

Industry
Bloomberg
BSE CODE

Financial
CIBC IN
511243

Strong disbursement growth amid slowdown across the industry.

RATING	BUY
CMP	259
Price Target	304
Potential Upside	17%
Rating Change	↔
Estimate Change	↔
Target Change	↓

1QFY20 Result Update

- 1Q FY19 numbers were in line with our estimate. NII has grown by 15% YoY on the back of growth in AUM of 28% YoY. PAT increased by 10% YoY.
- NIM declined by 20 bps QoQ from 6.90% to 6.70% due to increase in the cost of fund by 20 bps. C/I ratio declined 43% to 37% QoQ due to decline in OPEX. In Q1FY20 employees expenses declined by 16% QoQ.
- AUM grew by 28% YoY, while disbursement grew by 22% YoY. Vehicle finance AUM growth stood at 29% while growth in Home equity AUM is at 18% YoY.
- Gross stage 3 increased from 2.70% to 2.97% sequentially with PCR ratio declining from 38% to 36.2% QoQ. In Q1FY20 GNPA for vehicle finance as per INDAS declined from 2.55% to 2% YoY and for Home equity declined from 6.7% to 5.55% YoY.

NIM has remained under pressure

NII has grown by 15% YoY from Rs 818 Cr to Rs 943 Cr on the back of growth in AUM of 28% YoY. NIM declined by 20 bps QoQ from 6.90% to 6.70% due to increase in the cost of fund. NIM on VF declined by 70bps QoQ from 7.60% to 6.90% and NIM on HE declined from 4.90% to 3.90% QoQ. Overall Yield on advances declined by 20bps YoY, while yield on vehicle finance declined by 10 bps YoY and Yield on Home equity declined by 50bps YoY. Overall Cost of Fund increased by 50bps YoY, while Cost of fund on VF increased by 20bps YoY and Cost of fund on HE increased by 20bps QoQ. Management expects from Q4FY20 onwards Yield will improve.

Strong AUM and Disbursement Growth

Strong AUM growth of 28% YoY despite liquidity crisis and auto slowdown. Vehicle finance AUM growth stood at 29% while growth in Home equity AUM is at 18% YoY. The share of HCV and 3 WHRL & SCV declined in the quarter by 16%/6%. Disbursement grew by 22% YoY, while Vehicle finance disbursement growth is at 23% YoY and Home equity disbursement growth is at 17% YoY. Construction equipment disbursement growth is 10%. Company expects to diversify its loan book in auto sector and focus on used vehicle business. Management continued to expand 3W, TW, Tractors and construction equipment. Borrowings increased by 35%/10% YoY/QoQ while the management is maintaining 9% of the total assets in cash balances to maintain liquidity.

Assets Quality Deteriorates

Gross stage 3 NPA has increased from 2.70% to 2.97% sequentially with PCR ratio declined from 38% to 36.2% QoQ. In Q1FY20 GNPA for vehicle finance as per INDAS declined from 2.55% to 2% YoY and for Home equity declined from 6.7% to 5.55% YoY. In Home equity Finance business, out of Rs 265 Cr under SARFESI ACT Company get Rs 160-170 Cr recoveries. In Q1FY20 Company get Rs 24 Cr and this trend will move going ahead.

View and Valuation

Despite the headwinds in auto industry CHOLAFIN has been reporting strong performance in all the key metrics. Strong AUM & disbursement growth is testimony of CHOLAFIN strong brand & well diversified portfolio. The growth has been led by both the segment i.e vehicle and home equity. Continuous expansion of branches and diversification of portfolio is helping CHOLAFIN to maintain the healthy growth rate. NIM has been under pressure due to rise in cost of borrowings, however with the ease in borrowings we expect NIM to stabilize with upward bias. Asset quality has shown some blip on sequential basis as a seasonal trend. CHOLAFIN is maintain liquidity buffer in the balance sheet and has positive ALM. However, considering the stress development in the auto and NBFC sector, we remain cautious on assets quality and growth front. We reduce our valuation multiple to 2.6x FY21e and recommend BUY with the target price of Rs 304.

Key Risks to our rating and target

- Continuous macro slowdown can impact the growth.
- Stress in the macro can increase delinquencies.

STOCK INFO	
52wk Range H/L	311/207
Mkt Capital (Rs Cr)	20280
Free float (%)	47%
Avg. Vol 1M (,000)	1053
No. of Shares (Cr)	16
Promoters Pledged %	

Fig in Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	3403	4117	4949
PPP	2134	2607	3244
PAT	1186	1434	1816
NIM %	7.0	6.9	7.0
EPS (Rs)	76	18	23
EPS growth (%)	22	-76	27
ROE (%)	21	21	22
ROA (%)	2.3	2.3	2.4
BV	395	96	117
P/B (X)	3.7	2.7	2.2
P/E (x)	19	14	11

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 Estimate

Fig in Rs Cr

FINANCIALS	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	1,620	1,676	1,831	1,885	2,030	25.3%	7.7%	5,479	6,992	27.6%
Interest Exp.	802	864	956	986	1,087	35.6%	10.2%	2,659	3,589	34.9%
NII	818	812	875	899	943	15.2%	4.9%	2,820	3,403	20.7%
Other Income	0	0	0	0	0	-75.0%	-80.8%	0	1	55.8%
Total Income	819	812	875	899	943	15.1%	4.9%	2,821	3,405	20.7%
Ope Exp.	282	290	316	382	350	24.3%	-8.4%	1,115	1,270	13.8%
PPP	537	522	559	517	593	10.3%	14.6%	1,705	2,134	25.2%
Provisions	98	62	95	56	110	11.5%	97.1%	304	311	2.5%
PBT	439	460	464	461	483	10.1%	4.7%	1,401	1,823	30.1%
Tax	154	155	159	169	169	10%	-0.4%	483	637	31.9%
Net Profit	285	305	304	292	314	10.2%	7.7%	918	1,186	29%

Concall Highlights

- Vehicle finance business AUM grew by 28% and disbursement increased by 21%. Company diversified its loan book in auto sector and focus on used vehicle business. Management continued to expand 3W, TW, Tractors and construction equipment.
- Home equity business AUM grew by 18% and disbursement increased by 17%. Home equity business is able to improve its ROA to 2.8% for Q1FY20.
- Construction equipment business closing assets stands at Rs 2394 Cr. In this company is growing slowly. Disbursement growth for construction equipment business is 10%. Management expects some improvement from Q4 onwards but overall improvement will be seen after FY20.
- In Q1FY20 Company increased its branch presence to 999 out of which 79% branches are in Tier 3, Tier 4, Tier 5, Tier 6 cities. Management expects to reach to 1200 branches in FY20 and Management expects OPEX to be in the same level of 3% going ahead.
- NIM for the quarter declined because of increase in the cost of fund by 20 bps. Management expects from Q4FY20 Yield will improve.
- In home equity overall yield is in the trend of 11.7% and in Vehicle finance high yield segment moderate and in lower yield segment yields increased by 30-70 bps.
- In Q1FY20 GNPA for vehicle finance as per INDAS declined from 2.55% to 2% YoY and for Home equity declined from 6.7% to 5.55% YoY.
- In Q1FY20 Company hold Rs 50 Cr as macro Provision.
- LGD for the entire segment kept constant because company has not crystallized any losses in any region, while PDs are different for every segment. In LGD company is following 20% norms the guideline given by RBI.
- In order to mitigate the risk of liquidity crunch CHOLFIN has been carrying high level of liquid cash from Q2FY19 and continued to do the same in Q1FY20. The liquid assets as of June 2019 were held in fixed deposit for Rs 4753 Cr and balance of Rs 591 Cr in cash and current account balance with bank.
- Company invests 80% of time in collection and understanding the market where company should fund and which customer needs to focus on. Management expects to improve its portfolio by FY20.
- In Home equity Finance business, out of Rs 265 Cr under SARFESI ACT Company get Rs 160-170 Cr recoveries. In Q1FY20 Company get Rs 24 Cr and this trend will move going ahead.
- In Q1FY20 Industry de-grew by 23% in HCV and company de-grew by 32%.

Profitability Matrix

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	39.4	44.8	34.4	35.7	36.1	42.5	37.1	2.73	-5.36
Empl. Cost/ Tot. Exp. %	47.3	41.2	50.2	46.3	44.9	45.4	41.7	-8.50	-3.73
Other Exp/Tot. Exp.%	52.7	58.8	49.8	53.7	55.1	54.6	58.3	8.50	3.73
Provision/PPP %	22.3	2.5	18.3	11.9	17.1	10.8	18.5	0.19	7.73
Tax Rate %	35.0	33.8	35.0	33.7	34.3	36.7	34.0	-0.99	-2.74
Int Exp./Int Inc. (%)	48.4	46.1	49.5	51.6	52.2	52.3	53.6	4.07	1.23
PPP/ Net Income %	60.6	55.2	65.6	64.3	63.9	57.5	62.9	-2.73	5.36
PAT/ Net Income %	30.6	35.6	34.8	37.5	34.8	32.5	33.3	-1.50	0.88
NII Growth % (YoY)	18.6	27.8	23.3	17.0	22.1	20.9	15.2	-8.17	-5.78
PPP Growth YoY %	23.7	19.0	24.3	23.2	28.6	20.5	10.3	-13.91	-10.19
PAT Growth %	35.0	36.7	36.0	49	38.7	2.3	10.2	-25.86	7.86

Margin Performance

MARGIN %	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	15.0	15.3	15.9	15.3	15.7	15.3	15.5	-0.38	0.20
Cost Of Funds	8.6	8.6	9.3	9.4	8.9	8.6	8.7	-0.58	0.14
Spreads	6.3	6.7	6.6	6.0	6.9	6.7	6.8	0.20	0.06
NIM	8.5	8.8	8.0	7.4	7.5	7.3	7.2	-0.82	-0.10

Exhibit: Yield and Cost

Increase in both Yield & COF

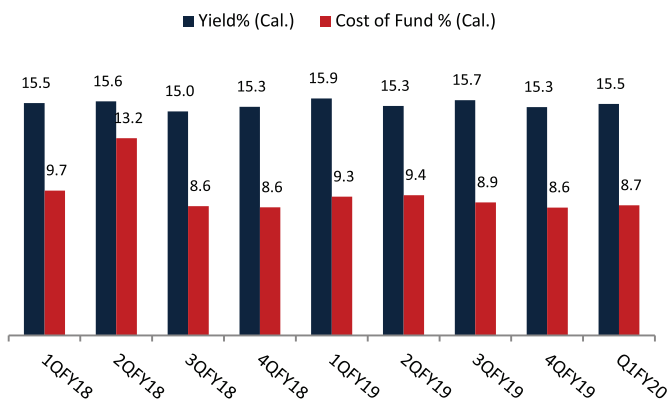
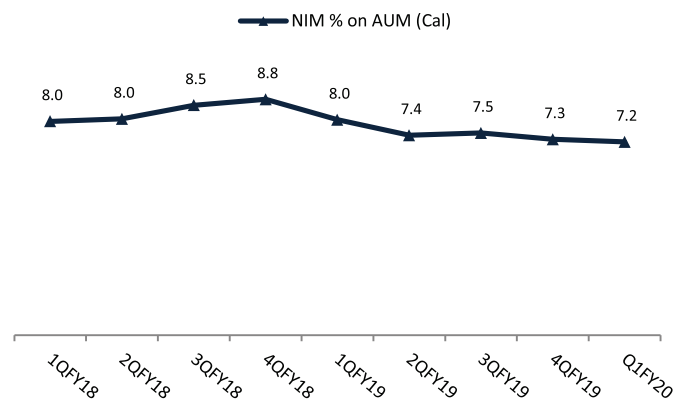


Exhibit: Net Interest Margin

NIM under pressure



Asset & Borrowings Growth Trend

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
Disbursements	4853	5493	6761	8007	7014	6900	7644	8893	8572
Growth YoY %	6	24	55	54	45	26	13	11	22
AUM	34785	36457	38980	42924	45097	47722	50393	54279	57494
Growth YoY %	13	14	19	26	30	31	29	26	27
Borrowings	30556	31782	28298	38293	40980	47061	47234	50567	55122
Growth YoY %	23	31	15	42	45	48	55	59	95

Exhibit: AUM Growth %

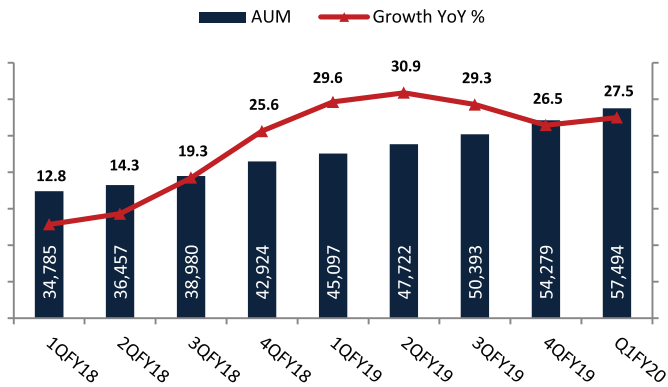
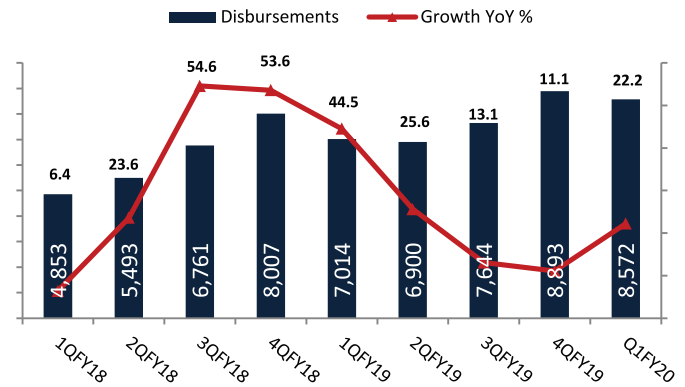


Exhibit: Disbursement Growth %



Asset Mix

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
CAR & MUV	17	17	17	16	16	16	15	16	16
3WHRL & SCV	6	6	6	6	6	7	9	8	6
REFINANCE	13	14	14	13	13	13	14	12	12
OLDER VEHICLES	13	14	14	13	13	13	15	13	13
TRACTOR	9	7	7	7	7	7	7	7	7
CE	3	3	3	4	4	4	5	5	5
HCV	17	17	18	19	19	19	14	17	16
LCV	22	22	22	22	22	22	20	22	22
TW									3

Asset Quality

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Calc.)	1,668	1,496	1,620	1,608	1,639	1,439	1,671	51	232
GNPA %	4.3	3.5	3.6	3.4	3.3	2.7	3.0	(0.6)	0.3
NNPA (Calc.)	1,070	953	1,029	1,017	1,035	893	1,067	38	174
NNPA %	2.8	2.2	2.3	2.2	2.1	1.7	1.9	(0.4)	0.2
Total Specific PCR %	36	36	37	37	37	38	36	(0)	(2)

Exhibit: Asset Quality

Asset quality

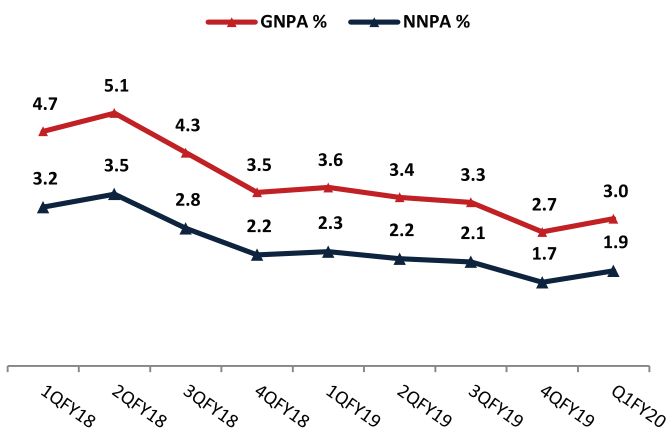


Exhibit: Provisions

PCR Improved

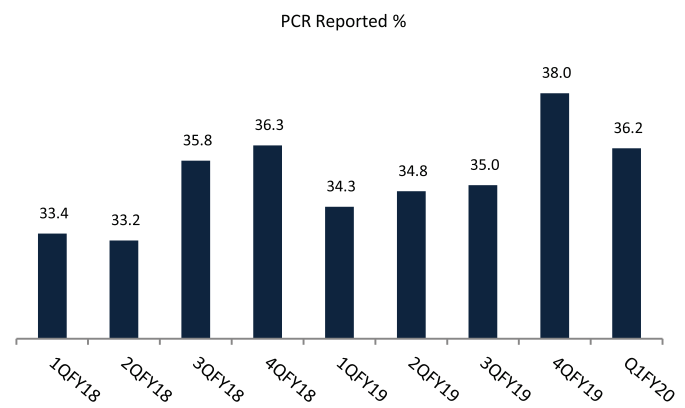


Exhibit: AUM Break Up

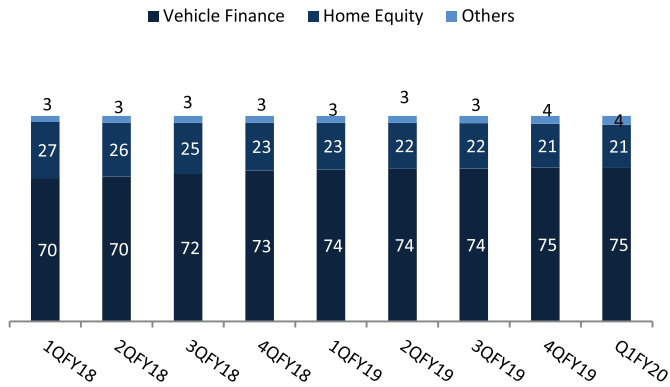
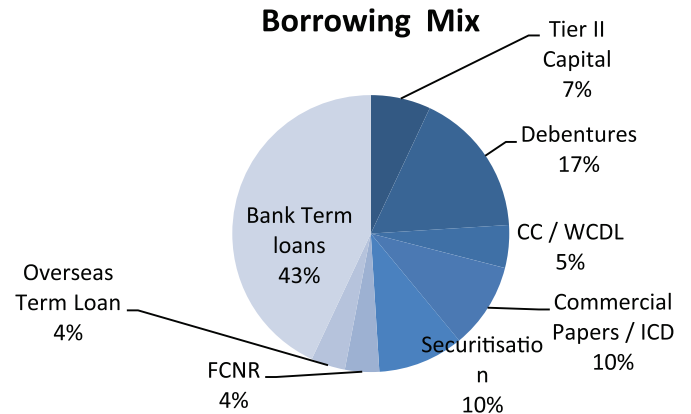


Exhibit: Liability Break Up



Asset Quality

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
Gross NPA (Stage 3)	1,668	1,476	1,617	1,623	1,648	1,439	1,671
Stage 3 Assets to Total Gross Asset	4	3.4	3.6	3.4	3.3	2.7	3.0
ECL provision - Stage 3	598	507	555	566	576	546	604
Coverage Ratio (%) Stage 3	36	34.3	34.3	34.8	35.0	38.0	36.2
Gross Stage 1 & 2	37,534	41602	43624	46083	48261	52102	54597
ECL provision-Stage 1 & 2	359.0	355	367	348	371	384	379
Coverage Ratio (%) - Stage 1 & 2	1.00%	0.90%	0.80%	0.80%	0.80%	0.70%	0.70%
Total ECL Provision	957	862	922	913	947	931	983

HOME EQUITY	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
Self Occupied Residential	87	82	81	81	84	84	83	82	80
Commercial	7.0	8.0	8.0	8.0	9.0	9.0	10.0	10.0	11.0
Others	5.0	10.0	11.0	11.0	7.0	7.0	7.0	8.0	8.0

Exhibit: Asset Quality

Lower Credit Cost

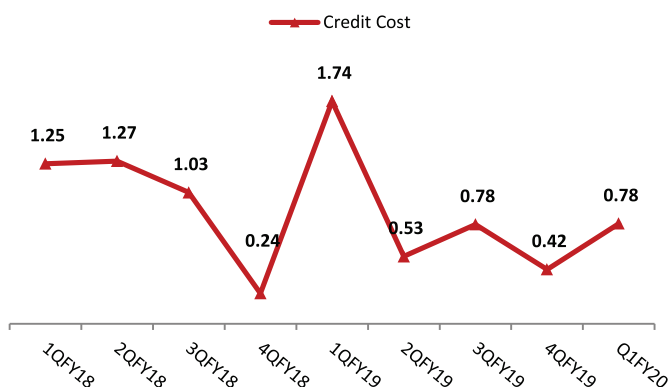
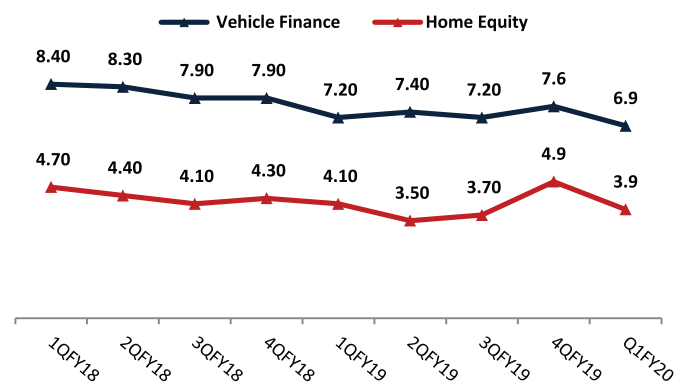


Exhibit: NIM

NIM segment wise



Financial Details

Balance Sheet

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Share Capital	143	644	156	156	156	156	156	156
Equity Capital	143	144	156	156	156	156	156	156
Preference Capital	-	500	-	-	-	-	-	-
Reserves & Surplus	2,151	2,529	3,501	4,156	4,942	6,019	7,313	8,979
Networth	2,295	2,673	3,657	4,313	5,098	6,176	7,469	9,135
Change (%)	18	16	37	18	18	21	21	22
Total Borrowings	18,093	19,475	22,576	24,207	38,293	50,567	61,739	71,894
Change (%)	18	8	16	7	58	32	22	16
Provisions	352	386	648	673	63	74	81	90
Other Liabilities	807	1,340	1,007	1,529	635	610	670	738
Total Liabilities	21,547	23,873	27,888	30,721	44,090	57,426	69,960	81,856
Investments	82	67	67	239	73	73	77	80
Loans	19,166	21,904	25,486	27,904	42,253	52,622	64,158	75,065
Change (%)	16	14	16	9	51	25	22	17
Fixed Assets	73	68	111	140	165	176	192	225
Other Assets	1,425	1,493	1,734	1,952	1,345	1,416	1,487	1,561
Cash Balances	801	341	490	487	254	3,139	4,046	4,925
Total Assets	21,547	23,873	27,888	30,721	44,090	57,426	69,960	81,856

Income Statement

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	3,232	3,664	4,177	4,634	5,479	6,992	8,707	10,374
Interest expended	1,771	1,960	2,051	2,231	2,659	3,589	4,590	5,426
Net Interest Income	1,461	1,704	2,127	2,403	2,820	3,403	4,117	4,949
Change (%)	32	17	25	13	17	21	21	20
Other Income	31	27	16	26	0	1	0	-
Change (%)	(17)	(14)	(39)	61	(98)	56	(93)	(100)
Total Net Income	1,492	1,731	2,143	2,430	2,820	3,404	4,117	4,949
Change (%)	30	16	24	13	16	21	21	20
Operating Expenses	658	749	845	1,013	1,115	1,270	1,510	1,704
Change (%)	16	14	13	20	10	14	19	13
>> Employee Expenses	188	222	254	403	537	591	709	841
Change (%)	22	18	15	59	33	10	20	19
>> Other Expenses	471	527	591	611	578	679	801	864
Pre-provisioning Profit	834	982	1,298	1,416	1,705	2,134	2,607	3,244
Change (%)	45	18	32	9	20	25	22	24
Provisions	283	325	427	311	304	311	427	492
Change (%)	128	15	32	(27)	(2)	2	37	15
PBT	550	657	871	1,106	1,401	1,823	2,180	2,752
Tax	186	222	302	387	483	637	746	936
Profit After Tax	364	435	568	719	918	1,186	1,434	1,816
Change (%)	19	20	31	26	28	29	21	27
Adjusted Profit After Tax	364	435	568	719	918	1,186	1,434	1,816
Change (%)	19	20	31	26	28	29	21	27

Financial Details

Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Balance Sheet Metrics								
AUM	23,253	25,453	29,650	34,167	42,879	54,279	65,135	76,208
Off-Book AUM	4,087	3,548	4,164	6,263	626	1,657	977	1,143
AUM Growth (%)	22	9	16	15	25	27	20	17
Borrowing Growth (%)	18.3	7.6	15.9	7.2	58.2	32.1	22.1	16.4
Loan/Borrowing (%)	1.1	1.1	1.1	1.2	1.1	1.0	1.0	1.0
Disbursement (Rs Cr)	13,114	12,808	16,380	18,591	25,119	30,451	36,062	41,648
Disbursement Growth (%)	8.2181	-2.338	27.894	13.499	35.113	21.226	18.428	15.489
CRAR (%)	17.2	21.2	19.7	18.6	18.4	17.6	13.5	13.6
Tier 1 (%)	10	13	13	14	13	13	10	11
Tier 2 (%)	6.8	8.2	6.4	5.0	5.1	5.0	3.2	2.7
Debt/Equity(x)	7.9	7.3	6.2	5.6	7.5	8.2	8.3	7.9
Assets Quality Metrics								
Gross NPA (Rs)	436	803	1,022	1,545	1,261	1,439	1,759	1,753
Gross NPA (%)	1.9	3.1	3.5	4.7	2.9	2.7	2.7	2.3
Net NPA (Rs)	174	523	598	1,033	712	893	1,055	1,052
Net NPA (%)	0.7	2.0	2.1	3.2	1.7	1.7	1.6	1.4
Specific Provision Coverage (%)	60	35	40	32	44	38	40	40
Provision/Average Advances (%)	1.3	1.3	1.6	1.0	0.8	0.6	0.7	0.7
Margin Metrics								
Yield On Advances (%)	15.3	15.0	15.2	14.5	14.2	14.4	14.6	14.7
Cost Of Funds (%)	10.6	10.4	9.8	9.5	9.5	8.7	8.2	8.1
Spread (%)	4.7	4.6	5.4	5.0	4.7	5.7	6.4	6.6
NIM on AUM (%)	6.9	7.0	7.7	7.5	7.3	7.0	6.9	7.0
Profitability & Efficiency Metrics								
Int. Expense/Int.Income (%)	54.8	53.5	49.1	48.1	48.5	51.3	52.7	52.3
Other Income/NII (%)	2.1	1.6	0.8	1.1	0.0	0.0	0.0	-
Operating Profit/Net Income (%)	55.9	56.7	60.6	58.3	60.5	62.7	63.3	65.6
Net Profit/Net Income (%)	24.4	25.1	26.5	29.6	32.6	34.8	34.8	36.7
Cost to Income (%)	44.1	43.3	39.4	41.7	39.5	37.3	36.7	34.4
Employee Exp/Net Income (%)	12.6	12.8	11.9	16.6	19.0	17.4	17.2	17.0
Cost on Average Assets (%)	3.1	3.1	3.1	3.2	2.9	2.6	2.5	2.4
Provision/PPP (%)	34.0	33.1	32.9	21.9	17.8	14.6	16.4	15.2
Tax Rate (%)	33.8	33.8	34.7	35.0	34.5	34.9	34.2	34.0
Valuation Ratio Metrics								
EPS (Rs)	25.4	30.3	36.4	46.0	62.3	75.9	18.3	23.2
Change (%)	18.7	19.1	20.2	26.3	35.4	22	(75.8)	26.7
ROAE (%)	17.1	17.5	18.0	18.0	20.6	21.0	21.0	21.9
ROAA (%)	1.8	1.9	2.2	2.5	2.8	2.3	2.3	2.4
Dividend Payout (%)	13.8	11.6	12.4	12.0	11.1	8.6	8.2	6.9
Dividend yield (%)	1.4	0.8	0.7	0.6	0.4	2.5	0.6	0.6
DPS	3.5	3.5	4.5	5.5	6.5	6.5	1.5	1.6
Book Value(Rs)	160.3	186.0	234.2	276.0	329.4	395.0	95.5	116.8
Change (%)	17	16	26	18	19	20	(76)	22
P/B (X)	1.8	3.2	3.0	3.5	4.4	3.7	2.7	2.2
P/E (X)	11.3	19.4	19.6	21.0	23.3	19.1	14.1	11.1

Financial Details

Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	16.2	16.1	16.1	15.8	14.6	13.8	13.7	13.7
Interest expended	8.9	8.6	7.9	7.6	7.1	7.1	7.2	7.1
Net Interest Income	7.3	7.5	8.2	8.2	7.5	6.7	6.5	6.5
Non-Fund Based Income	0.2	0.1	0.1	0.1	0.0	0.0	0.0	-
Total Income	7.5	7.6	8.3	8.3	7.5	6.7	6.5	6.5
Total Operating Expenses	3.3	3.3	3.3	3.5	3.0	2.5	2.4	2.2
Employee Expenses	0.9	1.0	1.0	1.4	1.4	1.2	1.1	1.1
Other Expenses	2.4	2.3	2.3	2.1	1.5	1.3	1.3	1.1
Operating Profit	4.2	4.3	5.0	4.8	4.6	4.2	4.1	4.3
Provisions	1.4	1.4	1.7	1.1	0.8	0.6	0.7	0.6
Others	-	-	-	-	-	-	-	-
PBT	2.8	2.9	3.4	3.8	3.7	3.6	3.4	3.6
Tax	0.9	1.0	1.2	1.3	1.3	1.3	1.2	1.2
PAT/RoAA	1.8	1.9	2.2	2.5	2.5	2.3	2.3	2.4
Equity Multiplier (x)	9.4	9.1	8.2	7.4	7.9	9.0	9.3	9.1
ROAE	17.1	17.5	18.0	18.0	19.5	21.0	21.0	21.9

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 || 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.