

# Can Fin Homes Limited

Industry Financial  
Bloomberg IIB IN  
BSE CODE 511196

**Steady Performance amid concerns over the whole industry.**

<b>RATING</b>	<b>BUY</b>
<b>CMP</b>	<b>417</b>
<b>Price Target</b>	<b>495</b>
<b>Potential Upside</b>	<b>19%</b>

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

## Stock Info

52wk Range H/L	433/229
Mkt Capital (Rs Cr)	5,551
Free float (%)	70%
Avg. Vol 1M (,000)	327
No. of Shares (Cr)	13
Promoters Pledged %	0%

Fig. In Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	530	641	761
PPP	471	573	689
PAT	297	401	498
NIM %	3.1	3.2	3.2
EPS (Rs)	22	30	37
EPS growth	-2	35	24
ROE (%)	18	20	21
ROA (%)	1.7	2.0	2.1
BV	134	162	197
P/B (X)	3.1	2.6	2.1
P/E (x)	19	14	11

## Research Analyst

**DEEPAK KUMAR**

Deepak.kumar@narnolia.com

+91-22-62701205

## 2QFY20 Result Update

- ❑ NII increased by 19%/5% YoY/QoQ. PAT grew at 27%/20% YoY/QoQ. NIM increased by 3 bps from 3.18% to 3.21% QoQ.
- ❑ C/I ratio increased to 15.44% QoQ from 15% due to increase in OPEX. Management targets to open 20 branches by the year end.
- ❑ AUM grew by 15.7%/3.2% YoY/QoQ, while disbursement de-grew by 8% on YoY basis and sanctions also de-grew by 6% YoY.
- ❑ GNPA increased from 0.73% to 0.79% sequentially while Net NPA increased from 0.52% to 0.58%.

## Healthy NII growth along with NIM improvement

NII increased by 19%/5% YoY/QoQ mainly driven by growth in AUM. NIM reported improvement of 3 bps from 3.18% to 3.21% QoQ in 2QFY20. Yield increased by 24/1 bps YoY/QoQ to 10.23% in 2QFY20. Cost also increased by 12/2bps to 7.95% in 2QFY20. NIM and other income increase will be major area of focus along with liability position and ALM management. Margins and Spread are expected to be improving going ahead.

## Slow growth

AUM grew by 16% YoY. Individual loan portfolio grew by 16%. Loan book comprises of 90.2% housing and 10% Non- housing loans. Share of salaried customer to overall loan book remains at 73% while rest is towards self-employed segment. In Q2FY20 loan approval for salaried and professional stood at 71% while 29% for SEMP segment. Disbursement degrew by 7% YoY and sanctions also de grew at 6% YoY. Management expects loan book to cross Rs 23000 Cr by end of FY2020.

## Asset Quality Deteriorate

Asset quality deteriorated in 2QFY20 as GNPA increased from 0.73% to 0.79% sequentially while Net NPA increased from 0.52% to 0.58%. PCR declined from 30% to 27% QoQ. Net slippage during the quarter: Rs.25.80 Cr (Rs 39.80 during Q1 FY 18-19). Action has been initiated under SARFAESI in 746 accounts amounting to Rs.114.84 Cr. Possession of securities taken (Symbolic/Physical) in respect of 469 accounts amounting to Rs.75.35Crore. The NPA trend going ahead is expected to be declining.

## View and Valuation

Growth continued to remain moderated amid the concerns over HFCs. However CANFIN is well placed given the demand in lower ticket size segment. Improvement in demand and easiness in credit squeeze in HFCs will improve the AUM take off. Improvement in KARNATAKA region will further aid the growth. Decline in cost will support the margin to expand. Due to pressure in economy and slowdown in SME segment, assets quality continues to saw some blip in the self-employed segment. However we don't see any major impact on assets quality due to pressure in real estate segment as CANFIN's book is mainly towards retail segment. Promoter CANARA Bank is in talks to sale its stake which can have bearing on its share price. We maintain our estimates and earlier target price of Rs 495 at 2.5x BV FY21e and maintain BUY.

## Key Risks to our rating and target

- ❑ Change in Promoter will impact the credit rating depending on integrity
- ❑ Pressure on real estate and HFC will impact the growth and 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 In-line with expectation

Fig. In Rs Cr

Financials	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	414	438	451	477	494	19.3%	3.5%	1,491	1,700	14.0%
Interest Exp.	284	302	314	329	338	19.3%	2.8%	981	1,169	19.2%
NII	130	136	138	148	156	19.3%	5.2%	510	530	4.1%
Other Income	9	12	12	7	7	-25.0%	-3.6%	31	32	1.3%
Total Income	139	148	150	155	162	16.5%	4.8%	545	567	4.0%
Ope Exp.	18	22	33	23	25	41.9%	7.9%	88	92	4.4%
PPP	122	126	118	132	137	12.8%	4.2%	453	471	3.8%
Provisions	-	-	1	9	6		-27.5%	22	1	-95.1%
PBT	122	126	116	123	131	7.6%	6.5%	431	470	8.9%
Tax	45	46	49	42	33	-26%	-20.6%	145	173	19.2%
Net Profit	77	80	67	81	98	27.0%	20.5%	286	297	4%

### Concall Highlights

- NIM and other income increase will be major area of focus along with liability position and ALM management. Margins and Spread are expected to be improving going ahead.
- OPEX increased by 42%/8% YoY/QoQ due to increase in CSR spends as the company does CSR spends in H2 but this time they did in H1 itself and manpower spends, the reason being addition of manpower and increase in salaries.
- Lowest lending rate stood at 8.5-8.6% for the company.
- There are some challenges from supply side in developer segment in the industry in recent time but company does not see any major impact.
- Tier II, Tier III and Tier IV cities will continue to be focus area for the company due to less competition faced and pricing power.
- GNPA has been higher in 2QFY20 QoQ, the reason being Semp group. Has been initiated under SARFAESI in 800 cases, the company repossessed Rs 26 Cr of properties in 2QFY20 60-70% of which are likely to be materialised in 3QFY20. The NPA trend going ahead is expected to be declining.
- Capital adequacy Ratio declined from 19.59% to 18.52% QoQ in 2QFY20, the reason being the loans sanctioned but yet to be disbursed on which the company needs to give 50% risk coverage.
- Major area of focus for the company going ahead: The anticipated growth for the company stands at 11-12% whereas the company aspires to grow much more than industry growth.
- Asset quality will be another area of focus driven by Rs 17-18 Lakhs Ticket size, verified income segment and self occupied and partly let out properties as collateral.
- The company had not been focusing on deposits earlier but now it does.
- GNPL for Salaried group stood at 0.47% and for Semp: 1.57%. Stage II assets % stood at 2.67%. Size of assets here is Rs 17 Lakhs. PCR stands at 35% currently.
- The demand is expected to pick up in Karnataka with Hyderabad and AP market also growing. Will try to expand in Kerala as well over a period of time.
- Going ahead BT in will increase and BT out will go down.
- The company raised Rs 3260 Cr in 1HFY20 from bank and market. The company has Rs 2200 Cr of unutilised limits from Bank. Post September Company is holding sanctions of Rs 1400 Cr.
- Expects Raising of fresh equity up to Rs.1000 Cr through Rights Issue/QIP / Pref Share going ahead.

## Profitability Matrix

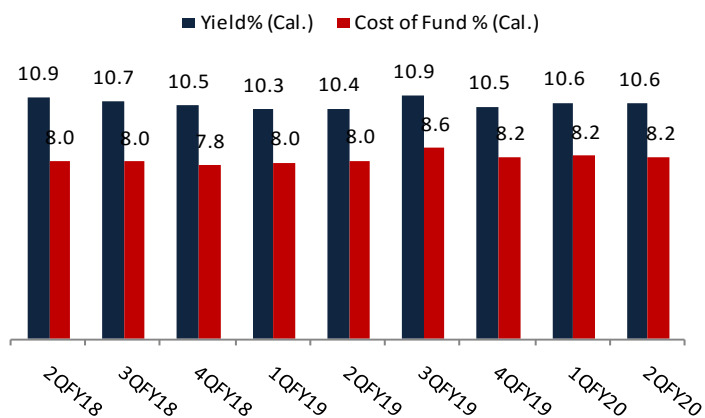
	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	17.2	14.9	12.7	14.6	21.7	15.0	15.4	2.77	0.44
Empl. Cost/ Tot. Exp. %	51.8	53.0	34.2	39.3	50.2	54.3	49.0	14.81	-5.34
Other Exp/Tot. Exp. %	44.7	34.4	47.0	44.9	35.7	24.2	31.7	-15.37	7.48
Provision/PPP %	0.6	-	-	-	0.9	6.6	4.6	4.58	-2.00
Tax Rate %	36.2	34.1	36.8	36.4	34.0	34.1	25.4	-11.39	-8.67
Int Exp./Int Inc. (%)	66.2	68.1	68.5	68.9	69.5	69.0	68.5	0.00	-0.49
Other Inc./NII %	10.2	6.2	6.8	8.6	9.0	4.7	4.3	-2.52	-0.39
PPP/ Net Income %	82.8	85.1	87.3	85.4	78.3	85.0	84.6	-2.77	-0.44
PAT/ Net Income %	52.5	56.1	55.2	54.3	44.7	52.3	60.2	4.99	7.84
NII Growth % (YoY)	9.7	1.2	2.0	6.9	4.9	17.0	19.3	17.29	2.29
PPP Growth YoY %	7.1	1.1	4.3	6.8	4.5	16.8	12.8	8.48	-4.03
PAT Growth %	6.5	8.1	7.6	21.4	(9.4)	10.6	27.0	34.56	16.40

## Margin Performance

Margin %	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
Overall Yield Cal.	10.5	10.3	10.4	10.9	10.5	10.6	10.6	0.24	-0.02
Cost Of Funds Cal.	7.8	8.0	8.0	8.6	8.2	8.2	8.2	0.13	-0.06
NIM Reported.	3.4	3.3	3.2	3.2	3.1	3.2	3.2	0.04	0.03

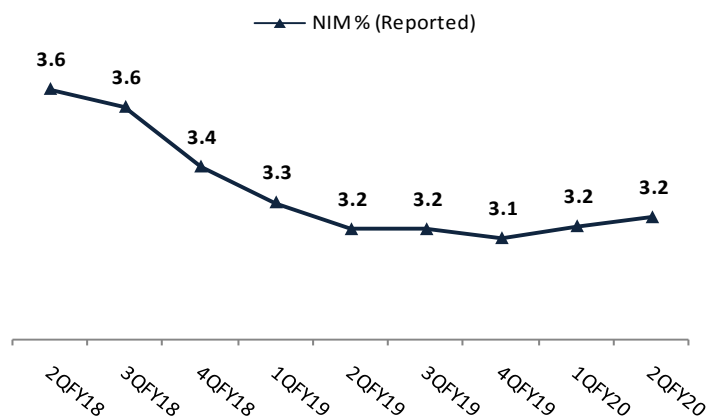
### Exhibit: Yield and Cost

Increase in yield



### Exhibit: Net Interest Margin

NIM increased Sequentially



## Asset Growth Trend

Fig. In Rs Cr

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Sanctions	1575	1547	1454	1209	1521	1483	1738	1289	1424
Growth YoY %	3.8	14.5	8.6	2.0	-3.4	-4.1	19.6	6.6	-6.4
Disbursements	1346	1322	1386	1164	1443	1318	1554	1276	1334
Growth YoY %	3.6	9.5	12.3	1.0	7.2	-0.3	12.2	9.6	-7.6
AUM	14456	17568	15743	16199	16935	17568	18381	19000	19600
Growth YoY %	20.7	38.5	18.3	17.3	17.1	16.7	16.8	17.3	15.7
Borrowings	12827	13303	13925	14272	15000	15000	16694	16823	17256
Growth YoY %	19.0	16.9	17.3	16.3	16.9	12.8	19.9	37.0	34.5

Exhibit: AUM Growth %

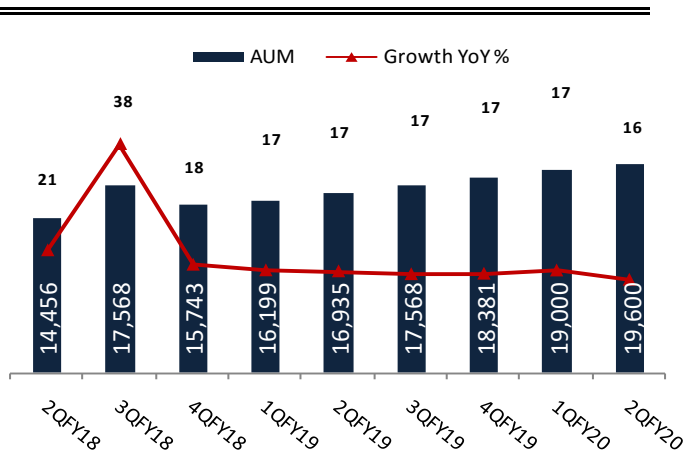
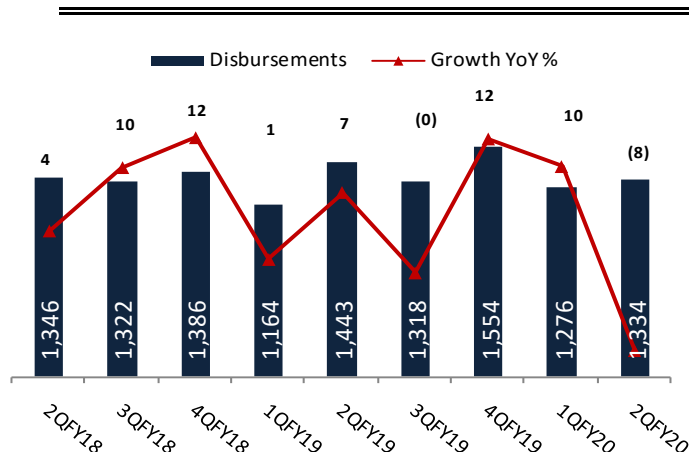


Exhibit: Disbursement Growth %



### Borrowing Mix

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Market Borrowings	59	58	50	52	46	38	34	34	33
Bank Loans	20	22	33	38	45	48	52	50	52
Refinance from NHB	19	18	15	8	7	13	12	14	13
Deposits from public	2	2	2	2	2	1	2	2	2

### Loan Portfolio Break up

	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Salaried & Professionals	73.9	73.5	73.2	72.7	72.0	71.5	71.1	71.1	70.9
Non Salaried Class- Self Employed &	25.9	26.3	26.7	27.1	27.8	28.3	28.8	28.7	29.0
Builder Loans	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Staff Loans	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Asset Quality

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	67	107	107	125	114	139	155	<b>47.48</b>	<b>15.45</b>
GNPA %	0.43	0.66	0.63	0.71	0.62	0.73	0.79	<b>0.16</b>	<b>0.06</b>
NNPA (Rs in Cr)	32	71	71	89	79	99	113	<b>41.76</b>	<b>14.62</b>
NNPA %	0.20	0.44	0.42	0.42	0.43	0.52	0.58	<b>0.16</b>	<b>0.06</b>
Specific PCR %	53	33	33	29	30	29	27	<b>-6.56</b>	<b>-2.38</b>

Exhibit: Asset Quality

GNPA and NNPA Increased

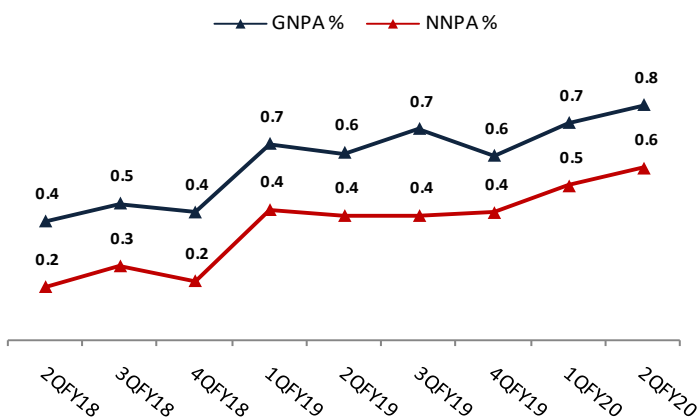
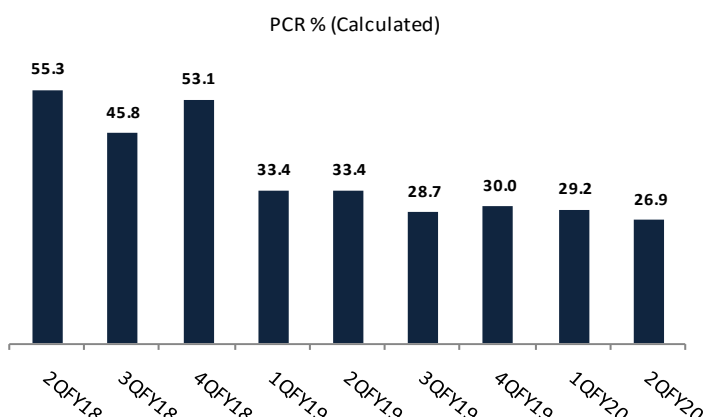


Exhibit: Provisions

PCR declined



## Financial Details

### Balance Sheet

Fig. In Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	<b>20</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>
>> Equity Capital	20	27	27	27	27	27	27	27
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	432	745	851	1177	1460	1756	2124	2591
<b>Networth</b>	<b>452</b>	<b>771</b>	<b>878</b>	<b>1204</b>	<b>1487</b>	<b>1782</b>	<b>2151</b>	<b>2617</b>
Change (%)	15	71	14	37	24	20	21	22
Total Borrowings	5269	7375	9478	11872	13925	16694	19540	23336
Change (%)	49	40	29	25	17	20	17	19
Provisions	92	124	189	27	34	27	29	32
Other Liabilities	99	64	249	185	284	277	318	350
<b>Total Liabilities</b>	<b>5912</b>	<b>8334</b>	<b>10795</b>	<b>13288</b>	<b>15730</b>	<b>18780</b>	<b>22039</b>	<b>26335</b>
Investments	15	15	15	16	16	16	16	16
Loans	5844	8232	10643	13224	15644	18285	21690	26136
Change (%)	46	41	29	24	18	17	19	21
Fixed Assets	8	9	9	10	10	10	10	10
Other Assets	36	70	110	18	41	49	55	60
Cash Balances	9	8	17	20	19	420	294	331
<b>Total Assets</b>	<b>5912</b>	<b>8334</b>	<b>10795</b>	<b>13288</b>	<b>15730</b>	<b>18780</b>	<b>22064</b>	<b>26553</b>

### Income Statement

Fig. In Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	557	788	1,044	1,306	1,491	1,700	2,029	2,413
Interest expended	423	610	743	884	981	1,169	1,388	1,653
<b>Net Interest Income</b>	<b>134</b>	<b>178</b>	<b>301</b>	<b>422</b>	<b>510</b>	<b>530</b>	<b>641</b>	<b>761</b>
Change (%)	40	32	69	40	21	4	21	19
Other Income	21	29	39	47	31	32	38	53
Change (%)	50	40	33	21	(33)	1	19	39
<b>Total Net Income</b>	<b>155</b>	<b>207</b>	<b>340</b>	<b>469</b>	<b>541</b>	<b>562</b>	<b>679</b>	<b>813</b>
Change (%)	42	33	64	38	15	4	21	20
Operating Expenses	44	55	67	80	88	92	106	124
Change (%)	22	26	21	19	10	4	15	17
>> Employee Expenses	18	25	33	39	45	41	48	51
Change (%)	14	38	33	18	15	(8)	16	6
>>Other Expenses	26	31	34	41	43	50	58	73
<b>Pre-provisioning Profit</b>	<b>111</b>	<b>152</b>	<b>273</b>	<b>389</b>	<b>453</b>	<b>471</b>	<b>573</b>	<b>689</b>
Change (%)	51	36	80	42	16	4	22	20
Provisions	4	14	19	20	22	1	22	24
Change (%)	(420)	221	36	1	12	(95)	1,929	8
PBT	107	137	254	370	431	470	551	666
Tax	31	51	97	134	145	173	150	168
<b>Profit After Tax</b>	<b>76</b>	<b>86</b>	<b>157</b>	<b>235</b>	<b>286</b>	<b>297</b>	<b>401</b>	<b>498</b>
Change (%)	40	14	83	50	22	4	35	24
<b>Adjusted Profit After Tax</b>	<b>76</b>	<b>86</b>	<b>157</b>	<b>235</b>	<b>286</b>	<b>297</b>	<b>401</b>	<b>498</b>
Change (%)	40	14	83	50	22	4	35	24

## Financial Details

### Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Balance Sheet Metrics</b>								
AUM	5844	8232	10643	13313	15743	18381	21690	26136
>> Off-Book AUM	0	0	0	89			0	0
AUM Growth (%)	45.5	40.9	29.3	25.1	18.3	16.8	18.0	20.5
Borrowing Growth (%)	48.9	40.0	28.5	25.3	17.3	19.9	17.0	19.4
Loan/Borrowing Ratio	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Disbursement (Rs Cr)	2548	3346	3923	4792	5207	5479	6004	7810
Disbursement Growth (%)	20	20	20	22	9	5	10	30
CRAR (%)	14	18	21	19	19	20	20	20
>> Tier 1 (%)	13.1	15.6	17.6	16.0	17.0	17.8	18.0	18.2
>> Tier 2 (%)	0.8	2.8	3.1	2.5	2.1	1.8	2.1	1.7
Debt/Equity (x)	11.6	9.6	10.8	9.9	9.4	9.4	9.1	8.9

### Assets Quality Metrics

Gross NPA (Rs)	12	14	20	28	67	114	130	157
Gross NPA (%)	0.2	0.2	0.2	0.2	0.4	0.6	0.6	0.6
Net NPA (Rs)	-	-	-	-	32	79	85	102
Net NPA (%)	-	-	-	-	0.2	0.4	0.4	0.4
Provision Coverage (%)	100	100	100	100	53	30	35	35
Provision/Average Advances (%)	0.1	0.2	0.2	0.2	0.2	0.0	0.1	0.1

### Margin Metrics

Yield On Advances (%)	11.3	11.2	11.1	10.9	10.3	10.0	10.1	10.1
Cost Of Funds (%)	9.6	9.7	8.8	8.3	7.6	7.6	7.7	7.7
Spread (%)	1.7	1.5	2.2	2.6	2.7	2.3	2.5	2.4
NIM on AUM (%)	2.7	2.5	3.2	3.5	3.5	3.1	3.2	3.2

### Profitability & Efficiency Metrics

Int. Expended/Int.Earned (%)	75.9	77.5	71.2	67.7	65.8	68.8	68.4	68.5
Other Income/NII (%)	15.6	16.5	13.0	11.2	6.2	6.0	5.9	6.9
Operating Profit/ Net Income (%)	71.7	73.3	80.4	83.0	83.8	83.7	84.4	84.8
Net Profit/Net Income (%)	48.8	41.6	46.2	50.2	52.9	52.8	59.1	61.3
Cost to Income (%)	28.3	26.7	19.6	17.0	16.2	16.3	15.6	15.2
Employee Exp/ Net Income (%)	11.5	12.0	9.7	8.3	8.3	7.4	7.1	6.3
Cost on Average Assets (%)	0.9	0.8	0.7	0.7	0.6	0.5	0.5	0.5
Provisions/PPP (%)	4.0	9.4	7.1	5.0	4.9	0.2	3.9	3.5
Tax Rate (%)	28.9	37.3	38.1	36.3	33.6	36.8	27.2	25.2

### Valuation Ratio Metrics

EPS (Rs)	7	6	12	18	23	22	30	37
Change (%)	39.9	(12.5)	82.5	49.8	28.2	(1.6)	35.1	24.2
ROAE (%)	17.9	14.1	19.0	22.6	24.9	18.2	20.4	20.9
ROAA (%)	1.5	1.2	1.6	2.0	2.1	1.7	2.0	2.1
Dividend Payout (%)	20.6	25.4	20.4	13.6	53.0	10.8	8.0	8.0
Dividend yield (%)	0.9	0.3	0.2	0.1	0.6	0.5	0.5	0.6
Dividend Per Share	1.3	1.4	2.0	2.0	2.0	2.0	2.0	2.5
Book Value (Rs)	44	58	66	90	101	134	162	197
Change (%)	15.3	31.3	13.8	37.1	11.8	32.4	20.7	21.7
P/B (X)	0.9	2.1	3.5	4.7	4.8	3.1	2.6	2.1
P/E (X)	5.1	18.7	19.6	23.9	21.4	18.6	13.7	11.1

## Financial Details

## Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<i>Interest Income</i>	11.2	11.1	10.9	10.8	10.3	9.8	9.9	9.9
<i>Interest expended</i>	8.5	8.6	7.8	7.3	6.8	6.8	6.8	6.8
<b><i>Net Interest Income</i></b>	<b>2.7</b>	<b>2.5</b>	<b>3.1</b>	<b>3.5</b>	<b>3.5</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>
<i>Non-Fund Based Income</i>	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.2
<i>Total Income</i>	3.1	2.9	3.6	3.9	3.7	3.3	3.3	3.3
<b><i>Total Operating Expenses</i></b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
>> <i>Employee Expenses</i>	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2
>> <i>Other Expenses</i>	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3
<i>Operating Profit</i>	2.2	2.1	2.9	3.2	3.1	2.7	2.8	2.8
<i>Provisions</i>	0.1	0.2	0.2	0.2	0.2	0.0	0.1	0.1
<i>Others</i>	0.0	-	-	-	-	-	-	-
<i>PBT</i>	2.1	1.9	2.7	3.1	3.0	2.7	2.7	2.7
<i>Tax</i>	0.6	0.7	1.0	1.1	1.0	1.0	0.7	0.7
<b><i>PAT/RoAA</i></b>	<b>1.5</b>	<b>1.2</b>	<b>1.6</b>	<b>2.0</b>	<b>2.0</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>
<i>Equity Multiplier (x)</i>	11.8	11.6	11.6	11.6	10.8	10.6	10.4	10.2
<b><i>ROAE</i></b>	<b>18.0</b>	<b>14.1</b>	<b>19.0</b>	<b>22.6</b>	<b>21.3</b>	<b>18.2</b>	<b>20.4</b>	<b>20.9</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.