

Issue Detail

Type	100% Book Built Issue
Issue Size (Cr)	Rs. 1200
Offer Price	Rs.853 – 856
Retail & Employee Discount	Nil
Min App Size	17 Shares
Issue Open	5th August 2019
Issue Close	7th August 2019
Shares Offer	14,029,622
Face Value	Rs.10

Lead Mgrs	IndusInd Bank Ltd, YES Securities (India) Ltd, Axis Capital Ltd, ICICI Securities Ltd, IIFL Securities Ltd, JM Financial Ltd
-----------	------------------------------------------------------------------------------------------------------------------------------

Listing	BSE & NSE
Registrar	Karvy Fintech Private Limited
Market Cap (Post Issue)(Cr)	Rs. 5504

Market cap., Issue size, shares offer are as per Upper price band

No. of shares (Post & Pre Issue)

No. of Shares (Pre Issue)	59,633,683
Offer for Sale	9,356,725
Fresh Issue made*	4,672,897
No. of Shares (Post Issue)	64,306,580

* No. of shares as per Upper price band

Bid allocation pattern

QIB	50%	7,014,811
Non-Institutional	15%	2,104,443
Retail	35%	4,910,367
Employee	0%	

Management Team:

- Mr. Deepak Calian Vaidya
(Designation: Non-Executive Chairman and Independent Director)
- Ms. Padmaja Gangireddy
(Designation: Managing Director)

Company Overview

- Spandana Sphoorty Financial Limited is a leading, rural focused NBFC-MFI with a geographically diversified presence in India.
- Company offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Area. 'Abhilasha' loans (which are income generation loans) amounted to 84.62% of company's Gross AUM, as of March 31, 2019.
- Its the fourth largest NBFC-MFI and the sixth largest amongst NBFC-MFIs and SFBs in India, in terms of AUM.
- Company has 7,062 employees (including 5,051 credit assistants) operating out of 929 branches in 269 districts across 16 states and 1 union territory in India.
- Company focus's on a high degree of client engagement through their large employee base and operating procedures. Company's high degree of client engagement and effective risk management policies have resulted in healthy asset quality.
- Rural areas in India are a highly under-served market for formal banking services in terms of access, availability and suitability of products and services. Company strategically focus on clients in the rural sector.
- As per company's risk containment norms, disbursements for any single state must be less than 22.5% of their total disbursements. In addition, total disbursement at each branch is capped at 600 loans per month, to ensure that sufficient supervisory checks can be done to maintain quality of appraisals.

Competitive Strengths

- Seasoned business model with resilient performance through business cycles.
- High degree of client engagement and robust risk management, leading to superior asset quality and collections.
- Streamlined systems and processes and high employee productivity leading to low operating expense ratio.
- Focus on the high potential and under-served rural segment.
- Geographically diversified operations leading to risk containment and business resilience.
- Significant industry experience of Promoter and management team.

Strategies

- Leverage their popular income generation loan products to derive organic business growth.
- Leverage their existing branch network by increasing loan portfolio and enhancing employee productivity.
- Increase their presence in under-penetrated states and districts.
- Further diversify their borrowing profile and reduce their cost of borrowings.

Objectives of the Issue

- The Net Proceeds of the Fresh Issue are proposed to be utilised for augmenting their capital base and general corporate purposes.

View & Valuation

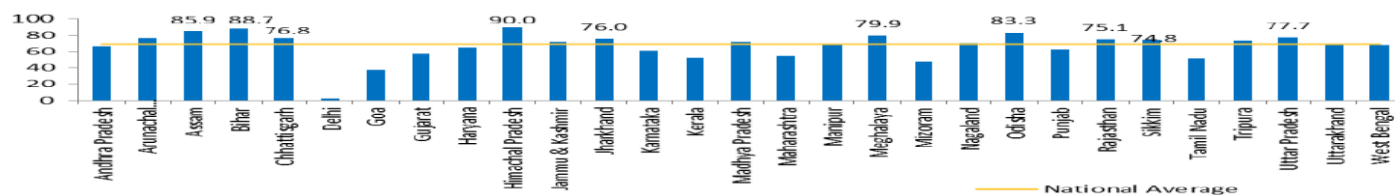
Company has grown robustly in the past. However, micro finance loans are unsecured and are susceptible to various operational, credit and political risks which may result in increased levels of non-performing assets, thereby adversely affecting its business, results of operation and financial condition. At current offer price, the stock comes at Price to Book Value of 3.67x FY18 and 2.70x FY19 which seems to be reasonably priced. However, looking at the recent crisis in NBFC space we assign Avoid rating to the issue.

INDUSTRY OVERVIEW

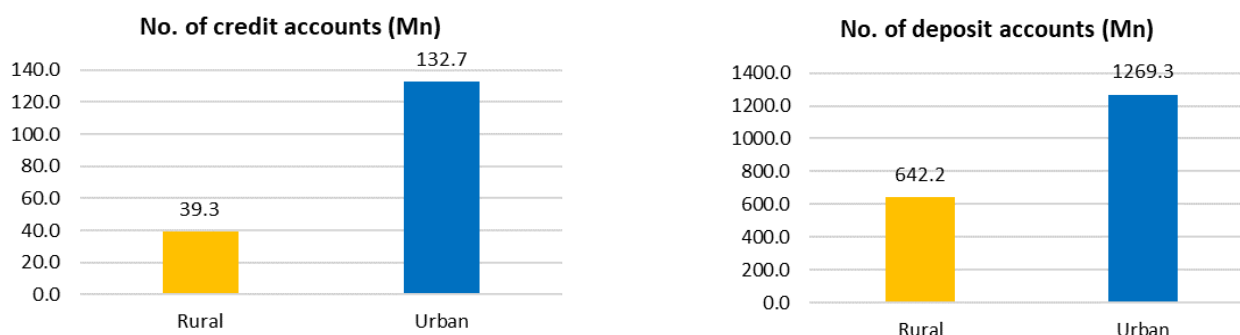
- Between 2014 and 2017, approximately 515 million adults worldwide opened an account at a financial institution or through a mobile money provider, which led to an increase in account ownership among adults from 51% in 2011 to 62% in 2014, and further to 69% in 2017. The share of adults with a bank account in India has more than doubled to approximately 80% since 2011, largely supported by the Pradhan Mantri Jan Dhan Yojana ("PMJDY") (a scheme of the government of India), which led to account growth and traction in savings. However, while significant traction is present on the deposit side, ICRA Research notes that India is still among the Top 3 nations with unbanked people in the world, reflecting the strong need for an enhancement of the financial inclusion agenda.

Low penetration of banking credit in rural areas

State-wise share of rural population (%) (Census 2011)



Comparison of number of credit and deposit accounts – Rural and urban (March 2017)



- As of March 2018, there were only about 642 million deposit accounts and 39 million credit accounts in rural India, which accounted for about 34% of the total deposit accounts and 23% of the loan accounts in scheduled commercial banks despite rural India making up about 68% of the total population. The significant under-penetration of credit in rural areas offers strong potential for improvement. Given that microfinance institutions ("MFIs") have relatively deeper reach, existing customer relationships and employee bases, they are well placed to address this demand which is currently being met by informal sources of funds such as local money lenders.

- The RBI and the government of India have launched various schemes for improving the penetration of credit, banking services, insurance and other social security programmes over the past three to four years. For example, the launch of the Stand-Up India Scheme, various new government-backed insurance schemes, the establishment of the PMJDY, and the Micro Units Development & Refinance Agency Ltd (MUDRA).

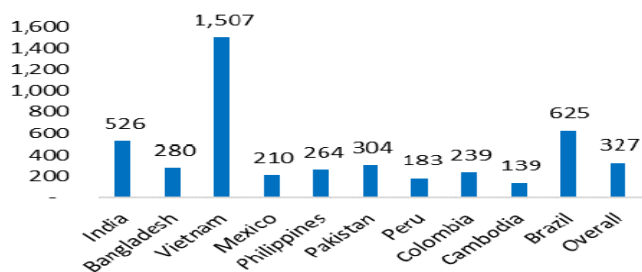
Some major steps taken by the government to increase financial inclusion are:

- PSL Requirements:** The RBI has set priority sector lending ("PSL") target for banks, which are aimed at providing access to financial services to borrowers with modest credit profiles. PSL loans include loans to farmers for agriculture and allied activities, poor people for housing, and students for education.
- Pradhan Mantri Jan Dhan Yojana:** PMJDY was launched on August 28, 2014 as a National Mission for Financial Inclusion, to ensure access to basic financial services such as banking accounts, remittance, credit, insurance and pensions in an affordable manner.
- Small Finance Banks:** On September 16, 2015, the RBI granted "in principle" approval to ten applicants, of which seven were non-banking finance companies – microfinance institutions ("NBFC-MFIs") to set up Small Finance Banks ("SFBs"). Such a scheme is likely to increase financial inclusion as the new licensees now have the ability to offer full range of services such as deposits and a diversified asset mix as opposed to a singular primary credit product (for NBFC-MFIs).

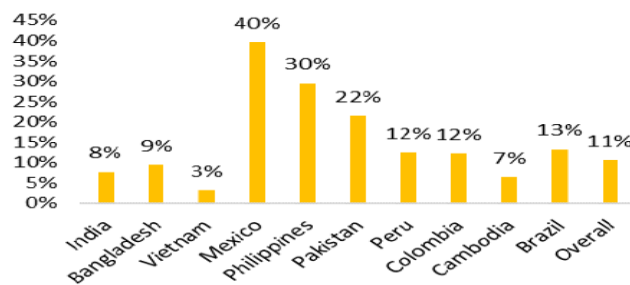
INDUSTRY OVERVIEW

- While India is the largest market in terms of number of microfinance borrowers and gross loan portfolio (“GLP”) outstanding, ticket sizes are on the lower side. India accounted for 19% of the US\$111.6 billion microfinance market in value terms and 32% of the total borrower population in 2017. However, the overall GLP per borrower was significantly lower than the world average.

Borrowers per loan officer



Operating expenses / loan portfolio

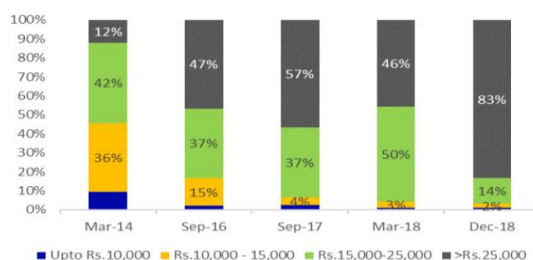


- During 2016, most MFIs were in a high growth phase as evidenced by the high proportion of borrowers in the first loan cycle in the industry portfolio. The share of first cycle borrowers increased from 30% in March 2014 to 59% in September 2016 mirroring the strong growth phase of the industry.

Loans with larger ticket size have increased

While close to 10% of the borrowers had loans less than Rs.10,000 in March 2014, the share came down to slightly above 2% in September 2016 and has remained broadly comparable as of December 2018. Loans with ticket sizes greater than Rs.25,000 have increased from 12% as on March 31, 2014 to 47% of the portfolio as on September 30, 2016 and further to 83% as on December 31, 2018.

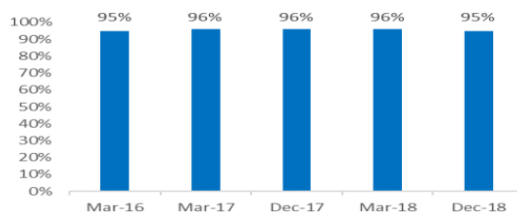
Ticket-size wise portfolio mix of the industry



Income generation loans account for 96% of loans

In line with the requirement by the Reserve Bank of India, most of the microfinance loans in India are sanctioned towards income generation purposes. The share of income generation loans has consistently remained over 90%. Within income generation loans, a majority of the loans outstanding were utilized for agriculture and allied activities (such as animal husbandry, poultry and dairy), followed by trading activities.

Share of income generation loans



COMPANY OVERVIEW

- Company is a leading, rural focused NBFC-MFI with a geographically diversified presence in India. It offers income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. As of March 31, 2019, company is the fourth largest NBFC-MFI and the sixth largest amongst NBFC-MFIs and SFBs in India, in terms of AUM.
- Company has developed an in-depth understanding of the borrowing requirements of the low-income client segment. Their business model involves regular client meeting processes through their employees, who maintain contact with clients across the districts that company cover. As of June 30, 2019, Company had 7,062 employees (including 5,051 credit assistants) operating out of 929 branches in 269 districts across 16 states and 1 union territory in India.
- Company was incorporated as a public company in 2003 and registered as an NBFC with the RBI in 2004. Subsequently, company registered as an NBFC-MFI in 2015. Between the years 2005 to 2010, company has grown its micro-finance operations and, as of March 2010, they were the second largest MFI in terms of AUM.
- The following table sets forth key financial and operational metrics as of or for the periods indicated:

	As of / For the		
	Year ended March 31, 2019 (consolidated)	Year ended March 31, 2018 (consolidated)	Year ended March 31, 2017 (standalone)
	(Rs. in millions, except percentages and number of borrowers)		
Gross AUM	44,372.78	31,667.85	13,015.36
Gross AUM Growth (%)	40.12%	143.31%	6.78%
Disbursements	49,692.83	38,576.48	20,591.65
Disbursement Growth	28.82%	87.34%	14.83%
Borrowers (millions)	2.46	1.59	1.06
Total Income	10,485.29	5,875.31	3,786.66
Operating Expense / Annual Average Gross AUM	4.52%	4.85%	7.61%
Cost to Income Ratio	24.89%	30.49%	41.78%
Impairment of financial instruments / Annual Average Gross AUM	1.19%	-1.58%	7.81%
Profit before tax	4,734.72	2,827.01	455.86%
Profit for the period	3,119.00	1,879.46	4,434.14
Stage III PAR 90+ (excluding the old AP Portfolio)	43.11%	719.35%	892.56%
Stage III PAR 90+ (excluding the old AP Portfolio) Ratio	0.10%	2.27%	6.86%
Stage III PAR 90+ Net (excluding the old AP Portfolio)	6.11%	117.45%	87.21%
Stage III PAR 90+ Net (excluding the old AP Portfolio) Ratio	0.01%	0.38%	0.71%
Collection Efficiency	99.74%	99.25%	97.13%
Return on Annual Average Gross AUM Portfolio	8.20%	8.41%	35.21%
Return on Annual Average Net Worth	19.02%	16.21%	79.77%
Net Worth	18,894.36	13,906.36	9,275.69

- Company's high degree of client engagement and effective risk management policies have resulted in healthy asset quality.

The following table shows key portfolio indicators:

	As of / For the		
	Year ended March 31, 2019 (consolidated)	Year ended March 31, 2018 (consolidated)	Year ended March 31, 2017 (standalone)
	(Rs. in millions, except percentages)		
Collection Efficiency	99.74%	99.25%	97.13%
Stage III PAR 90+ (excluding the old AP Portfolio) Ratio %	0.10%	2.27%	6.86%
Stage III PAR 90+ Net (excluding the old AP Portfolio)	6.11	117.45	87.21
Stage III PAR 90+ Net (excluding the old AP Portfolio) Ratio (%)	0.01%	0.38%	0.71%
Stage I, II and III PAR 0+ (excluding the old AP Portfolio and standard Portfolio)	382.77%	743.71%	1,390.79

COMPANY OVERVIEW

- As of June 30, 2019, company had 929 branches located in 16 states and 1 union territory in India. The following table sets forth the number of branches in each state as of the dates indicated:

State	As of			
	June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Madhya Pradesh	149	149	120	94
Orissa	149	149	120	94
Karnataka	136	139	128	111
Maharashtra	111	111	92	70
Chhattisgarh	83	83	61	38
Andhra Pradesh	83	83	57	41
Kerala	40	38	19	14
Jharkhand	44	36	36	26
Gujarat	35	34	20	18
Bihar	33	28	9	3
Rajasthan	22	21	3	0
West Bengal	14	21	5	0
Uttar Pradesh	12	12	13	10
Telangana	10	13	6	4
Goa	5	5	5	3
Tamil Nadu	2	2	-	-
Pondicherry	1	1	-	-
Total	929	925	694	526

- The following table sets forth state-wise portfolio distribution (i.e. the ratio of AUM from the respective state to Gross AUM, expressed as a percentage) as of the dates indicated:

State	As of		
	March 31, 2019	March 31, 2018	March 31, 2017
Orissa	19.98%	18.75%	22.25%
Madhya Pradesh	20.01%	22.00%	20.94%
Karnataka	13.48%	22.33%	18.30%
Maharashtra	10.77%	13.79%	13.38%
Chhattisgarh	8.70%	7.43%	9.27%
Andhra Pradesh	6.73%	3.62%	3.36%
Kerala	4.53%	3.17%	3.47%
Jharkhand	4.41%	3.65%	3.83%
Gujarat	3.17%	2.93%	2.80%
Bihar	2.58%	0.39%	0.01%
Rajasthan	2.21%	0.02%	0.00%
West Bengal	1.17%	0.86%	1.00%
Goa	0.90%	0.66%	0.77%
Telangana	0.66%	0.15%	0.16%
Uttar Pradesh	0.62%	0.24%	0.46%
Pondicherry	0.06%	0.00%	0.00%
Tamil Nadu	0.03%	0.00%	0.00%
Total	100.00%	100.00%	100.00%

Company's Products ;

- Abhilasha Loans:** Abhilasha loans are given for income generation purposes and are designed for low income households that aspire to improve their financial well-being through small ventures. Abhilasha loans are offered to women for setting up and expanding income generating activities (such as grocery stores and tailoring shops), smoothening household cash flows and acquiring productive assets (such as cattle and sewing machines). The loan size ranges from Rs. 25,000 to Rs. 80,000 with a tenure of 12 to 36 months with an average loan size of Rs. 26,000. As of March 31, 2019, the interest rate on Abhilasha loans was 24.00% plus a 1% upfront processing fee. Abhilasha loans amounted to 84.62% of Gross AUM.
- Loans against property:** Loans against property are provided to clients who own businesses, are self-employed or salaried. These loans are given against the mortgage of residential houses / commercial shops (excluding any open plots on agriculture land). These loans are offered in AP and Telangana with a monthly repayment structure. The loan tenure ranges from 12 months to 60 months.

COMPANY OVERVIEW

- ❑ Shree loans : “Shree” or “good beginning” loans are provided in AP to low/lower middle-income women with a group guarantee. Shree loans seek to help borrowers smoothen cash flows and meet working capital requirements.
- ❑ Gold loans : Gold loans are given against the mortgage of jewellery. Gold loans offer a repayment schedule where principal instalments are as per the convenience of the clients, although interest due dates are fixed.
- ❑ Interim loans : Interim loans are designed to assist clients who are struggling to meet short-term liquidity requirements. Interim loans are offered to individuals on a group guarantee basis. The loan tenure ranges from 12 months to 36 months.

Comparison with Listed Industry Peers

Name of the company	Standalone / Consolidated	Face value per equity share (Rs.)	P/E	Net Profit (in Rs. million)	EPS (Basic) (Rs.)	Net worth (in Rs. million)	Return on net worth (%)	Net Asset Value/ Share (Rs.)	Closing Share Price (as on March 29, 2019) (Rs.)
Bharat Financial Inclusion Limited	Standalone	10	16.1	9,846	70.39	42,246	23.31%	301.3	1,131.80
Satin Creditcare Network Limited	Consolidated	10	8.8	2,015	41.67	11,494	17.53%	235	364.9
Ujjivan Financial Services Limited	Consolidated	10	28	1,504	12.43	18,777	8.01%	155	347.95
Bandhan Bank Limited	Standalone	10	32.1	19,515	16.36	1,12,017	17.42%	93.9	524.95
Bajaj Finance Limited	Consolidated	2	43.6	39,950	69.33	1,96,970	20.28%	340.8	3,024.85
Cholamandalam Investment & Finance Company Limited	Consolidated	10	18.9	11,966	76.56	62,087	19.27%	397.1	1,447.50
Shriram City Union Finance Limited	Consolidated	10	12.2	10,055	151.83	66,898	15.03%	1,013.70	1,859.65
Sundaram Finance Limited	Consolidated	10	17.6	10,298	105.4	79,982	12.88%	719.9	1,859.65
Mahindra & Mahindra Financial Services Limited	Consolidated	2	14.2	18,673	29.73	1,13,475	16.46%	183.7	420.95

Financials Snap Shot

Income Statement		Rs in Crores		Key Ratios	
		Consolidated (Ind AS)		Consolidated	
Y/E March	FY18	FY19	Y/E March	FY18	FY19
Revenue (Net)	587.31	1,043.10	EPS	31.53	52.33
Other Income	0.23	5.43	Book Value Per share	233.33	317.17
Total Revenue	587.53	1,048.53	Valuation(x)		
Impairment on financial instruments	-35.41	45.30	P/E (Upper Band)	27.14	16.36
Employee benefits expense	75.87	131.05	P/E (Lower Band)	27.05	16.30
Other expenses	26.85	33.88	Price / Book Value	3.67	2.70
Total Expenses	67.32	210.23	EV (crs)	5401	5301
EBITDA	520.22	838.30	EV/Sales	9.20	5.08
Depreciation	5.72	6.97	EV/EBITDA	10.38	6.32
EBIT	514.49	831.34	Profitability Ratios		
Finance Costs	231.79	357.87	RoE	13.5%	16.5%
Profit before Tax	282.70	473.47	RoCE	36%	43%
Exceptional item	0.0	0.0	PAT Margin(%)	32.00	29.90
Total tax expense	94.76	161.57	Liquidity Ratios		
PROFIT AFTER TAX	187.95	311.90	Interest Coverage Ratio	2.2	2.3
Share in Profit/(Loss) of Joint Ventures	0.00	0.00	Current Ratio	1.43	1.55
Profit For the Period/Year After Tax	187.95	311.90			

Cash Flow Statement

Rs in Crores

Balance Sheet		Rs in Crores		Consolidated (Ind AS)	
		Consolidated (Ind AS)		Consolidated (Ind AS)	
Y/E March	FY18	FY19	Y/E March	FY18	FY19
Share Capital	29.76	59.63	Profit / (Loss) before tax	282.70	473.47
Reserves	1,360.88	1,829.80	Adjustments for:		
Non Controlling Interest	-	0.92	Interest on income tax	2.44	0.32
Net Worth	1,390.64	1,890.36	Depreciation and amortization	5.72	6.97
Financial liabilities			Share based payment to employees 41.25	-	4.13
Current Tax Liabilities (net)	9.30	6.28	Provision for gratuity	0.41	0.40
Provisions	0.39	0.36	Net (gain)/ loss on derecognition of property, plant and equipment	-0.04	0.04
Other Non-Financial liabilities	18.03	22.49	Impairment on financial instruments	-35.41	45.30
Non - current liabilities	27.72	29.13	Net gain on fair value changes	-1.58	-11.06
Financial liabilities			Other provisions and write offs	1.91	2.35
Debt Securities	1,014.71	1,371.96	Operating Profit before working capital	256.14	521.90
Borrowings (Other than Debt Securities)	1,296.5	1,575.48	Increase / (decrease) in other financial liabilities	-11.44	28.53
Subordinated Liabilities	20.16	20.29	Increase / (decrease) in other non financial liabilities	0.58	4.27
Other Financial liabilities	14.51	44.49	Increase / (decrease) in provisions	-0.66	-0.77
Current liabilities	2,345.89	3,012.22	(Increase) / decrease in bank balances other than cash and cash equivalents	-100.94	-97.77
Total Liabilities	3,764.25	4,931.71	(Increase) / decrease in trade receivables	-1.04	-1.05
Current tax assets	4.19	8.34	(Increase) / decrease in other financial assets	-66.12	3.16
Deferred tax assets	384.08	199.98	(Increase) / decrease in loan portfolio	-1859.67	-1007.05
Property, Plant and Equipment	5.85	7.17	(Increase) / decrease in other non financial assets	1.63	-10.99
Intangible assets	2.60	2.22	Cash generated from operations	-1781.52	-559.76
Goodwill	-	17.37	Income Tax Paid	-73.57	-13.59
Other non-financial assets	1.55	12.97	Net cash from operating activities (A)	-1855.09	-573.34
Non-current assets	398.28	248.05	Net cash from / (used in) investing activities (B)	-3.55	-32.78
Cash and cash equivalents	104.54	148.61	Net cash from / (used in) financing activities (C)	1673.06	650.20
Bank Balances other than cash and cash equivalents	103.25	203.19	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	-185.58	44.08
Trade Receivables	2.50	3.55	Cash and cash equivalents at the beginning of the Year	290.12	104.54
Loan Portfolio	3,089.63	4,267.76	Cash and cash equivalents at the end of the Year	104.54	148.61
Investments	0.10	0.10			
Other financial assets	65.96	60.45			
Total Current assets	3,365.97	4,683.65			
TOTAL Assets	3,764.25	4,931.71			

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 Commerce Limited (Formerly Microsec Commerce 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.