

Industry Financial  
Bloomberg HDFC IN  
BSE CODE 500010

## Sustained Growth Momentum Driven by Core Segment

<b>RATING</b>	<b>HOLD</b>
<b>CMP</b>	<b>2181</b>
<b>Price Target</b>	<b>2226</b>
<b>Potential Upside</b>	<b>2%</b>

<b>Rating Change</b>	
<b>Estimate Change</b>	
<b>Target Change</b>	

### Stock Info

52wk Range H/L	2357/1767
Mkt Capital (Rs Cr)	376651
Free float (%)	100%
Avg. Vol 1M (,000)	4802
No. of Shares (Cr)	173
Promoters Pledged %	

Fig in Rs Cr

	FY18	FY19	FY20E
NII	11457	13012	16662
PPP	14054	17349	16537
PAT	9632	11817	11408
NIM %	2.7	2.6	3.0
EPS (Rs)	56	69	66
EPS	-14	23	-3
ROE (%)	13.5	14.6	13.0
ROA (%)	2.2	2.4	2.0
BV	449	493	530
P/B (X)	4.4	4.4	4.1
P/E (x)	35.2	31.8	32.9

**Research Analyst**  
**DEEPAK KUMAR**

Deepak.kumar@narnolia.com  
+91-22-62701205  
Sweta Padhi  
Shweta.padhi@narnolia.com

### 2QFY20 Result Update

- NII has grown at the rate of 17% on the back slight revival in the AUM by 13%. The Other income has grown at a robust rate of 63% majorly on the back of stake sale of Gruh amounting to Rs 1674 Cr. The dividend amount during the quarter was at Rs 1074 Cr with Rs 865 Cr from HDFC Bank and Rs 70 Cr from GRUH Finance. PAT has grown at a rate of 61% majorly on the back of the lower tax rate.
- NIM has remained steady QoQ at 3%. HDFC has experienced improvement in spreads in both individual & non-individual segment to 1.93% & 3.08% .
- AUM has grown at a rate of 13% YoY on the back of strong growth in the individual segment by 17% YoY. The share of individual segments in the portfolio has increased to 76% of the portfolio while the share of the non-individual segment has declined to 24%. Management maintains its cautious stance in the wholesale segment.
- Total individual loan approvals grew by 14% and disbursements grew by 12%. The average size of individual loans stood at Rs 27 lakhs.
- The GNPA has marginally deteriorated to 1.33% from 1.29% QoQ with almost steady provisioning of 30%. The NPL in the individual segment has risen slightly to 73 bps from 72 bps while NPL in the non-individual segment has increased to 2.87% from 2.68% QoQ. HDFC has maintained the total provision of Rs 7313 Cr while regulatory provisioning requirement of Rs 3559 Cr.
- HDFC has taken full impact of Rs 238 Cr deferred tax in the 2QFY20.
- HDFC's distribution network spans 567outlets which include 199offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL).
- HDFC capital adequacy ratio stood at 19.6%, of which Tier I capital was 18.1% and Tier II capital was 1.5%.

### Loan Book Growth Remains Healthy

The total increase in the approval of individual loans has increased by 14% while disbursement growth 12%. AUM of the individual segment has grown at 17% YoY, 97% of the incremental disbursement was contributed by individual segment.

The average ticket sizes in the Individual segment have decreased to Rs 26.6 Lakhs v/s 27.7 Lakhs QoQ, thus growth was mainly contributed by higher volume.

HDFC has sold loan aggregating to Rs 7160 Cr. Off Book contributing to 13% of the AUM. In 1HFY20 the Corporation assigned loans amounting to Rs 14,390 Cr. Loans sold in the preceding 12 months amounted to Rs 23,767 Cr.

### View and Valuation

The marginalization of cost and sustained loan book growth has proven the resilience of HDFC in the NBFC turmoil. Management continues its focus in the individual segment while maintaining selective disbursement in the non-individual segment, in 1HFY20 of 94% incremental disbursement was driven by individual segment. Margin has remained stable with a slight improvement in the spreads on the back of lower marginal cost. We remain cautious on the asset quality front, as the NPL in the non-individual segment as in the 1HFY20 has increased from 2.34% to 2.87%. We maintain our previous target price Rs 2226 at 4.2x BV FY21e. HOLD.

### Key Risks to our rating and target

- Pressure on real estate can slow down growth.
- Further deterioration of the non-individual account will increase the Credit cost.

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  
Above Expectations**
**Consistent Growth**

Fig in Rs Cr

<i>Financials</i>	<i>2QFY19</i>	<i>3QFY19</i>	<i>4QFY19</i>	<i>1QFY20</i>	<i>2QFY20</i>	<i>YoY %</i>	<i>QoQ%</i>	<i>FY18</i>	<i>FY19</i>	<i>YoY %</i>
<i>Interest Inc.</i>	9,638	10,233	10,321	10,818	10,852	<b>12.6%</b>	<b>0.3%</b>	33,122	39,294	<b>18.6%</b>
<i>Interest Exp.</i>	7,045	7,259	7,182	7,739	7,831	<b>11.2%</b>	<b>1.2%</b>	23,498	27,838	<b>18.5%</b>
<i>NII</i>	2,594	2,975	3,139	3,079	3,021	<b>16.5%</b>	<b>-1.9%</b>	9,624	11,457	<b>19.0%</b>
<i>Other Income</i>	1,732	544	1,402	2,357	2,822	<b>62.9%</b>	<b>19.8%</b>	8,086	4,662	<b>-42.3%</b>
<i>Total Income</i>	4,326	3,519	4,541	5,436	5,844	<b>35.1%</b>	<b>7.5%</b>	17,710	16,119	<b>-9.0%</b>
<i>Opex Exp.</i>	436	534	452	561	559	<b>28.3%</b>	<b>-0.3%</b>	2,405	2,065	<b>-14.1%</b>
<i>PPP</i>	3,890	2,985	4,089	4,875	5,285	<b>35.8%</b>	<b>8.4%</b>	15,305	14,054	<b>-8.2%</b>
<i>Provisions</i>	401	116	398	890	754	<b>87.9%</b>	<b>-15%</b>	2,115	935	<b>-55.8%</b>
<i>PBT</i>	3,489	2,869	3,691	3,985	4,530	<b>29.8%</b>	<b>13.7%</b>	13,190	13,119	<b>-0.5%</b>
<i>Tax</i>	1,022	755	829	782	569	<b>-44%</b>	<b>-27.3%</b>	2,230	3,486	<b>56.3%</b>
<i>Extra Items</i>	-	-	-	-	-			-	-	
<i>Net Profit</i>	2,467	2,114	2,862	3,203	3,962	<b>60.6%</b>	<b>23.7%</b>	10,959	9,632	<b>-12%</b>

**Audio Interaction**

- Management states with the prolonged uncertainty and risk averseness in the lending environment for non-individual loans, HDFC continued to be prudent by selectively disbursing to the non-individual segment.
- Management focus continues to remain on the affordable housing segment. In the 1HFY20, 36% of home loans approved in volume terms and 18% in value terms have been to customers from the Economically Weaker Section (EWS) and Low Income Groups (LIG). The average home loan to the EWS and LIG segment stood at Rs 10.1 lakhs and Rs 17.5 lakhs respectively.
- The profit on sale of investments on part stake sale of GRUH Finance of Rs 1,627crore during the quarter ended September 30, 2019.
- Dividend income during the quarter ended September 30, 2019 stood at Rs 1,074 Cr compared to Rs 6 Cr YoY. In the current financial year, dividend from HDFC Bank stood at Rs 865 Cr and GRUH Finance stood at Rs 70 Cr.
- Total individual loan approvals grew by 14% and disbursements grew by 12%.The average size of individual loans stood at Rs 27 lakhs.
- HDFC's distribution network spans 567outlets which include 199offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL).

## Profitability Matrix

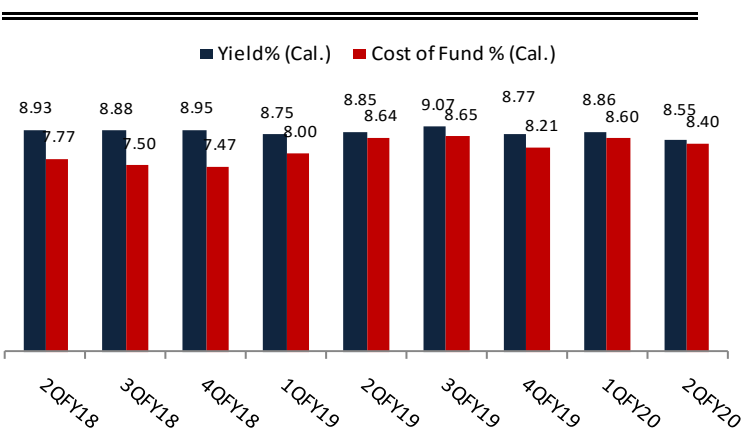
	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	18.1	16.9	10.1	15.2	10.0	10.3	9.6	-0.51	-0.75
Empl. Cost/ Tot. Exp. %	60.3	51.5	29.3	26.6	27.1	27.7	25.9	-3.34	-1.79
Other Exp/Tot. Exp.%	16.5	21.7	35.9	26.9	35.1	31.9	34.6	-1.37	2.69
Provision/PPP %	8.7	0.6	10.3	3.9	9.7	18.3	14.3	3.95	-3.99
Tax Rate %	13.3	28.7	29.3	26.3	22.5	19.6	12.5	-16.74	-7.07
Int Exp./Int Inc. (%)	69.2	69.8	73.1	70.9	69.6	71.5	72.2	-0.93	0.62
PPP/ Net Income %	81.9	83.1	89.9	84.8	90.0	89.7	90.4	0.51	0.75
PAT/ Net Income %	64.8	58.9	57.0	60.1	63.0	58.9	67.8	10.77	8.87
NII Growth % (YoY)	(7.0)	20.9	16.0	20.8	18.4	12.0	16.5	0.48	4.47
PPP Growth YoY %	(7.7)	41.3	46.6	(60.8)	43.5	57.8	35.8	-10.80	-21.95
PAT Growth %	10.4	53.7	24.7	(60.1)	26.8	46.3	60.6	35.88	14.34

## Margin Performance

Margin %	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances(Calc.)	8.9	8.7	8.8	9.1	8.8	8.9	8.6	9.07	-0.31
Cost Of Funds(Calc.)	7.5	8.0	8.6	8.6	8.2	8.6	8.4	8.60	-0.20
Spreads(Calc.)	1.5	0.7	0.2	0.4	0.6	0.3	0.2	0.47	-0.11
NIM (Calc.)	3.4	2.8	2.5	2.8	2.9	2.7	2.6	2.76	-0.13

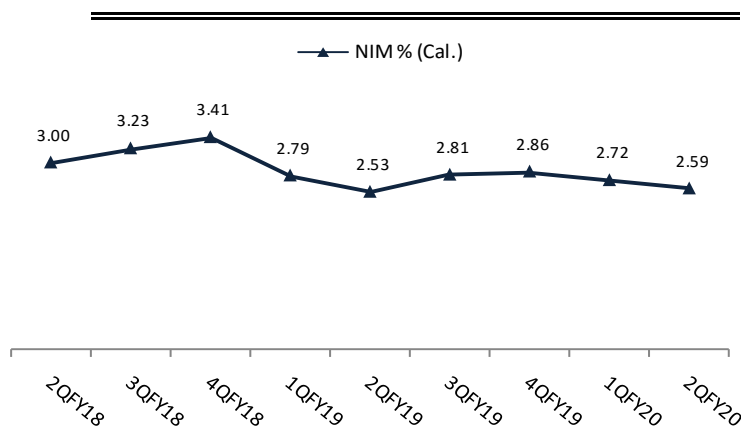
### Exhibit: Yield and Cost

Yield and Cost both has decreased



### Exhibit: Net Interest Margin

NIM has declined sequentially



## Asset & Borrowings Growth Trend

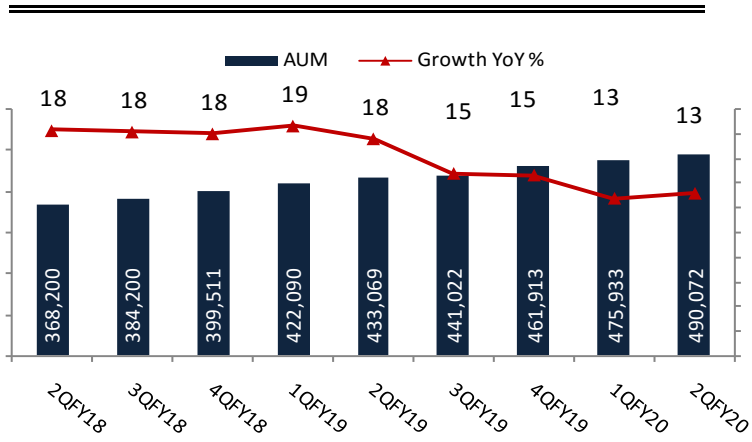
Fig in Rs Cr

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
AUM	368200	384200	399511	422090	433069	441022	461913	475933	490072
Growth YoY %	18	18	18	19	18	15	15	13	13
Borrowings	300300	307978	320656	332526	340636	354728	365266	373629	388976
Growth YoY %	18	17	14	16	13	15	14	12	14

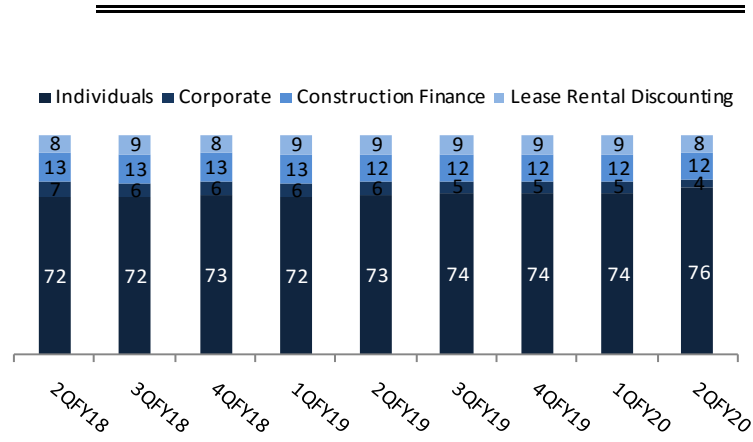
## AUM Break Up

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Individual	72	72	73	72	73	74	74	74	76
Non-Individual	28	28	27	28	27	26	26	26	24

**Exhibit: AUM Growth %**



**Exhibit: AUM Mix**



**Asset Mix**

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Individual	72	72	73	72	73	74	74	74	76
Corporate	7	6	6	6	6	5	5	5	4
Construction Finance	13	13	13	13	12	12	12	12	12
Lease Rental Discounting	8	9	8	9	9	9	9	9	8

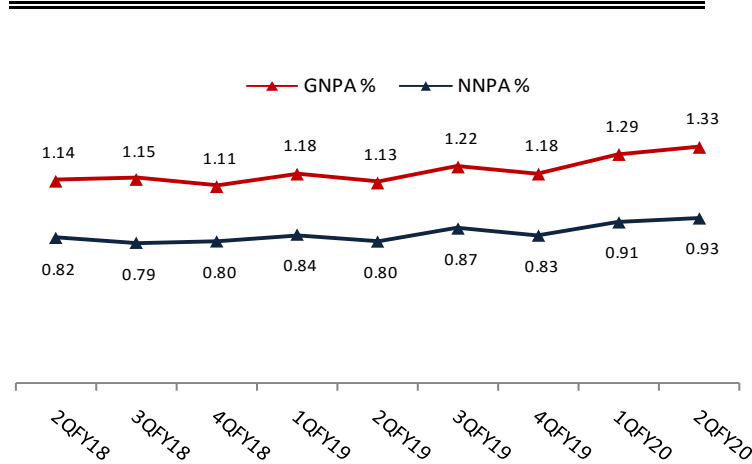
**Asset Quality**

Fig in Rs Cr

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
GNPA	4,019	4,409	4,278	4,731	4,777	5,315	5,655	1,246	340
GNPA %	1.1	1.2	1.1	1.2	1.2	1.3	1.3	0.2	0.0
NNPA	2,861	3,130	3,037	3,359	3,374	3,779	3,970	840	191
NNPA %	0.8	0.8	0.8	0.9	0.8	0.9	0.9	0.1	0.0
Total Specific PCR %	29	29	29	29	29	29	30	1	1

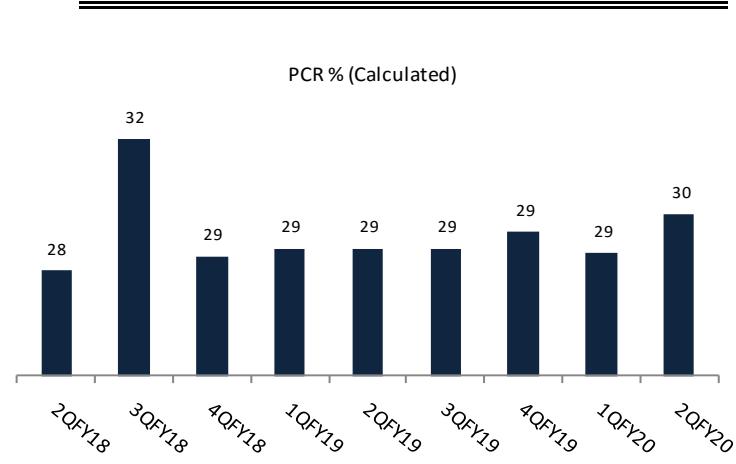
**Exhibit: Asset Quality**

Asset Quality has Deteriorated

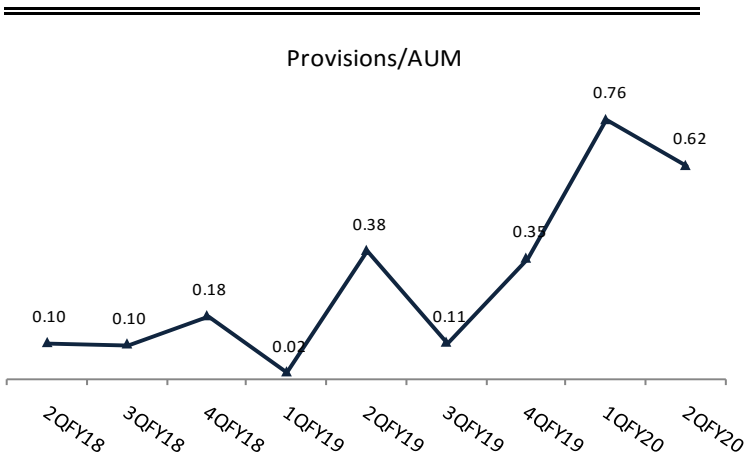


**Exhibit: Provisions**

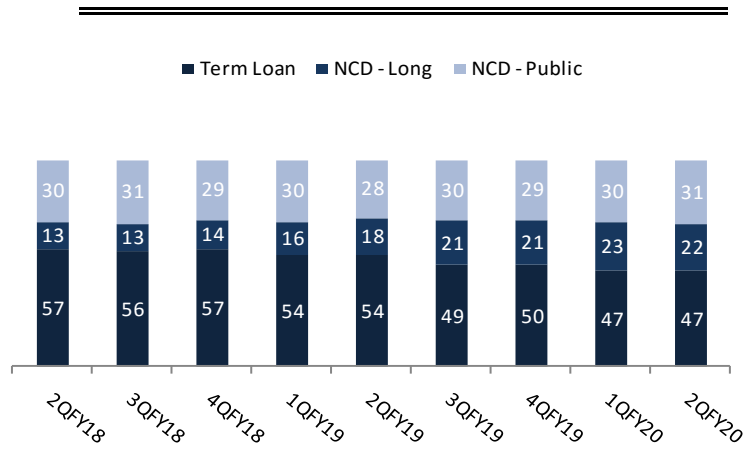
PCR has Remained Stable



### Exhibit: Provision to AUM



### Exhibit: Liability Break Up



### Asset Quality

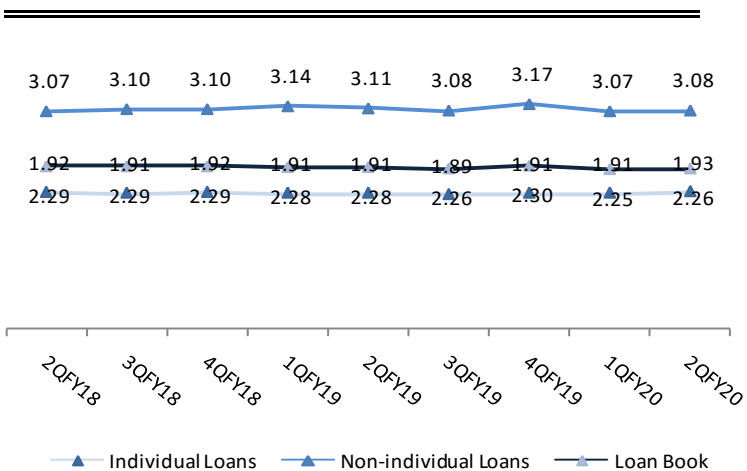
Fig in Rs Cr

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Gross NPA (Stage 3)	5,145	5,022	5,618	5,743	6,228	6,685
Less: ECL Provisions (Stage 3)	2,361	1,946	2,238	2,499	2,476	2,891
Net NPA (Stage 3)	2,784	3,076	3,380	3,244	3,752	3,794
Coverage Ratio (%) Stage 3	46%	39%	40%	44%	40%	43%
Gross Stage 1 & 2	369459	377429	385548	401389	410096	419706
ECL provision-Stage 1 & 2	2754	3068	2966	3379	3994	4422
Net Stage 1 & 2	366705	374361	382582	398010	406102	415284
ECL provision (%) Stage 1 & 2	0.75%	0.81%	0.77%	0.84%	0.97%	1.05%

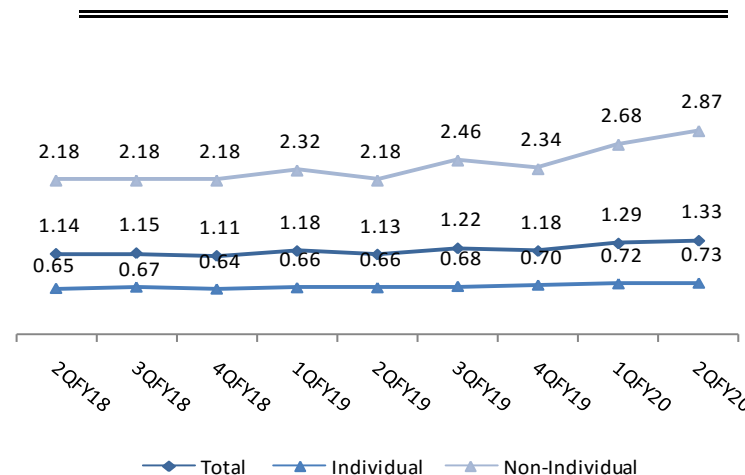
### GNPA segmentwise

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
>> Individual	0.66	0.66	0.68	0.70	0.72	0.73
>>Non-Individual	2.32	2.18	2.46	2.34	2.68	2.87
Total Provision	5,115	5,014	5,204	5,878	6,470	7,313
Regulatory Provision	3,006	2,951	3,068	3,220	3,366	3,559

### Exhibit: Spreads on segment basis



### Exhibit: GNPA on segment basis



**Financial Details**
**Balance Sheet**

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	<b>312</b>	<b>315</b>	<b>316</b>	<b>318</b>	<b>335</b>	<b>344</b>	<b>344</b>	<b>344</b>
>> Equity Capital	312	315	316	318	335	344	344	344
>> Preference Capital								
Reserves & Surplus	27,643	30,655	33,754	39,277	64,930	77,011	84,490	90,940
<b>Networth</b>	<b>27,955</b>	<b>30,970</b>	<b>34,070</b>	<b>39,594</b>	<b>65,265</b>	<b>77,355</b>	<b>84,834</b>	<b>91,285</b>
Change (%)	13	11	10	16	65	19	10	8
<b>Total Borrowings</b>	<b>184300</b>	<b>208600</b>	<b>238200</b>	<b>280534</b>	<b>320656</b>	<b>365266</b>	<b>423978</b>	<b>484674</b>
Change (%)	16	13	14	18	14	14	16	14
Provisions	2,231	2,437	1,613	2,339	183	210	231	254
Other Liabilities	11,271	11,945	14,869	14,839	12,806	15,947	17,541	19,295
<b>Total Liabilities</b>	<b>225757</b>	<b>253952</b>	<b>288753</b>	<b>337306</b>	<b>398910</b>	<b>458778</b>	<b>526584</b>	<b>595508</b>
Investments	13,913	14,294	15,345	20,410	30,717	46,240	61,496	64,545
Loans	201313	232231	263853	307099	357381	400727	450672	516019
Change (%)	16	15	14	16	16	12	12	15
Fixed Assets	280	677	665	642	1,040	973	1,021	1,072
Other Assets	2,535	3,385	3,585	2,836	8,287	9,241	10,165	10,674
Cash Balances	7,716	3,365	5,305	6,319	1,485	1,596	3,230	3,197
<b>Total Assets</b>	<b>225757</b>	<b>253952</b>	<b>288753</b>	<b>337306</b>	<b>398910</b>	<b>458778</b>	<b>526584</b>	<b>595508</b>

**Income Statement**

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	23,032	25,970	28,070	30,850	33,122	39,294	44,866	51,445
Interest expended	16,029	17,975	19,375	20,896	23,498	27,838	31,854	34,782
Net Interest Income	7,003	7,995	8,695	9,954	9,624	11,457	13,012	16,662
Change (%)	13	14	9	14	(3)	19	14	28
Other Income	1,165	1,855	3,309	2,812	8,086	4,662	6,436	2,167
Change (%)	8	59	78	(15)	188	(42)	38	(66)
<b>Total Net Income</b>	<b>8,168</b>	<b>9,850</b>	<b>12,004</b>	<b>12,766</b>	<b>17,710</b>	<b>16,119</b>	<b>19,448</b>	<b>18,829</b>
Change (%)	13	21	22	6	39	(9)	21	(3)
Operating Expenses	628	1,061	1,181	1,339	2,405	2,065	2,099	2,292
Change (%)	17	69	11	13	80	(14)	2	9
>> Employee Expenses	279	328	349	389	1,372	717	646	833
Change (%)	13	18	6	11	253	(48)	(10)	29
>> Other Expenses	230	263	271	306	384	596	691	734
Pre-provisioning Profit	7,540	8,789	10,823	11,427	15,305	14,054	17,349	16,537
Change (%)	12	17	23	6	34	(8)	23	(5)
Provisions	100	165	715	700	2,115	935	2,461	1,121
Change (%)	(31)	65	333	(2)	202	(56)	163	(54)
PBT	7,440	8,624	10,108	10,727	13,190	13,119	14,888	15,416
Tax	2,000	2,634	3,015	3,284	2,230	3,486	3,071	4,008
Profit After Tax	5,440	5,990	7,093	7,443	10,959	9,632	11,817	11,408
Change (%)	12	10	18	5	47	(12)	23	(3)
Adjusted Profit After Tax	5,440	5,990	7,093	7,443	10,959	9,632	11,817	11,408
Change (%)	12	10	18	5	47	(12)	23	(3)

## Financial Details

### Key Ratios

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Balance Sheet Metrics</b>								
AUM	217800	253300	291531	338500	399511	461913	526581	602935
>> Off-Book AUM	16,487	21,069	27,678	31,401	42,130	61,186	75,909	86,916
AUM Growth (%)	16.5	16.3	15.1	16.1	18.0	15.6	14.0	14.5
Borrowing Growth (%)	16.1	13.2	14.2	17.8	14.3	13.9	16.1	14.3
Loan/Borrowing (%)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
CRAR (%)	18	16	17	15	19	19	20	19
>> Tier 1 (%)	15.4	12.5	13.2	11.8	17.3	17.6	18.3	17.4
>> Tier 2 (%)	2.5	3.6	3.4	2.7	1.9	1.6	1.3	1.1
Debt/Equity(x)	109.2	111.3	110.8	109.5	111.5	109.7	106.3	106.5

### Assets Quality Metrics

Gross NPA (Rs)	1,357	1,542	1,833	2,378	4,019	4,777	6,419	7,875
Gross NPA (%)	0.7	0.7	0.7	0.8	1.1	118.0	1.4	1.5
Net NPA (Rs)	811	1,061	1,267	1,640	2,861	3,374	4,494	5,513
Net NPA (%)	0.4	0.5	0.5	0.6	0.8	0.8	1.0	1.1
Specific Provision Coverage (%)	40	31	31	31	29	29	30	30
Provision/Average Advances (%)	0.0	0.1	0.3	0.2	0.6	0.2	0.5	0.2

### Margin Metrics

Yield On Advances (%)	11.5	11.3	10.6	10.1	9.2	9.2	9.2	9.2
Cost Of Funds (%)	9.3	9.1	8.7	8.1	7.8	8.1	8.1	7.7
Spread (%)	2.2	2.2	1.9	2.0	1.4	1.1	1.1	1.6
NIM on AUM (%)	3.5	3.4	3.2	3.2	2.6	2.7	2.6	3.0

### Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	69.6	69.2	69.0	67.7	70.9	70.8	71.0	67.6
Other Income/NII (%)	16.6	23.2	38.1	28.2	84.0	40.7	49.5	13.0
Operating Profit/Net Income (%)	92.3	89.2	90.2	89.5	86.4	87.2	89.2	87.8
Net Profit/Net Income (%)	66.6	60.8	59.1	58.3	61.9	59.8	60.8	60.6
Cost to Income (%)	7.7	10.8	9.8	10.5	13.6	12.8	10.8	12.2
Employee Exp/Net Income (%)	3.4	3.3	2.9	3.0	7.7	4.4	3.3	4.4
Cost on Average Assets (%)	0.3	0.5	0.4	0.4	0.7	0.5	0.4	0.4
Provision/PPP (%)	1.3	1.9	6.6	6.1	13.8	6.7	14.2	6.8
Tax Rate (%)	26.9	30.5	29.8	30.6	16.9	26.6	20.6	26.0

### Valuation Ratio Metrics

EPS (Rs)	34.9	38.0	44.9	46.8	65.4	56.0	68.6	66.3
Change (%)	11.2	9.1	18.0	4.3	39.6	(14)	22.7	(3.5)
ROAE (%)	20.6	20.3	21.8	20.2	20.9	13.5	14.6	13.0
ROAA (%)	2.6	2.5	2.6	2.4	3.0	2.2	2.4	2.0
Dividend Payout (%)	36.9	44.6	44.3	41.0	32.1	42.9	36.7	43.5
Dividend yield (%)	1.5	1.3	1.1	1.1	1.0	0.9	0.8	0.9
DPS	12.5	16.0	16.0	17.0	20.0	21.0	22.0	24.0
Book Value(Rs)	179.1	196.7	215.7	249.2	389.4	449.4	492.8	530.3
Change (%)	12	10	10	16	56	15	10	8
P/B (X)	4.9	6.7	5.1	6.0	4.7	4.4	4.4	4.1
P/E (X)	25.3	34.5	24.6	32.1	27.9	35.2	31.8	32.9

## Financial Details

## Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<i>Interest Income</i>	10.9	10.8	10.3	9.9	9.0	9.2	9.1	9.2
<i>Interest expended</i>	7.6	7.5	7.1	6.7	6.4	6.5	6.5	6.2
<i>Net Interest Income</i>	<b>3.3</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>	<b>3.0</b>
<i>Non-Fund Based Income</i>	0.6	0.8	1.2	0.9	2.2	1.1	1.3	0.4
<i>Total Income</i>	3.9	4.1	4.4	4.1	4.8	3.8	3.9	3.4
<i>Total Operating Expenses</i>	0.3	0.4	0.4	0.4	0.7	0.5	0.4	0.4
<i>&gt;&gt; Employee Expenses</i>	0.1	0.1	0.1	0.1	0.4	0.2	0.1	0.1
<i>&gt;&gt; Other Expenses</i>	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<i>Operating Profit</i>	3.6	3.7	4.0	3.7	4.2	3.3	3.5	2.9
<i>Provisions</i>	0.0	0.1	0.3	0.2	0.6	0.2	0.5	0.2
<i>Others</i>	-	-	-	-	-	-	-	-
<i>PBT</i>	3.5	3.6	3.7	3.4	3.6	3.1	3.0	2.7
<i>Tax</i>	0.9	1.1	1.1	1.0	0.6	0.8	0.6	0.7
<b>PAT/RoAA</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>	<b>3.0</b>	<b>2.2</b>	<b>2.4</b>	<b>2.0</b>
<i>Equity Multiplier (x)</i>	8.0	8.1	8.3	8.5	7.0	6.0	6.1	6.4
<b>ROAE</b>	<b>20.6</b>	<b>20.3</b>	<b>21.8</b>	<b>20.2</b>	<b>20.9</b>	<b>13.5</b>	<b>14.6</b>	<b>13.0</b>



Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

**Disclosures:** Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at [www.narnolia.com](http://www.narnolia.com)

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Analyst Certification** The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclosure of Interest Statement-**

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com).

Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

**Disclaimer:**

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.