225</b>	<b>277</b>	<b>307</b>	<b>290</b>	<b>370</b>
Change (%)	-448%	111%	7%	4%	23%	11%	-5%	27%
Margin (%)	7%	14%	16%	17%	15%	14%	14%	17%
Depr & Amor.	31	31	33	36	49	58	63	68
<b>EBIT</b>	<b>65</b>	<b>171</b>	<b>183</b>	<b>189</b>	<b>228</b>	<b>250</b>	<b>227</b>	<b>302</b>
Int. & other fin. Cost	43	41	46	38	47	43	26	30
<b>EBT</b>	<b>24</b>	<b>134</b>	<b>139</b>	<b>152</b>	<b>201</b>	<b>213</b>	<b>209</b>	<b>276</b>
Exp Item	21	2	-	-	-	-	-	-
Tax	(7)	23	26	36	41	30	59	74
Minority Int & P/L share of Ass.	-	-	(1)	(1)	(1)	(1)	(0)	-
<b>Reported PAT</b>	<b>9</b>	<b>109</b>	<b>112</b>	<b>116</b>	<b>159</b>	<b>182</b>	<b>150</b>	<b>201</b>
<b>Adj PAT *</b>	<b>38</b>	<b>110</b>	<b>113</b>	<b>117</b>	<b>160</b>	<b>183</b>	<b>150</b>	<b>201</b>
Change (%)	-111%	1052%	3%	3%	37%	14%	-17%	34%
Margin(%)	1%	8%	9%	9%	8%	8%	7%	9%

\*Adj PAT from contd. operation after minority interest

## Financial Details

### Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
ROE	-47.9%	124.8%	113.4%	56.0%	44.4%	23.7%	16.6%	16.7%
ROCE	61.3%	81.5%	67.4%	51.7%	40.9%	31.0%	24.1%	23.1%
Asset Turnover	1.94	1.95	1.53	1.24	1.67	1.56	1.43	1.20
Debtor Days	26	32	47	52	42	47	47	47
Inv Days	30	27	33	44	39	53	50	51
Payable Days	77	71	69	47	41	81	50	50
Int Coverage	1.5	4.1	4.0	5.0	4.8	5.8	8.8	10.1
P/E	13.9	2.8	2.2	12.8	11.7	10.0	10.4	8.3
Price / Book Value	(6.6)	3.5	2.5	7.2	5.2	2.4	1.7	1.4
EV/EBITDA	3.9	2.3	2.5	8.0	8.2	6.0	6.1	5
Diluted EV/EBITDA	3.9	2.3	2.5	8.0	8.2	6.7	6.7	5.4
Div Yield	0.0%	0.0%	0.0%	0.3%	0.3%	0.5%	0.6%	1.3%

### Cash Flow Statement

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>PBT</b>	<b>3</b>	<b>132</b>	<b>112</b>	<b>114</b>	<b>200</b>	<b>213</b>	<b>209</b>	<b>276</b>
<i>(inc)/Dec in Working Capital</i>	134	(24)	(95)	(118)	(36)	48	(147)	(15)
<i>Non Cash Op Exp</i>	105	70	98	114	78	101	89	98
<i>Int Paid (+)</i>	43	41	46	38	47	43	26	30
<i>Tax Paid</i>	(2)	(23)	(24)	(33)	(46)	(30)	(59)	(74)
<i>others</i>								
<b>CF from Op. Activities</b>	<b>239</b>	<b>155</b>	<b>91</b>	<b>77</b>	<b>196</b>	<b>331</b>	<b>92</b>	<b>284</b>
<i>(inc)/Dec in FA &amp; CWIP</i>	7	(48)	(80)	(126)	(60)	(109)	(239)	(400)
<i>Free Cashflow</i>	246	108	11	(49)	135	222	(146)	(116)
<i>(Pur)/Sale of Inv</i>	0	0	-	0	(10)	-	-	-
<i>others</i>								
<b>CF from Inv. Activities</b>	<b>7</b>	<b>(48)</b>	<b>(79)</b>	<b>(125)</b>	<b>(70)</b>	<b>(109)</b>	<b>(239)</b>	<b>(400)</b>
<i>inc/(dec) in NW</i>	-	-	-	-	-	180	-	124
<i>inc/(dec) in Debt</i>	(230)	(12)	(55)	60	(104)	(379)	169	42
<i>Int. Paid</i>	(44)	(42)	(38)	(38)	(48)	(43)	(26)	(30)
<i>Div Paid (inc tax)</i>	-	-	-	(6)	(7)	(12)	(12)	(25)
<i>others</i>								
<b>CF from Fin. Activities</b>	<b>(234)</b>	<b>(125)</b>	<b>(13)</b>	<b>49</b>	<b>(125)</b>	<b>(196)</b>	<b>132</b>	<b>113</b>
<i>Inc(Dec) in Cash</i>	12	(17)	(1)	0	1	27	(14)	(3)
<i>Add: Opening Balance</i>	8	20	3	1	2	3	29	14
<b>Closing Balance</b>	<b>20</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>30</b>	<b>14</b>	<b>12</b>

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) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is 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, its 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 its 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, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto: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, 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, 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.