

Industry
Bloomberg
BSE CODE

Financial
BAF IN
500034

Rise in credit cost is likely to be a concern

RATING	NEUTRAL
CMP	3266
Price Target	3221
Potential Upside	-1%

Rating Change	↔
Estimate Change	↔
Target Change	↔

STOCK INFO	
52wk Range H/L	3761/912
Mkt Capital (Rs Cr)	186,360
Free float (%)	41%
Avg. Vol 1M (,000)	218
No. of Shares (Cr)	58
Promoters Pledged %	

FINANCIAL	FY19	FY20E	FY21E
NII	11862	15851	19641
PPP	7681	10419	12974
PAT	3995	5252	6748
NIM %	12.0	11.8	11.2
EPS (Rs)	69	91	117
EPS growth (%)	50	31	28
ROE (%)	22	24	24
ROA (%)	3.8	3.7	3.6
BV	341	424	534
P/B (X)	10.4	8.4	6.6
P/E (x)	51	39	30

1QFY20 Result Update

- NII grew by 43% YoY on the back of AUM growth of 41% YoY. Calculated NIM increased by 28 bps YoY. PPP has grown by 48% YoY. Provisions as a percentage of average AUM was high at 1.8% and grew by 69% YoY. Pat grew by 43% YoY from Rs 836 Cr to Rs 1195 Cr.
- C/I ratio declined to 35% Vs 37% YoY as the operating expenses grew by 36% YoY. Company in a steady basis continued to add new locations, added 65 locations in 1Q to below 1900 and management expects the cross 2000 by March 2020.
- GNPA increased from 1.54% to 1.60% QoQ, while NNPA increased from 0.63% to 0.64% Sequentially. PCR was at 61% vs 60% sequentially. Slippages were at Rs 702 Cr vs Rs 607 Cr QoQ.
- AUM increased by 41% YoY. AUM growth was driven by consumer lending and mortgage lending. Borrowing during the quarter increased by 40% YoY.

Healthy NIM Performance

NII grew by 43% YoY on the back of AUM growth of 41% YoY. NIM increased by 28 bps YoY from 12.69% to 12.97% due to increase in yield. Yield on advances increased by 99 bps YoY from 19.41% to 20.40%. Overall cost of funds remained very steady at 8.5% owing to good ALM management and strong liquidity position. Management stated that incremental borrowings are now being sourced at much lower cost.

Strong AUM Growth

AUM increased by 41% YoY from Rs 128898 Cr to Rs 91287 Cr. AUM growth was driven by consumer lending and mortgage lending. Consumer segment growth was at 43% YoY, SME segment growth was at 36% YoY, Commercial growth was at 25% YoY, Rural segment at 60% YoY and Mortgage segment growth was at 45% YoY. Borrowing in Q1FY20 increased by 40% YoY from Rs 67425 Cr to Rs 94462. Fixed deposit book stood at Rs 15084 Cr with a growth of 55% YoY. Its contribution to consolidated balance sheet stood at 13.4%. Management expects FD cross 16-17% contribution by FY2020.

Assets Quality

GNPA increased from 1.54% to 1.60% QoQ, while NNPA increased from 0.63% to 0.64% sequentially. PCR stood at 61%. GNPL of mortgage improved from 1.23% to 1.19% QoQ. Rural B2B & Rural B2C stood at 0.97% & 1.63% with coverage of 68% & 63%. GNPA of consumer business B2C increased from 1.40% to 1.63% and GNPA SME increased from 1.49% to 1.64% QoQ. Collection efficiency has declined across all segments. Most segments have average collection efficiency of 97.59%. Total provision on IL&FS account at this point of time stand at 26%. In Q1FY20 Company did provisioning on standard assets by 86 bps under ECL stage 1 & 2 under IND AS against 40 bps as per RBI. Two & three wheeler, digital product and LAP segment has shown some sign of stress owing to slowdown and rising stress in retail consumption segment.

View and Valuation

BAF maintains strong growth across products categories and geographic expansion with rising efficiency and better margins. Acquisition of new customer and expansion of network also continued to remain strong and in line with management strategy. However with rise in leverage of retail customers in the economy, growth and quality may get impacted in the near term. As a prudence, management has stringent the underwriting norms. Fewer product segment also showed some sign of rise in stress. The rise in credit cost since last three quarters signals alarming situation. We are cautious on the rising stress on retail consumption story. Management plans to raise capital of \$1.2 Bn in near term. We have not factored the equity dilution in our estimates and maintain our estimates. We maintain our NEUTRAL view on the stock with the target price of Rs 3221 at 6x BV FY21e.

Key Risks to our rating and target

- Slowdown in rural and urban consumptions will impact the growth.
- Stress in macro will increase the delinquencies.

RESEARCH ANALYST

DEEPAK KUMAR

Deepak.kumar@narnolia.com
+91-22-62701205

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

In-Line With Expectation

FINANCIALS	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	3,936	4,256	4,975	5,308	5,801	47.4%	9.3%	12,744	18,485	45.0%
Interest Exp.	1,364	1,567	1,786	1,913	2,113	55.0%	10.5%	4,614	6,624	43.6%
NII	2,573	2,689	3,189	3,394	3,688	43.3%	8.6%	8,131	11,862	45.9%
Other Income	5	40	21	1	7	45.2%	769.1%	12	17	34.1%
Total Income	2,578	2,729	3,209	3,395	3,695	43.3%	8.8%	8,143	11,878	45.9%
Ope Exp.	954	980	1,120	1,174	1,293	35.6%	10.1%	3,269	4,198	28.4%
PPP	1,624	1,749	2,089	2,221	2,402	47.9%	8.2%	4,874	7,681	57.6%
Provisions	327	315	454	409	551	68.6%	34.6%	1,030	1,501	45.7%
PBT	1,297	1,435	1,636	1,812	1,851	42.7%	2.2%	3,843	6,179	60.8%
Tax	461	511	576	636	656	42%	3.2%	1,347	2,184	62.1%
Net Profit	836	923	1,060	1,176	1,195	43.0%	1.6%	2,496	3,995	60%

Concall Highlights

- Existing customer contribution went up to 66% from 63%. Company in a steady basis continued to add new locations, added 65 locations in 1Q to below 1900 and management expects the cross 2000 by March 2020.
- Company is sitting on close to Rs 6,500 crores of liquidity buffer and remain very comfortably placed. Management will continue to diversify the ECB will probably raise anywhere between \$600 million to \$750 million in the calendar year.
- Fixed deposit book stood at Rs 15084 Cr with a growth of 55% YoY. Its contribution to consolidated balance sheet stood at 13.4%. Management expects FD cross 16-17% contribution by FY2020. Company continuous to increase investment in new channel to grow retail deposits and company has 6 different channels to grow retail deposit.
- Overall fee revenue pool on a year-on-year basis grew by 65%.
- Capital adequacy remained strong, Tier 1 at 15.5%, consolidated leverage now at 6.6x. In general company raise capital within 6.6 times to 6.8 times, so management subject to Board and shareholders' approval, may go out and raise capital.
- On credit quality on loan against property remains steady on NON-IL&FS. Company received Rs 18 Cr in escrow account in last 20 days. Total provision on IL&FS account at this point of time stand at 26%.
- In commercial lending business has only one NPA account amounted to Rs 36 Cr of which Rs 21 Cr has been provided.
- Out of 20,000 employee, 4,464 people in collections across the country.
- Management said that the growth environment at this point of time, medium term outlook doesn't change. The environment is patchy. BAF is a growth Company and will continue to remain a growth Company.
- In Q1FY20 Company did provisioning on standard assets by 86 bps under ECL stage 1 & 2 under IND AS against 40 bps as per RBI.
- RBL and BAJAJ FINANCE is the working partner. In Q1FY20 company cards stood at 1.3million and >>Management expects to reach by 2 -2.3 million cards in Fy20.
- Company has tightened the underwriting norms in digital product financing in urban and rural business to 15-18% to cut in disbursement, and in SME and B2C business 10-20% to cut in new disbursement.
- From 10-13 Business, 9 businesses are growing even the yellows color business is also growing. Two-wheeler done better on YoY basis.
- Rural gold average loan book ticket size is Rs 85000 and Maximum Rs 10 Cr.

Profitability Matrix

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	38.9	39.4	37.0	35.9	34.9	34.6	35.0	-2.01	0.40
Empl. Cost/ Tot. Exp. %	45.4	45.1	46.9	46.9	45.6	45.3	45.1	-1.80	-0.20
Other Exp/Tot. Exp.%	51.4	51.6	34.4	33.6	50.7	35.3	33.2	-1.21	-2.10
Provision/PPP %	20.7	16.8	20.1	18.0	21.7	18.4	22.9	2.81	4.50
Tax Rate %	35.1	34.7	35.6	35.6	35.2	35.1	35.4	-0.13	0.36
Int Exp./Int Inc. (%)	35.0	35.2	34.6	36.8	35.9	36.0	36.4	1.79	0.38
PPP/ Net Income %	61.1	60.6	63.0	64.1	65.1	65.4	65.0	2.01	-0.40
PAT/ Net Income %	31.4	32.9	32.4	33.8	33.0	34.6	32.3	-0.08	-2.29
NII Growth % (YoY)	41.7	53.3	46.2	40.8	45.4	49.9	43.3	-2.84	-6.56
PPP Growth YoY %	30.3	40.4	59.6	53.0	55.7	61.5	47.9	-11.67	-13.58
PAT Growth %	24.2	66.4	81.4	54.5	53.6	57.3	43.0	-38.37	-14.34

Margin Performance

MARGIN %	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	19.3	18.5	19.2	19.2	20.7	20.3	20.4	1.20	0.15
Cost Of Funds	9.6	8.4	9.0	9.3	9.9	8.8	8.7	-0.34	-0.06
Spreads	12.5	12.0	10.2	10.0	13.2	13.0	13.0	2.81	0.02
NIM	11.4	11.4	12.3	12.2	11.4	11.4	11.4	-0.89	0.00

Exhibit: Yield and Cost

Stable Margins

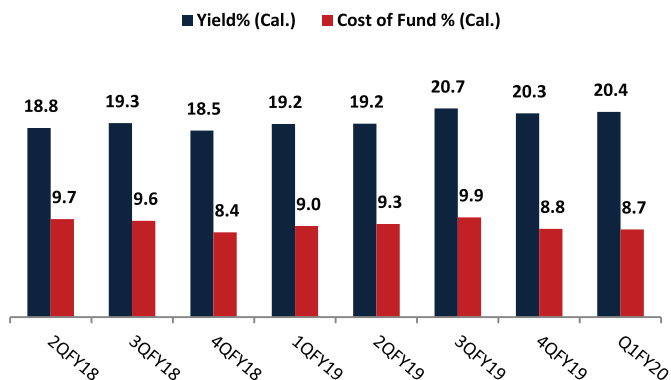
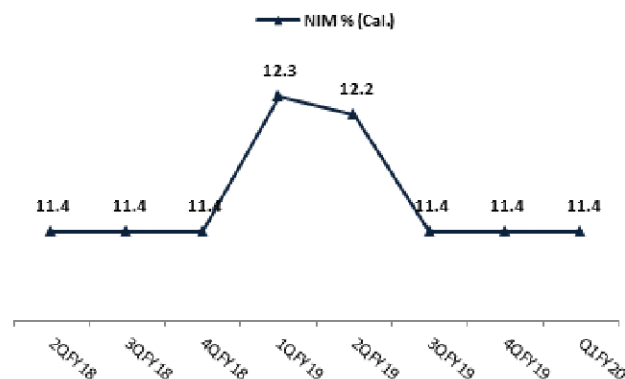


Exhibit: Net Interest Margin

NIM steady



Asset & Borrowings Growth Trend

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
AUM	72669	76384	84033	95945	100217	109931	115889	128898
Growth YoY %	39	33	46	33	38	41	41	41
Borrowings	53569	57901	61567	73804	73822	80862	86352	94462
Growth YoY %	33	30	25	40	40	40	40	40

AUM Composition %

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
Consumer Lending	37	37	37	38	39	40	39	39
SME lending	12	13	12	13	13	13	14	13
Commercial Lending	13	11	11	13	12	11	10	12
Rural Lending	5	6	6	7	7	8	8	8
House Lending	28	29	27	28	29	28	29	29

Exhibit: AUM Growth %

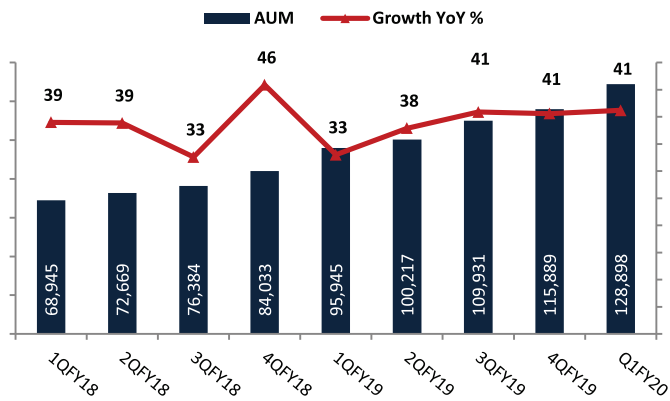
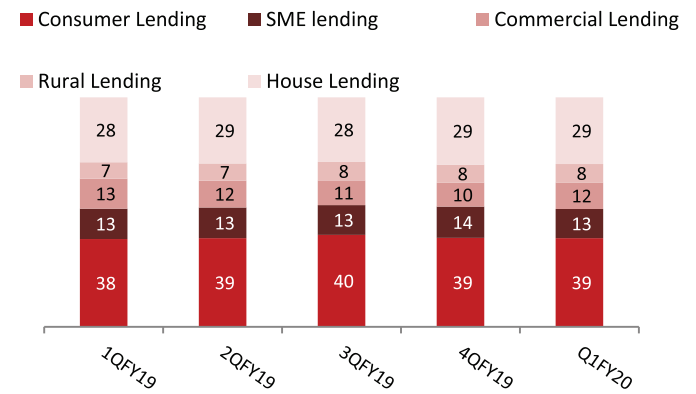


Exhibit: Asset Mix%



Borrowings Mix

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
Banks	30	32	31	30	34	32	34	33
Non convertible debentures	47	46	43	37	35	36	38	35
Fixed deposits	10	11	12	14	15	14	15	16
Tier 2 debt(Sub Debt)	7	7	6	6	5	5	5	4
Commercial paper	5	3	6	12	9	11	7	10
Others(CBLO)	1	1	2	2	2	1	0	1

Asset Quality

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
GNPA	1,254	1,164	1,280	1,471	1,691	1,804	2,094	930	290
GNPA %	1.7	1.5	1.4	1.5	1.6	1.5	1.6	0.1	0.1
NNPA	397	297	400	522	488	727	824	527	97
NNPA %	0.5	0.4	0.4	0.5	0.6	0.6	0.6	0.3	0.0
Total Specific PCR %	74	69	69	65	71	60	61	(8)	1

Exhibit: Asset Quality

Asset Quality Marginally Deteriorated

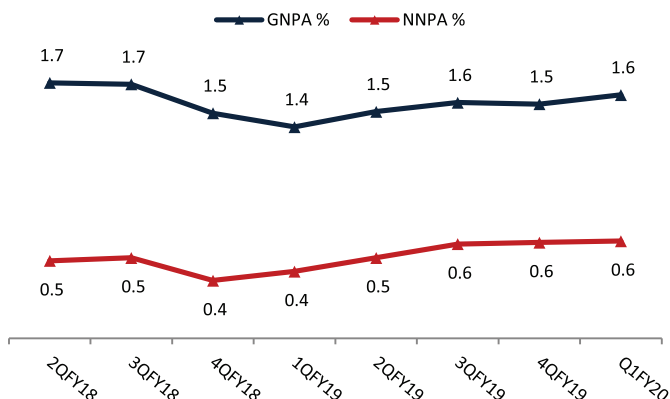


Exhibit: Provisions

PCR slightly increased

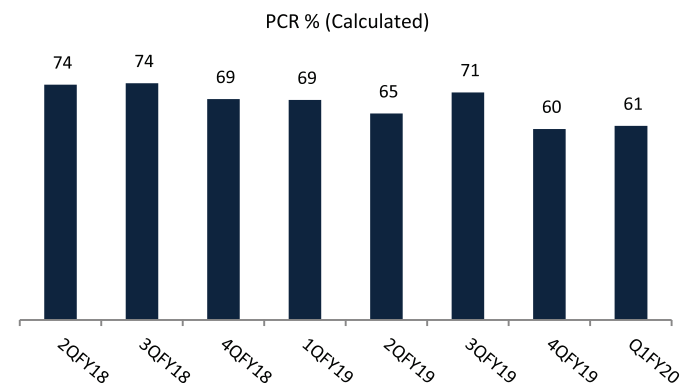


Exhibit: Bajaj Finance Presence

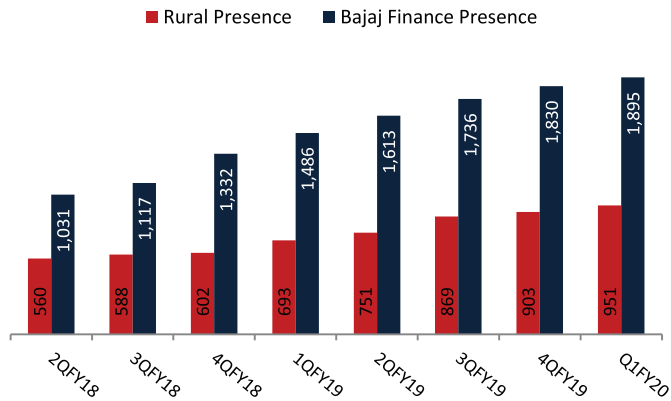
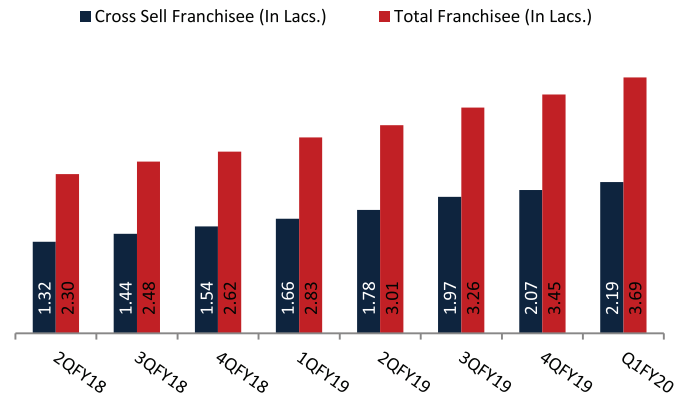


Exhibit: Customer Franchise



Point of Sale

	2011	2012	2013	2014	2015	2016	2017	2018	2019
CD retailer	2,500	2,800	3,500	4,900	7,000	9,400	14,000	15,500	20,400
Digital retailer					2,650	5,200	5,900	15,900	22,500
Lifestyle retailer					1,150	3,200	3,900	6,000	7,700
Retail EMI retailer							5,600	12,100	19,100
2W Dealer/ASCs	150	220	260	2,600	3,000	3,000	3,200	3,900	4,600
SME DSA	250	250	400	700	700	800	1,500	2,100	2,800
Rural retailer					1,500	3,200	5,500	8,200	14,500
Gold loan							191	380	
Total reach					16,000	24,800	39,700	64,300	91,700

Franchise

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
New to Bajaj Finance	0.16	0.13	0.18	0.14	0.21	0.18	0.25	0.19	0.24
Credit segment filter	1.58	1.70	1.86	1.98	2.16	2.31	2.53	2.69	2.91
Overall Cross sell franchise	1.50	1.61	1.77	1.89	2.07	2.22	2.43	2.59	2.80
Non delinquent customers	1.39	1.47	1.61	1.72	1.88	2.01	2.21	2.33	2.52
Cross sell franchise	1.22	1.32	1.44	1.54	1.66	1.78	1.97	2.07	2.19
Total Franchise	2.17	2.30	2.48	2.62	2.83	3.01	3.26	3.45	3.69

Collection Efficiency

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
CD Loan	98.38	98.58	98.83	98.91	99.04	98.91	98.96	98.69	98.54
2W/3W Loan portfolio	85.88	85.82	87.85	88.76	87.60	88.32	89.68	90.15	88.70
Lifestyle Finance	97.32	98.35	98.63	98.66	98.59	98.73	98.77	98.49	98.15
Digital Product Finance	97.87	98.68	98.86	98.49	98.47	98.72	98.81	98.30	97.69
Personal Loan Cross Sell	97.18	97.26	97.46	97.62	97.64	97.69	97.81	97.76	97.46
Salaried Personal Loans	99.50	99.57	99.63	99.70	99.66	99.68	99.70	99.70	99.67
Businee Loans	98.51	98.60	98.55	98.68	98.76	98.76	98.82	98.75	98.59
Loan Against Property portfolio	99.07	98.55	98.27	99.16	99.27	99.16	96.95	97.65	97.70
Home Loans portfolio	98.91	98.82	98.96	99.48	99.49	99.40	99.54	99.52	99.42
Rural B2B								99.26	98.93
Rural B2C								98.85	98.65

Financial Details

Balance Sheet

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Share Capital	50	50	54	109	115	115	115	115
Equity Capital	50	50	54	109	115	115	115	115
Preference Capital								
Reserves & Surplus	3,941	4,750	7,271	9,491	15,733	19,582	24,349	30,682
Networth	3,991	4,800	7,325	9,600	15,848	19,697	24,465	30,798
Change (%)	19	20	53	31	65	24	24	26
Total Borrowings	19,750	26,690	37,025	49,250	64,481	101588	133020	172178
Change (%)	50	35	39	33	31	58	31	29
Provisions	236	319	885	1,295	62	74	97	125
Other Liabilities	641	1,002	1,739	3,579	4,407	2,874	3,305	3,470
Total Liabilities	24,618	32,811	46,973	63,725	84,798	124233	160886	206571
Investments	28	332	1,034	4,075	3,139	8,599	8,685	9,119
Loans	23,375	31,632	43,831	58,239	79,103	112513	148517	193071
Change (%)	37	35	39	33	36	42	32	30
Fixed Assets	220	249	287	361	467	692	918	1,193
Other Assets	218	378	492	693	1,750	2,080	2,288	2,517
Cash Balances	777	220	1,329	357	340	349	478	669
Total Assets	24,618	32,811	46,973	63,725	84,798	124233	160886	206571

Income Statement

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	3,789	5,120	6,957	9,272	12,744	18,485	25,431	32,245
Interest expended	1,573	2,248	2,927	3,803	4,614	6,624	9,580	12,604
Net Interest Income	2,215	2,872	4,030	5,469	8,131	11,862	15,851	19,641
Change (%)	29	30	40	36	49	46	34	24
Other Income	285	298	427	731	12	17	86	173
Change (%)	53	5	43	71	(98)	34	413	102
Total Net Income	2,500	3,170	4,457	6,200	8,143	11,878	15,937	19,814
Change (%)	31	27	41	39	31	46	34	24
Operating Expenses	1,151	1,429	1,949	2,564	3,269	4,198	5,518	6,840
Change (%)	35	24	36	32	27	28	31	24
>> Employee Expenses	341	451	630	932	1,434	1,941	2,518	3,135
Change (%)	39	32	40	48	54	35	30	24
>> Other Expenses	810	978	1,320	1,633	1,835	2,257	2,999	3,705
Pre-provisioning Profit	1,349	1,741	2,507	3,636	4,874	7,681	10,419	12,974
Change (%)	28	29	44	45	34	58	36	25
Provisions	258	385	543	818	1,030	1,501	2,326	2,592
Change (%)	42	49	41	51	26	46	55	11
PBT	1,091	1,357	1,965	2,818	3,843	6,179	8,093	10,382
Tax	372	459	686	981	1,347	2,184	2,841	3,634
Profit After Tax	719	898	1,279	1,837	2,496	3,995	5,252	6,748
Change (%)	22	25	42	44	36	60	31	28
Adjusted Profit After Tax	719	898	1,279	1,837	2,496	3,995	5,252	6,748
Change (%)	22	25	42	44	36	60	31	28

Financial Details

Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Balance Sheet Metrics	24,061	32,410	44,229	60,194	82,422	115,889	152,973	198,866
AUM	1,090	1,211	1,473	3,362	1,606	3,376	4,457	5,794
Off-Book AUM	37	35	36	36	37	41	32	30
AUM Growth (%)	50.4	35.1	38.7	33.0	30.9	57.5	30.9	29.4
Borrowing Growth (%)	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1
Loan/Borrowing (%)	19.1	18.0	19.5	20.3	24.7	20.7	17.5	16.6
CRAR (%)	17	14	16	15	20	16	15	14
Tier 1 (%)	3.0	3.8	3.4	5.7	5.0	4.4	2.7	2.1
Tier 2 (%)	4.9	5.6	5.1	5.1	4.1	5.2	5.4	5.6
Debt/Equity (x)								
Assets Quality Metrics								
Gross NPA (Rs)	271	471	538	982	1,164	1,804	2,471	3,401
Gross NPA (%)	1.2	1.5	1.2	1.7	1.5	1.5	1.7	1.8
Net NPA (Rs)	65	137	123	255	297	727	988	1,360
Net NPA (%)	0.3	0.5	0.3	0.4	0.4	0.6	0.7	0.7
Specific Provision Coverage (%)	76	71	77	74	75	60	60	60
Provision/Average Advances (%)	1.2	1.4	1.4	1.6	1.4	1.5	1.7	1.5
Margin Metrics								
Yield On Advances (%)	18.2	18.1	18.2	17.8	17.9	18.6	18.9	18.3
Cost Of Funds (%)	9.6	9.7	9.2	8.8	8.3	8.1	8.2	8.3
Spread (%)	8.7	8.5	9.0	8.9	9.5	10.5	10.8	10.1
NIM on AUM (%)	10.7	10.2	10.5	10.5	11.4	12.0	11.8	11.2
Profitability & Efficiency Metrics								
Int. Expense/Int.Income (%)	41.5	43.9	42.1	41.0	36.2	35.8	37.7	39.1
Other Income/NII (%)	12.9	10.4	10.6	13.4	0.2	0.1	0.5	0.9
Operating Profit/Net Income (%)	54.0	54.9	56.3	58.6	59.9	64.7	65.4	65.5
Net Profit/Net Income (%)	28.8	28.3	28.7	29.6	30.7	33.6	33.0	34.1
Cost to Income (%)	46.0	45.1	43.7	41.4	40.1	35.3	34.6	34.5
Employee Exp/Net Income (%)	13.6	14.2	14.1	15.0	17.6	16.3	15.8	15.8
Cost on Average Assets (%)	5.4	5.0	4.9	4.6	4.4	9.9	8.9	8.5
Provision/PPP (%)	19.1	22.1	21.6	22.5	21.1	19.5	22.3	20.0
Tax Rate (%)	34.1	33.8	34.9	34.8	35.0	35.3	35.1	35.0
Valuation Ratio Metrics								
EPS (Rs)	144.5	179.5	238.8	33.6	46.0	69.3	91.0	117.0
Change (%)	21.1	24.2	33.0	(85.9)	37.0	50	31.5	28.5
ROAE (%)	19.5	20.4	21.1	21.7	20.3	22.5	23.8	24.4
ROAA (%)	3.4	3.1	3.2	3.3	3.6	3.8	3.7	3.6
Dividend Payout (%)	13.0	12.0	12.6	12.9	9.4	8.7	7.9	6.2
Dividend yield (%)	8.9	4.4	1.0	0.3	0.2	0.1	0.2	0.2
DPS	16.0	18.0	25.0	3.6	4.0	5.0	6.0	6.0
Book Value(Rs)	802.2	959.9	1367.8	176	287.2	341.4	424.1	533.9
Change (%)	18	20	42	(87)	64	19	24	26
P/B (X)	2.2	4.3	5.1	6.7	6.2	10.4	8.4	6.6
P/E (X)	12.4	22.8	29.0	35.0	38.4	51.2	39.0	30.3

Financial Details

Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	17.9	17.8	17.4	16.8	17.2	17.7	17.8	17.6
Interest expended	7.4	7.8	7.3	6.9	6.2	6.3	6.7	6.9
Net Interest Income	10.4	10.0	10.1	9.9	10.9	11.3	11.1	10.7
Non-Fund Based Income	1.3	1.0	1.1	1.3	0.0	0.0	0.1	0.1
Total Income	11.8	11.0	11.2	11.2	11.0	11.4	11.2	10.8
Total Operating Expenses	5.4	5.0	4.9	4.6	4.4	4.0	3.9	3.7
Employee Expenses	1.6	1.6	1.6	1.7	1.9	1.9	1.8	1.7
Other Expenses	3.8	3.4	3.3	2.9	2.5	2.2	2.1	2.0
Operating Profit	6.4	6.1	6.3	6.6	6.6	7.3	7.3	7.1
Provisions	1.2	1.3	1.4	1.5	1.4	1.4	1.6	1.4
Others	-	-	-	-	-	-	-	-
PBT	5.1	4.7	4.9	5.1	5.2	5.9	5.7	5.7
Tax	1.8	1.6	1.7	1.8	1.8	2.1	2.0	2.0
PAT/RoAA	3.4	3.1	3.2	3.3	3.4	3.8	3.7	3.7
Equity Multiplier (x)	5.8	6.5	6.6	6.5	5.8	5.9	6.5	6.6
ROAE	19.5	20.4	21.1	21.7	19.6	22.5	23.8	24.4

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

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, 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, AJC 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 || Narnolia Velox 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.