

Industry  
Bloomberg  
BSE CODE

Financial  
ICICIBC IN  
532174

## Strong operating performance likely to continue ahead

RATING	BUY
CMP	469
Price Target	522
Potential Upside	11%
Rating Change	↔
Estimate Change	↓
Target Change	↑

STOCK INFO	
52wk Range H/L	443.85/273.20
Mkt Capital (Rs Cr)	268,125
Free float (%)	100%
Avg. Vol 1M (,000)	13,042
No. of Shares (Crs)	645
Promoters Pledged %	

Fig in Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	27015	33355	39359
PPP	23438	28501	33193
PAT	3363	11271	17503
NIM %	3.2	3.5	3.6
EPS (Rs)	5	17	27
EPS growth (%)	-51	235	55
ROE (%)	3	10	14
ROA (%)	0.4	1.1	1.5
BV	168	184	209
P/B (X)	2.4	2.5	2.2
P/E (x)	76	27	17

### RESEARCH ANALYST

#### DEEPAK KUMAR

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

### 2QFY20 Result Update

- ICICI BANK reported healthy set operating performance driven by NII growth of 26% YoY. Other income grew by 33% of which fee income growth improved to 16%. NIM improved to 3.64% vs 3.61%/3.33% QoQ/YoY. However PAT declined by 28% YoY impacted by one time DTA hit.
- Asset quality kept on improving with slippages at Rs 2482 Cr vs Rs 2779 Cr QoQ. GNPA improved by 12 bps while NNPA improved by 17 bps sequentially. Specific PCR improved to 76% vs 74% on 1Q FY19. However BBB & Below stress assets increased marginally by 5% to Rs 16074 Cr.
- Domestic advances grew by 16% YoY while retail advances registered 22% YoY growth. However continued consolidation in overseas book, total advances grew by only 13% YoY. Deposits registered a growth of 25% YoY.

### Operating Performance Continued the Strong Growth Momentum

NII growth improved to 26% YoY mainly led by strong domestic loan growth and margin improvement. Other income grew by 33% driven by fee growth of 16% YoY. Total operating expenses grew by 24% mainly on account of aggressive expansion plan of management. C/I ratio was at 44% vs 45% a year ago. PPP increased by 31% YoY while provisions declined by 37% YoY. However with the impact of one-time additional charge of tax at Rs 2920 Cr, PAT declined by 28% YoY.

### Domestic Growth Continues to Grow Robust

Total advances increased by 13% YoY, while domestic growth was at 16% YoY driven by retail growth at 22% YoY. Large corporate portfolio declined by 2% mainly decline in overseas advances by 13% YoY. Under the retail home loan grew by 19% YoY, Vehicle loan grew by 16% YoY and Business Banking registered strong growth of 47% YoY. Unsecured credit card and personal loan grew by 40% and 51% YoY respectively. The composition of retail portfolio increased to 62% against 57% a year back.

Deposits grew by 25% YoY with term deposits growth of 35% YoY. CASA was at 46.7% and grew by 15% YoY. Current deposits grew by 24% YoY.

### Asset Quality Improves Further

GNPA declined to 6.37% with improvement of 12 bps sequentially while NNPA declined to 1.60% from 1.77% on 1Q FY20. PCR improved to 85% from 83% sequentially. Retail GNPA increased to 1.96% from 1.90% in 1Q FY20. Recoveries and upgrades of non-performing loans were Rs 1263 Cr compared to Rs 1006 Cr in 2Q FY19. Total Slippages declined to Rs 2482 Cr vs Rs 2779 Cr as on 1Q FY20. Corporate and SME slippages were Rs 1159 Cr out of which Rs 373 Cr slipped from stressed pool. There was increase of Rs 413 Cr from existing NPA pool. BB & below book saw an increase of 5% sequentially to Rs 16074 Cr due to additions of Rs 2072 Cr in the pool from various sectors. ICICI Bank has exposure to the telecom sector about 1.8% and predominantly to the top two players in this sector.

### View and Valuation

ICICI Bank reported a strong set all round performance despite concerns on the slowdown and pressure on the economy. Retail domestic growth along with margin and assets quality continued to perform well. BB & Below book and higher exposure towards telecom sector poses near term risk. Strong specific PCR at 76% is one of the highest in the industry and it provide cushion against the any uncertainty. Focus on high yield retail assets will continue to provide upward bias on the margin. Recovery from IBC cases will keep credit cost under control. We Upgrade the target price to Rs 522 at 2.5x BV FY21e and maintain BUY.

### Key Risks to our rating and target

- Slower resolution of NPA will lead to higher credit cost.
- Stress macro conditions will further deteriorate the assets quality.

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.

## 2QFY20 Results Robust Performance

Fig in Rs Cr

FINANCIALS	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	15,106	16,280	17,293	17,980	18,565	22.9%	3.3%	54,966	63,401	15.3%
Interest Exp.	8,688	9,405	9,673	10,243	10,508	20.9%	2.6%	31,940	36,386	13.9%
NII	6,418	6,875	7,620	7,737	8,057	25.6%	4.1%	23,026	27,015	17.3%
Other Income	3,156	3,883	3,621	3,425	4,194	32.9%	22.4%	17,420	14,512	-16.7%
Total Income	9,574	10,758	11,241	11,163	12,252	28.0%	9.8%	40,445	41,527	2.7%
Ope Exp.	4,324	4,612	5,008	4,874	5,378	24.4%	10.3%	15,704	18,089	15.2%
PPP	5,250	6,146	6,233	6,288	6,874	30.9%	9.3%	24,742	23,438	-5.3%
Provisions	3,994	4,244	5,451	3,496	2,507	-37.2%	-28.3%	17,307	19,661	13.6%
PBT	1,255	1,902	782	2,793	4,367	LTP	56.4%	7,435	3,777	-49.2%
Tax	347	297	(187)	885	3,712	971.2%	319.6%	657	413	-37.1%
Net Profit	909	1,605	969	1,908	655	-27.9%	-65.7%	6,777	3,363	-50%

## Concall Highlights

- Management decided to opt for the tax rate change. the accumulated deferred tax asset has been re-measured resulting in a one-time additional charge of Rs 2920 Cr. Excluding the impact of one-time additional charge, the profit after tax would have been Rs 3575 Cr.
- The impact of interest on income tax refund on NIM was about 2 BPS compared to about 9 BPS in 1Q FY20. The impact of interest collection from NPAs was about 4 BPS compared to 8 BPS in 1Q FY20.
- The retail portfolio saw gross slippages of Rs 1323 Cr and recoveries & upgrades of Rs 714 Cr. Management said increase in additions was generally in line with the growth in the retail portfolio and reflects the seasoning of the portfolio.
- Out of the corporate and SME gross NPA additions of Rs 1159 Cr, about Rs 413 Cr represents the increase in outstanding of accounts classified as NPA in prior periods. Of the balance slippages, Rs 373 Cr were from the BB and below portfolio. These include Rs 79 Cr of devolvement of non-fund based outstanding to existing NPAs and slippages of Rs 294 Cr from other loans rated BB and below.
- Exposure to the telecom sector was about 1.8% and predominantly to the top two players in this sector.
- The increase in the builder portfolio was due to an increase in outstanding largely to well- established builders. Builder portfolio is about 4% of total loan portfolio.
- Management stated that the portfolio bought from the stressed HFC is granular in nature and meets risk return thresholds. Further, the collection for almost the entire portfolio has been taken over by the Bank.
- BB & Below pool- The rating downgrades from investment grade categories were Rs 2072 Cr in 2Q FY20. Downgrades during the quarter comprises a few accounts, spread across sectors. There was a reduction of Rs 373 Cr due to slippage of some borrowers into the non-performing category.
- The non-fund based outstanding to NPA was Rs 3371 Cr compared to Rs 3627 Cr as of 1Q FY20 and holds provisions of Rs 1343 Cr on this.
- Employee expenses increased by 28.9% YoY. The growth in payroll expenses was about 20% YoY which reflects employee additions of about 16,000 over the last 12 months and annual normal growth in salaries. Given the business opportunity, bank has been investing in people, expanding our distribution network and spending on sales promotion and advertisements.
- Management is focused on expanding physical infrastructure and growing our branch network based on the economic activity and growth potential of different locations. Target set for branch opening for the year is 450 and Opened 346 branches in 2Q. C/I ratio is expected to remain in this range.
- Consolidated ROE target for June 2020 is 15%.
- Power sector resolution was still under process management is not very optimistic.
- In the IBC proceeding, one of the steel accounts is expecting to get resolved it is with supreme court which is expected to come through soon. Credit of around 1.2-1.3% is expected in FY20 keeping in mind resolution in various accounts. If recoveries do not come through then credit cost will be around 1.8-2%.
- Management expects addition in the BB & below bucket in the 2HFY20 on the back of macro environment.

## Profitability Matrix

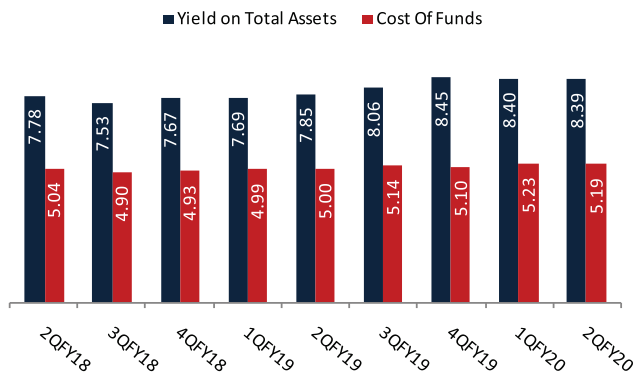
	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	35.8	41.6	45.2	42.9	44.5	43.7	43.9	-1.27	0.23
Empl. Cost/ Tot. Exp. %	36.5	36.5	38.4	37.6	37.9	40.1	39.8	1.40	-0.25
Other Exp/Tot. Exp.%	63.5	63.5	61.6	62.4	62.1	59.9	60.2	-1.40	0.25
Provision/PPP %	88.2	102.8	76.1	69.1	87.5	55.6	36.5	-39.62	-19.12
Tax Rate %	(14.8)	26.6	27.6	15.6	(23.9)	31.7	85.0	57.40	53.32
Int Exp./Int Inc. (%)	57.8	58.6	57.5	57.8	55.9	57.0	56.6	-0.92	-0.37
Other Inc./Net Inc. %	48.5	38.7	33.0	36.1	32.2	30.7	34.2	1.26	3.55
PAT/ Net Income %	9.0	(1.2)	9.7	16.2	9.0	17.7	5.7	-3.98	-12.03
PAT Growth %	(49.6)	(105.8)	(55.8)	(2.7)	(5.0)	LTP	(27.9)	LTP	96.89
NII Growth % (YoY)	1.0	9.2	12.4	20.5	26.5	26.8	25.6	13.14	-1.25
Op. Profit Growth YoY %	47.0	12.1	(24.9)	21.5	(17.0)	8.3	30.9	55.80	22.68

## Margin Performance

MARGIN %	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	8.7	8.7	8.8	9.0	9.3	9.4	9.5	0.73	0.16
Yield on Total Assets	7.7	7.7	7.9	8.1	8.5	8.4	8.4	0.54	-0.01
Cost Of Funds	4.9	5.0	5.0	5.1	5.1	5.2	5.2	0.19	-0.04
Cost of Deposits	4.8	4.8	7.8	4.9	5.0	5.1	5.1	-2.70	-0.02
NIM	3.2	3.2	3.3	3.4	3.7	3.6	3.6	0.31	0.03

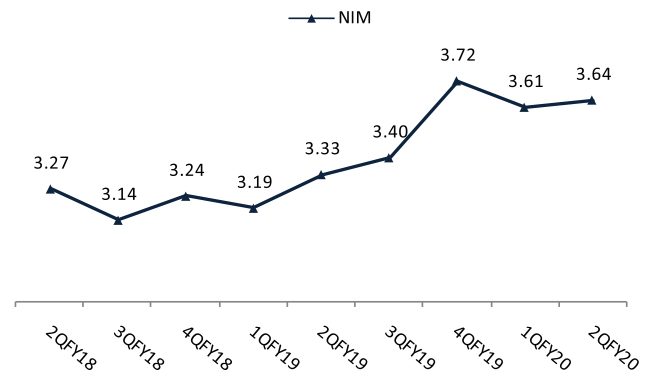
## Exhibit: Yield and Cost

Cost of fund on declining path



## Exhibit: Net Interest Margin

NIM Improves



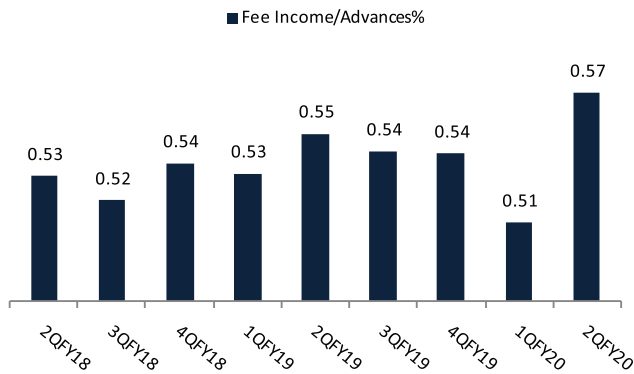
## Other Income Break Up-

Fig in Rs Cr

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Fee income	2570	2639	2755	2754	2995	3062	3178	3039	3478
<b>Growth YoY %</b>	<b>9.1%</b>	<b>5.8%</b>	<b>12.6%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>16.0%</b>	<b>15.4%</b>	<b>10.3%</b>	<b>16.1%</b>
Other income	423	462	238	331	196	342	287	207	376
Treasury income	2193	66	2685	766	-35	479	156	179	341
Total Other Income	5186	3167	5678	3851	3156	3883	3621	3425	4195
<b>Growth YoY %</b>	<b>-43%</b>	<b>-20%</b>	<b>88%</b>	<b>14%</b>	<b>-39%</b>	<b>23%</b>	<b>-36%</b>	<b>-11%</b>	<b>33%</b>
Other Income as a % of NII	91	56	94	63	49	56	48	44	52
Other Income as a % of advances	1.1%	0.6%	1.1%	0.7%	0.6%	0.7%	0.6%	0.6%	0.7%

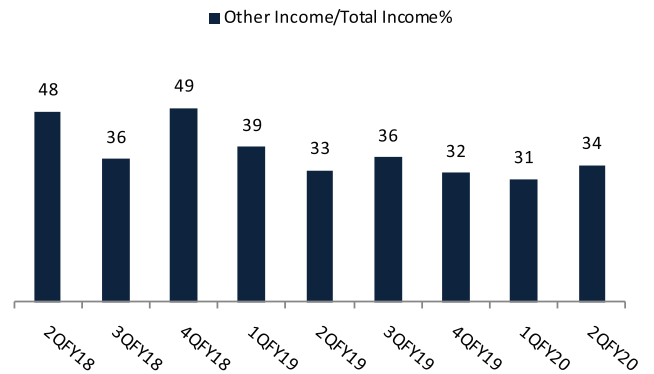
## Exhibit: Fee Income/Advances %

Healthy fee income growth sustained.



## Exhibit: Other Income/ Total Income %

Other income as % of total income declined

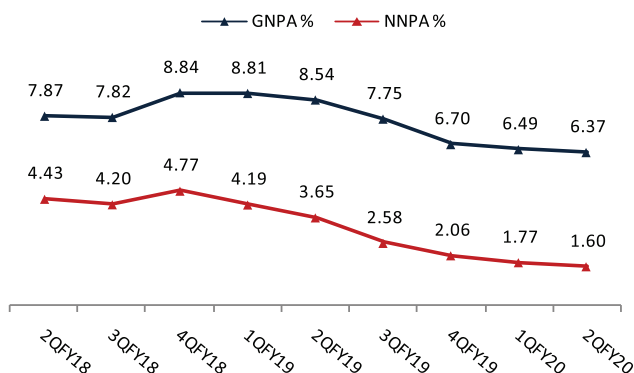


## Asset Mix

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	54,063	53,465	54,489	51,591	46,292	45,763	45,639	-16%	0%
GNPA %	8.8	8.8	8.5	7.8	6.7	6.5	6.4	-2.17	-0.12
NNPA (Rs in Cr)	27,886	24,170	22,086	16,252	13,577	11,857	10,916	-51%	-8%
NNPA %	4.8	4.2	3.7	2.6	2.1	1.8	1.6	-2.05	-0.17
Slippages (Rs in Cr)	15,737	4,036	3,117	2,091	3,547	2,779	2,482	-20%	-11%
PCR %	60.5	66.1	69.4	76.3	81.2	83.4	85.0	15.60	1.60

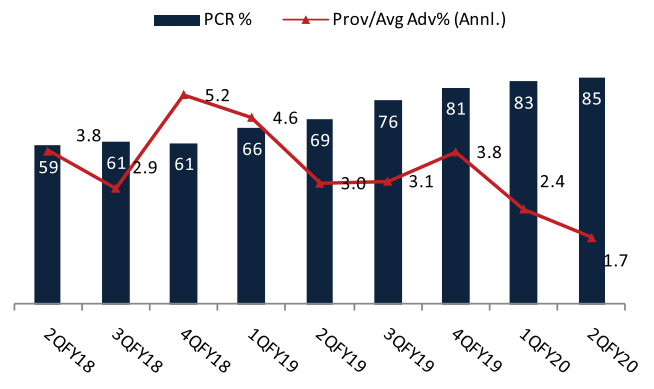
## Exhibit: Asset Quality

Assets quality improved.



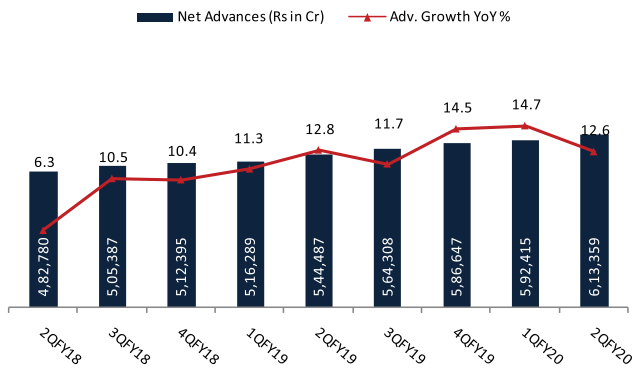
## Exhibit: Provisions

PCR increased.

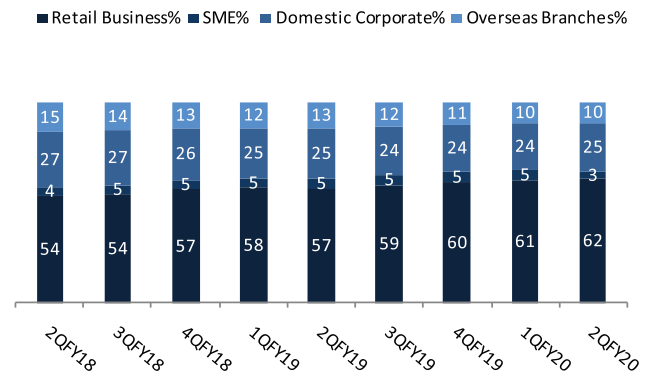


## Exhibit: Advances Performance

healthy advance growth

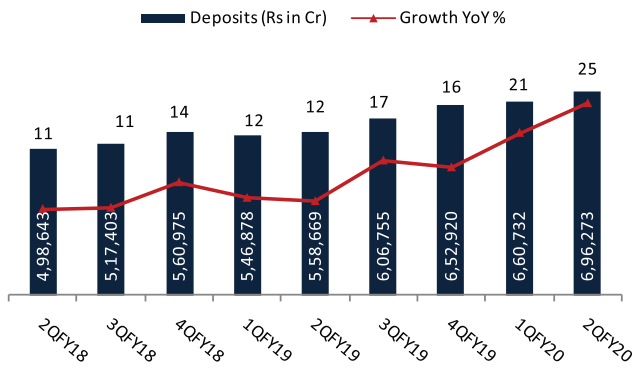


## Exhibit: Advances Breakup%



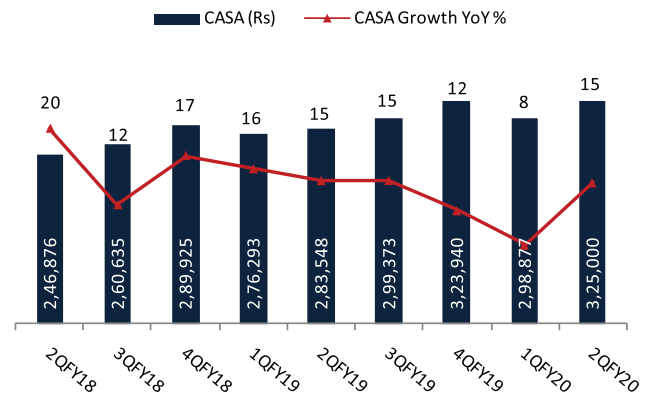
## Exhibit: Deposits Performance

Healthy deposit growth.



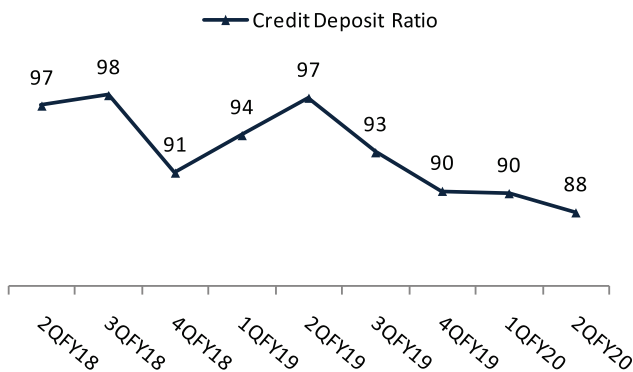
## Exhibit: CASA Performance

CASA growth declined.



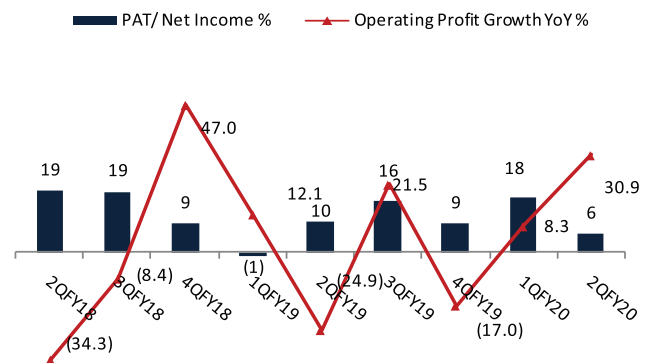
## Exhibit: Credit Deposit Ratio

CD ratio moved down.



## Exhibit: Return Ratios

Return ratio profile improves



## Financial Details

### Balance Sheet

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	<b>1155</b>	<b>1160</b>	<b>1163</b>	<b>1165</b>	<b>1286</b>	<b>1290</b>	<b>1291</b>	<b>1291</b>
Equity Capital	1155	1160	1163	1165	1286	1290	1291	1291
Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	72058	79270	88572	98786	103873	107078	117572	133526
<b>Networth</b>	<b>73213</b>	<b>80429</b>	<b>89736</b>	<b>99951</b>	<b>105159</b>	<b>108368</b>	<b>118862</b>	<b>134816</b>
Deposits	331914	361563	421426	490039	560975	652920	764618	847018
Change (%)	13.4	8.9	16.6	16.3	14.5	16.4	17.1	10.8
CASA Deposits	142378	164380	193100	246821	289925	323940	351724	389628
Change (%)	16.2	15.5	17.5	27.8	17.5	11.7	8.6	10.8
Borrowings	154759	172417	174807	147556	182859	165320	165157	232930
<b>Other Liabilities &amp; Prov.</b>	<b>34756</b>	<b>31720</b>	<b>34726</b>	<b>34245</b>	<b>30196</b>	<b>37851</b>	<b>44113</b>	<b>48401</b>
<b>Total Liabilities</b>	<b>594642</b>	<b>646129</b>	<b>720695</b>	<b>771791</b>	<b>879189</b>	<b>964459</b>	<b>1092750</b>	<b>1263165</b>
Cash & Bank	41530	42305	59869	75713	84169	80296	83364	103828
Investments	177022	158129	160412	161507	202994	207733	237032	262576
Change (%)	3.3	-10.7	1.4	0.7	25.7	2.3	14.1	10.8
Advances	338703	387522	435264	464232	512395	586647	680510	796197
Change (%)	16.7	14.4	12.3	6.7	10.4	14.5	16.0	17.0
Fixed Assets	4678	4726	7577	7805	7904	7931	8090	8252
Other Assets	32709	53448	57574	62535	71727	81852	83755	92313
<b>Total Assets</b>	<b>594642</b>	<b>646129</b>	<b>720695</b>	<b>771791</b>	<b>879189</b>	<b>964459</b>	<b>1092750</b>	<b>1263165</b>

### Income Statement

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	44178	49091	52739	54156	54966	63401	75770	87026
Interest expended	27703	30052	31515	32419	31940	36386	42415	47667
Net Interest Income	16476	19040	21224	21737	23026	27015	33355	39359
Change (%)	18.8	15.6	11.5	2.4	5.9	17.3	23.5	18.0
Other Income	10428	12176	15323	19504	17420	14512	16357	17758
Change (%)	24.9	16.8	25.8	27.3	-10.7	-16.7	12.7	8.6
Core Fee Income	7758	8286	8819	9453	10341	11989	13862	16278
Treasury Income	1016	1694	4061	8576	5802	1366	1312	480
Others	1654	2196	2443	1475	1277	1157	1183	1000
Total Net Income	26903	31216	36547	41242	40445	41527	49712	57117
Operating Expenses	10309	11496	12684	14755	15704	18089	21210	23924
Change (%)	14.4	11.5	10.3	16.3	6.4	15.2	17.3	12.8
Employee Expenses	4220	4750	5002	5734	5914	6808	8329	9180
Pre-provisioning Profit	16595	19720	23864	26487	24742	23438	28501	33193
Change (%)	25.7	18.8	21.0	11.0	-6.6	-5.3	21.6	16.5
Provisions	2626	3900	8068	15208	17307	19661	9699	9794
Change (%)	45.7	48.5	106.9	88.5	13.8	13.6	-50.7	1.0
PBT	13968	15820	12196	11279	7435	3777	18802	23399
Tax	4158	4645	2469	1478	657	413	7531	5897
Profit After Tax	9810	11175	9726	9801	6777	3363	11271	17503
Change (%)	17.8	13.9	-13.0	0.8	-30.9	-50.4	235.1	55.3

## Financial Details

### Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	17	14	12	7	10	14	16	17
Deposit Growth (%)	13	9	17	16	14	16	17	11
C/D Ratio (%)	102.0	107.2	103.3	94.7	91.3	89.8	89.0	94.0
CASA (%)	42.9	45.5	45.8	50.4	51.7	49.6	46.0	46.0
Investment/Deposit (%)	53.3	43.7	38.1	33.0	36.2	31.8	31.0	31.0
CRAR (%)	17.7	17.0	16.6	17.4	18.4	16.5	16.2	15.7
Tier 1 (%)	12.8	12.8	13.1	14.4	15.9	14.4	13.9	13.7
Tier 2 (%)	4.9	4.2	3.6	3.0	2.5	2.1	2.2	1.9

### Assets Quality Metrics

Gross NPA (Rs)	10,554	15,242	26,721	42,552	54,063	46,292	44,807	42,706
Gross NPA (%)	2.6	3.3	5.2	7.9	8.8	6.7	5.7	4.6
Net NPA (Rs)	3,301	6,325	13,297	25,451	27,886	13,577	10,754	10,249
Net NPA (%)	0.8	1.4	2.7	4.9	4.8	2.1	1.4	1.1
Slippages (%)	2	2	4	8	6	2	2	2
Provision Coverage (%)	-	-	61	54	61	81	76	76
Provision/Average Advances (%)	0.8	1.1	2.0	3.4	3.5	3.6	1.5	1.3

### Margin Metrics

Yield On Advances (%)	10.0	9.8	9.5	8.8	8.4	8.7	9.2	9.2
Yield On Investment (%)	6.6	6.3	6.7	7.1	6.3	6.2	6.9	6.6
Yield on Earning Assets (%)	8.5	8.6	8.3	7.9	7.3	7.5	8.0	7.9
Cost Of Deposits (%)	5.7	5.9	5.5	5.0	4.5	4.4	4.8	4.7
Cost Of Funds (%)	5.8	5.7	5.4	5.1	4.5	4.6	4.7	4.6
Spread (%)	2.7	2.8	2.9	2.8	2.7	2.9	3.2	3.3
NIM (%)	3.2	3.3	3.3	3.2	3.0	3.2	3.5	3.6

### Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	62.7	61.2	59.8	59.9	58.1	57.4	56.0	54.8
Fee Income/NII (%)	47.1	43.5	41.6	43.5	44.9	44.4	41.6	41.4
Cost to Income (%)	38.3	36.8	34.7	35.8	38.8	43.6	42.7	41.9
Cost on Average Assets (%)	1.8	1.9	1.9	2.0	1.9	2.0	2.1	2.0
Tax Rate (%)	29.8	29.4	20.2	13.1	8.8	10.9	40.1	25.2

### Valuation Ratio Metrics

EPS (Rs)	15.4	17.5	15.2	15.3	10.5	5.2	17.5	27.1
Change (%)	17.7	13.5	(13.2)	0.6	(31.1)	(51)	235	55
ROAE (%)	14.0	14.5	11.4	10.3	6.6	3.2	9.9	13.8
ROAA (%)	1.7	1.8	1.4	1.3	0.8	0.4	1.1	1.5
Dividend Payout (%)	29.8	28.5	32.9	16.3	14.2	19.2	11.4	12.9
Dividend yield (%)	2.0	1.7	2.3	1.0	0.5	0.3	0.4	0.7
Book Value (Rs)	115.3	126.1	140.3	156.0	163.6	168.1	184.2	208.9
Change (%)	10	9	11	11	5	3	10	13
P/B (X)	2.0	2.3	1.5	1.6	1.7	2.4	2.5	2.2
P/E (X)	14.7	16.4	14.1	16.5	26.4	76.5	26.8	17.3

## Financial Details

### Exhibit: DuPont Analysis

	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	7.9	7.7	7.3	6.7	6.9	7.4	7.4
Interest expended	4.8	4.6	4.3	3.9	3.9	4.1	4.0
<b>Net Interest Income</b>	<b>3.1</b>	<b>3.1</b>	<b>2.9</b>	<b>2.8</b>	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>
Non-Fund Based Income	2.0	2.2	2.6	2.1	1.6	1.6	1.5
Core Fee Income	1.3	1.3	1.3	1.3	1.3	1.3	1.4
Trading and Other Income	0.6	1.0	1.3	0.9	0.3	0.2	0.1
Core Operating Income	4.4	4.4	4.2	4.0	4.2	4.6	4.7
<b>Total Income</b>	<b>5.0</b>	<b>5.3</b>	<b>5.5</b>	<b>4.9</b>	<b>4.5</b>	<b>4.8</b>	<b>4.8</b>
Total Operating Expenses	1.9	1.9	2.0	1.9	2.0	2.1	2.0
Employee Expenses	0.8	0.7	0.8	0.7	0.7	0.8	0.8
Other Expenses	1.1	1.1	1.2	1.2	1.2	1.3	1.3
<b>Operating Profit</b>	<b>3.2</b>	<b>3.5</b>	<b>3.5</b>	<b>3.0</b>	<b>2.5</b>	<b>2.8</b>	<b>2.8</b>
Provisions	0.6	1.2	2.0	2.1	2.1	0.9	0.8
Others	-	0.5	-	-	-	-	-
PBT	2.6	1.8	1.5	0.9	0.4	1.8	2.0
Tax	0.7	0.4	0.2	0.1	0.0	0.7	0.5
<b>PAT/RoAA</b>	<b>1.8</b>	<b>1.4</b>	<b>1.3</b>	<b>0.8</b>	<b>0.4</b>	<b>1.1</b>	<b>1.5</b>
Equity Multiplier (x)	8.1	8.0	7.9	8.0	8.6	9.1	9.3
<b>ROAE</b>	<b>14.5</b>	<b>11.4</b>	<b>10.3</b>	<b>6.6</b>	<b>3.2</b>	<b>9.9</b>	<b>13.8</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, 5th 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, 2nd Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [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.