

City Union Bank Limited

Industry Financial
Bloomberg CUBK IN
BSE CODE 532210

Moderation in advance growth along with NIM Compression and elevated Slippages remain a key Concern

RATING	NEUTRAL
CMP	212
Price Target	219
Potential Upside	3%

Rating Change	
Estimate Change	
Target Change	

Stock Info

52wk Range H/L	227/163
Mkt Capital (Rs Cr)	15,573
Free float (%)	100%
Avg. Vol 1M (,000)	900
No. of Shares (Cr)	73
Promoters Pledged %	

Fig in Rs cr

FINANCIAL	FY19	FY20E	FY21E
NII	1611	1691	1932
PPP	1240	1376	1500
PAT	683	721	814
NIM %	4.0	3.7	3.6
EPS (Rs)	9	10	11
EPS growth	15	6	13
ROE (%)	15	14	14
ROA (%)	1.6	1.5	1.4
BV	66	75	86
P/B (X)	3.1	2.8	2.5
P/E (x)	22	21	19

Research Analyst

DEEPAK KUMAR

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

2QFY20 Result Update

- ❑ NII for the quarter grew by 3% YoY to Rs 4172 Cr while the NIM stood at 3.91% v/s 4.32% in 2QFY19. The other income during the quarter grew by 65% YoY with high treasury gain. The PAT grew by 15% YoY driven by higher other income. C/I ratio jumped to 43% against 39% QoQ.
- ❑ Advance grew by 11%/2% on YoY/QoQ. Deposits grew by 17%/4% on YoY/QoQ basis. CASA grew by 22%/9% on YoY/QoQ basis.
- ❑ GNPA Stood at 3.41% v/s 3.34% in 1Q FY20 while the NNPA stood at 1.90% v/s 1.89% in 1Q FY20. The slippages remain elevated during the quarter to Rs 200 Cr flat sequentially while the reductions were Rs 141 Cr. Provisions increased by 59% YoY to Rs 108 Cr.

NIM Continues to be under pressure

NII for the quarter grew by 3% YoY to Rs 412 Cr however it was below our estimates as the NIM stood at 3.91% v/s 4.32% in 2Q FY19. The cost of deposits stood at 6.25% v/s the 6.07% in Q2FY19 while the cost of fund increased to 5.23% v/s 5.10% in 2Q FY19. The yield on advance stood at 10.76% v/s the 10.86% in 2Q FY19 and 10.97% in 1Q FY19. The majority of NIM reduction was on account of fall in CD ratio to 85% v/s 81% YoY. The cost to income ratio during the quarter was 42.9% v/s 42.7% in 2Q FY19. The employee expense grew by 22% YoY and other expenses grew by 15% YoY.

Asset quality deteriorates

GNPA Stood at 3.41% v/s 3.34% in 1Q FY20 while the NNPA stood at 1.90% v/s 1.89% in 1Q FY20. The slippages remain elevated during the quarter to Rs 200 Cr while the reductions were Rs 141 Cr. Management expects slippages to be around the same range for upcoming 1 or two quarter after that it would depend on the economy. The paper mill account which was expected to slip during the quarter survived but is expected to slip during next quarter. The recovery during the quarter was Rs 66 Cr upgradations were Rs 13 Cr while the write off were Rs 62 Cr. The Outstanding security receipts were Rs 303 Cr. The PCR ratios stood at 66% at the end of the quarter.

Advance Growth Moderated

Advance growth moderated to 11%/2% on YoY/QoQ. The secured advance stood at Rs 33202 Cr while the unsecured advance was Rs 258 Cr. Growth in agriculture portfolio slowed to 6% YoY housing loan grew by 12% YoY and retail traders loan de-grew by 5% YoY and other personal loans de-grew by 17% YoY. While there was slower growth in majority of the segment, loan to NBFC segment declined by 12% YoY. There was strong growth of 60% in commercial real estate segment and infrastructure segment grew by 85% YoY. Asset quality deteriorates.

View and Valuation

CUB saw moderation of credit growth as well as slippages continued to remain elevated. Given the concerns over the SME sector, assets quality pressure is likely to continue in near term. Management guided for slippages to remain in the current range of around Rs 200 Cr for 1 or 2 upcoming quarter. Loan growth is also expected to be slower with management guiding it priority to be asset quality rather than going aggressively for the growth. The NIM also continued to witness downward trend with cautious growth and increase in competition. Given the concern over the SME sector which will impact the growth and performance of the bank, we maintain Neutral view with the target price of Rs 219 (2.5x BV FY21e).

Key Risks to our rating and target

- ❑ Further slow down in advance growth
- ❑ NIM trend

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

NII Below expectation

	Fig in Rs cr									
Financials	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	926	967	985	1,029	1,037	11.9%	0.7%	3,402	3,767	10.7%
Interest Exp.	528	549	564	612	625	18.3%	2.1%	1,972	2,156	9.3%
NII	398	418	421	417	412	3.4%	-1.3%	1,430	1,611	12.7%
Other Income	119	120	147	163	195	64.5%	19.4%	532	514	-3.3%
Total Income	517	538	567	580	607	17.4%	4.5%	1,962	2,126	8.3%
Opex Exp.	221	231	230	229	260	17.9%	13.7%	755	886	17.4%
PPP	296	307	338	351	346	17.1%	-1.4%	1,208	1,240	2.7%
Provisions	68	79	91	116	108	58.8%	-6.7%	418	315	-24.6%
PBT	228	228	247	236	239	4.6%	1.2%	790	925	17.1%
Tax	60	50	72	50	45	-25%	-10.0%	198	242	22%
Net Profit	168	178	175	186	194	15.2%	4.3%	592	683	15%

Concall Highlights

- Advances growth rate has been moderate and management said it will push hard for growth considering the given micro economic environment and will look on have healthy asset quality.
- On asset quality on SME management said condition in tamilnadu specifically not that bad.
- Management said there is no undue spike in the SMA book but it is being closely watched.
- Paper mill account did not slip during the quarter but might slip during the next quarter
- On NIM Reduction front management said it was because of reduction in CD ratio and decrease in yield on advance. Management is trying its best to increase CD ratio and have reduced term deposit rate but term deposit accretion is not slowing down.
- On recovery of NPA management said it is showing recovery but not upto management expectations . The recovery from live account remained flat at Rs 128 Cr.
- During the quarter 23 accounts worth Rs 49 Cr were restructured.
- Management hopes to maintain ROA and ROE at the current levels.
- Yield on advances declined due to amount of competition in the market
- Slippages are expected to the current level for 1 or 2 quarter and going quarter it will depend on how the economy goes.
- Increase in the employee cost to certain extent was because of provision for leave encashment and other actuarial calculation due to reduction in interest rate otherwise it was normal due to increase in head count .
- On growth in NBFC CRE and Infra side management said it is due to regulatory change which has led to reclassification of cash credit accounts. These are business loans given against the collateral.
- Total Written Off Pool O/S around Rs 600 Cr

Profitability Matrix

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	39.7	40.6	42.7	43.0	40.5	39.4	42.9	0.16	3.44
Empl. Cost/ Tot. Exp. %	39.7	42.7	42.2	40.1	39.8	43.9	43.5	1.34	-0.38
Other Exp/Tot. Exp.%	60.3	57.3	57.8	59.9	60.2	56.1	56.5	-1.34	0.38
Provision/PPP %	29.3	26.0	23.0	25.7	26.8	32.9	31.2	8.19	-1.79
Tax Rate %	26.9	27.1	26.3	21.9	29.1	21.2	18.9	-7.45	-2.35
Int Exp./Int Inc. (%)	57.7	57.9	57.0	56.7	57.3	59.5	60.3	3.27	0.81
Other Inc./Net Inc. %	24.6	25.6	22.9	22.3	25.9	28.1	32.1	9.20	4.00
PAT/ Net Income %	31.2	32.1	32.5	33.1	30.9	32.0	31.9	-0.61	-0.09
PAT Growth %	18.0	15.2	16.0	15.1	15.1	14.8	15.2	-0.84	0.37
NII Growth %	18.5	9.5	12.2	14.5	14.3	11.2	3.4	-8.76	-7.83
Op. Profit	18.8	0.8	(7.5)	3.5	14.8	17.4	17.1	24.61	-0.29
RoE %	15.2	15.3	15.2	15.6	15.1	15.2	15.2	-0.01	-0.04
RoA %	1.6	1.6	1.6	1.7	1.6	1.6	1.6	0.00	-0.01

Margin Performance

Margin %	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
Yield on	11.2	10.9	10.9	11.0	11.1	11.0	10.8	-0.10	-0.21
Global Yield on	6.9	6.9	7.0	7.0	7.0	6.9	6.7	-0.24	-0.22
Yield on Total	9.1	9.0	8.9	9.1	9.2	9.0	8.7	-0.26	-0.34
Cost of Deposits	6.2	6.2	6.1	6.2	6.3	6.3	6.3	0.18	-0.02
Cost Of Funds	5.2	5.2	5.1	5.2	5.2	5.4	5.2	0.13	-0.14
NIM	4.4	4.2	4.3	4.4	4.4	4.1	3.9	-0.41	-0.20

Exhibit: Yield and Cost

cost of deposit increased.

■ Yield on Total Assets % ■ Cost of Deposits %

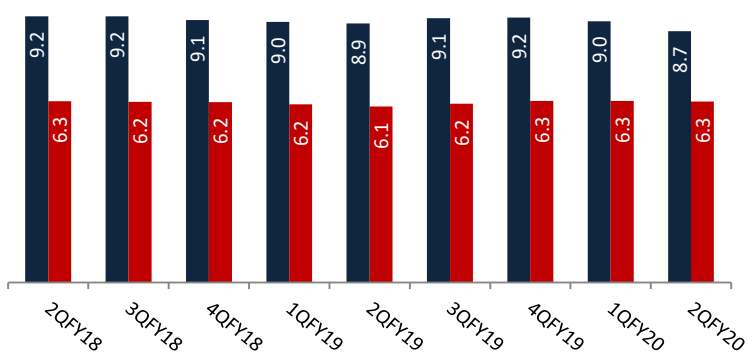
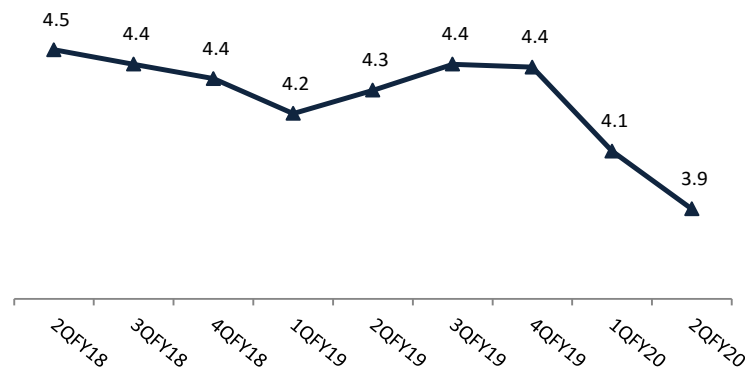


Exhibit: Net Interest Margin

NIM Falls

▲ NIM



Other Income Break Up-

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Commission, Exchange, Brokerage	61	68	76	69	71	78	80	76
Total Fee-Based Income	61	68	76	69	71	78	80	76
Growth YoY %	17%	17%	9%	20%	16%	14%	5%	10%
Treasury Income	34	30	19	21	21	26	45	79
Other Inc incl recoveries in written off	26	22	34	28	28	44	39	40
Other Income	122	120	129	119	120	147	163	195
Growth YoY %	-15%	-5%	-5%	-24%	-2%	23%	26%	65%

Exhibit: Fee Income/Advances %

Fee income as a % of total advances remained stable.

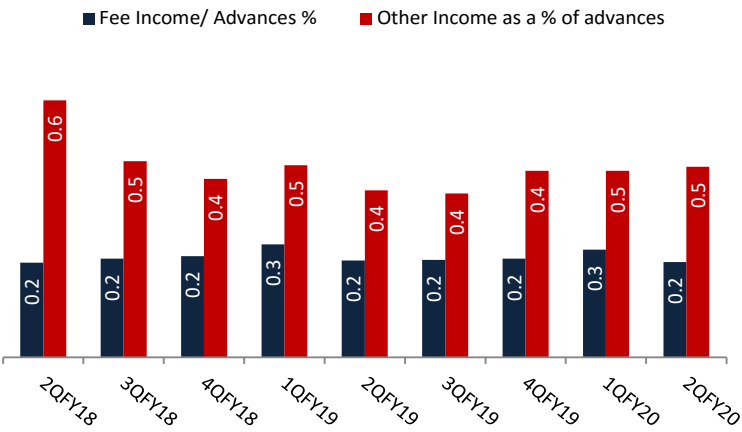
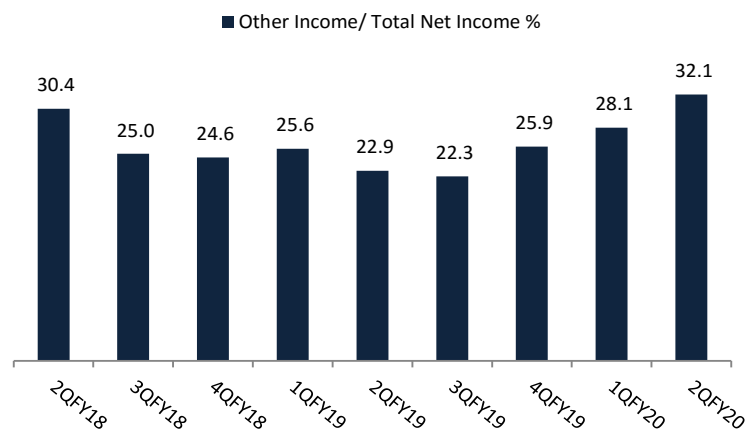


Exhibit: Other Income/ Total Income %

Other income as % of total income increased



Asset Quality

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	857	851	848	892	977	1,076	1,135	34%	5%
GNPA %	3.0	3.0	2.9	2.9	3.0	3.3	3.4	0.56	0.07
NNPA (Rs in Cr)	475	474	498	528	591	600	647	30%	8%
NNPA %	1.7	1.7	1.7	1.7	1.8	1.9	1.9	0.21	0.01
Slippages (Rs in Cr)	148	126	136	166	204	200	200	47%	0%
PCR %	64.0	65.0	61.8	65.0	63.0	65.0	66.0	4.20	1.00

Exhibit: Asset Quality

Assets Quality was impacted.

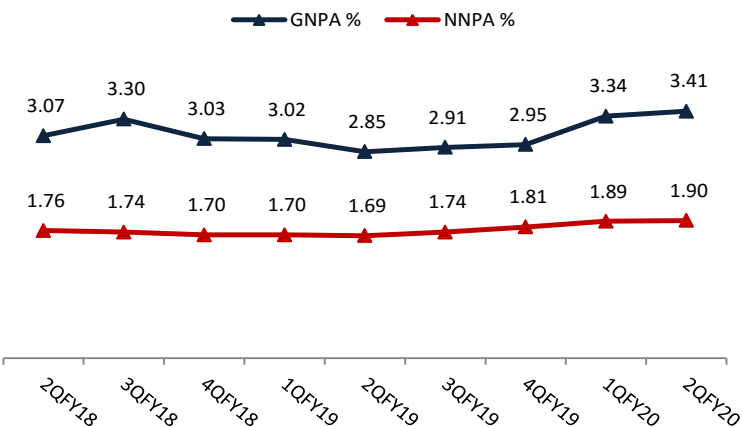


Exhibit: Provisions

PCR improved

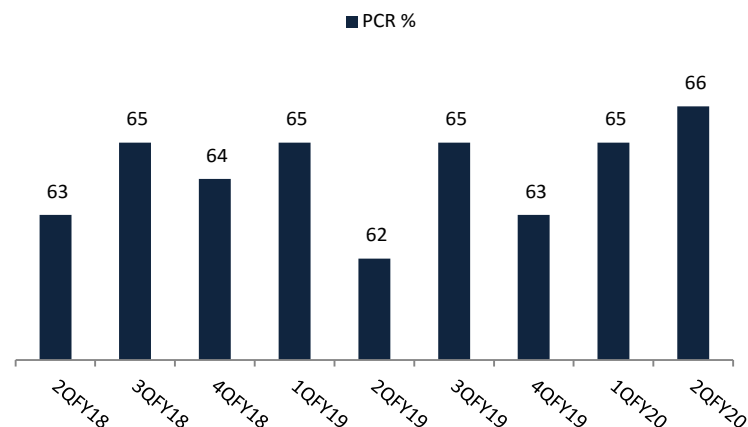


Exhibit: Advances Performance

Advances growth decreased

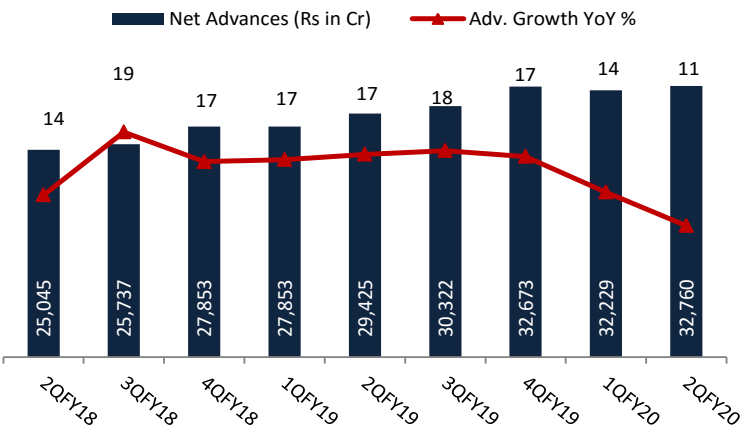


Exhibit: Advances Breakup%

Portfolio has slightly tilted towards retail profile.

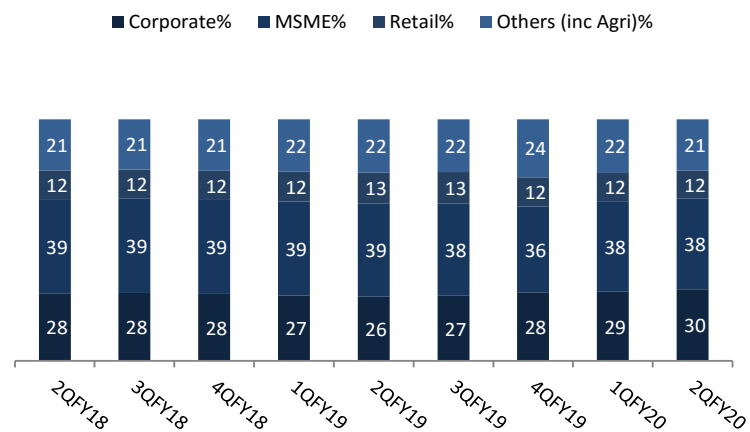


Exhibit: Deposits Performance

Healthy deposit growth

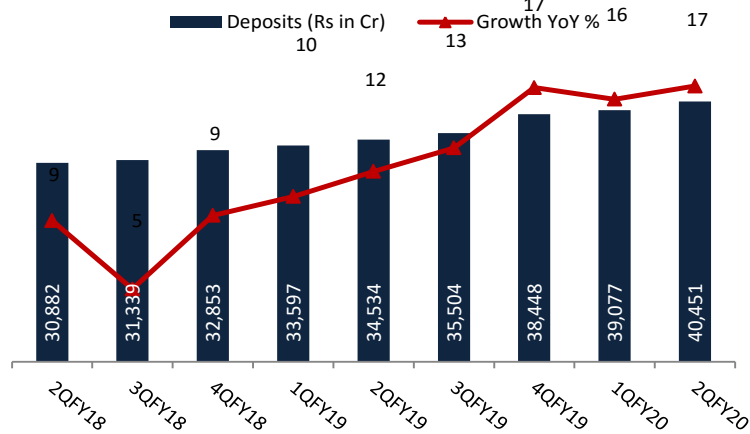


Exhibit: CASA Performance

Casa growth improved

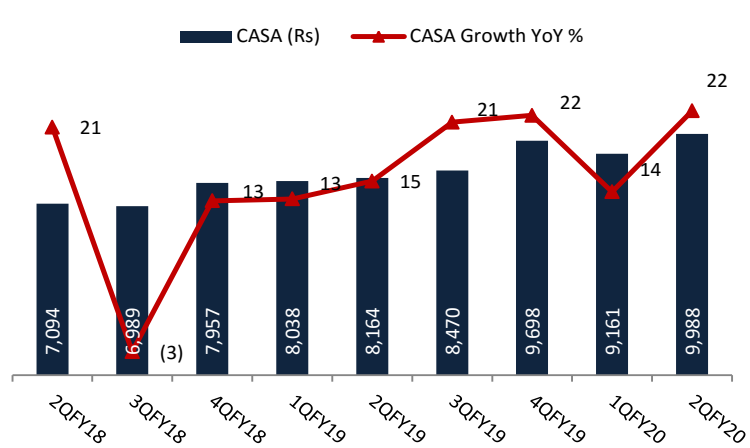


Exhibit: Credit Deposit Ratio

CD ratio falls

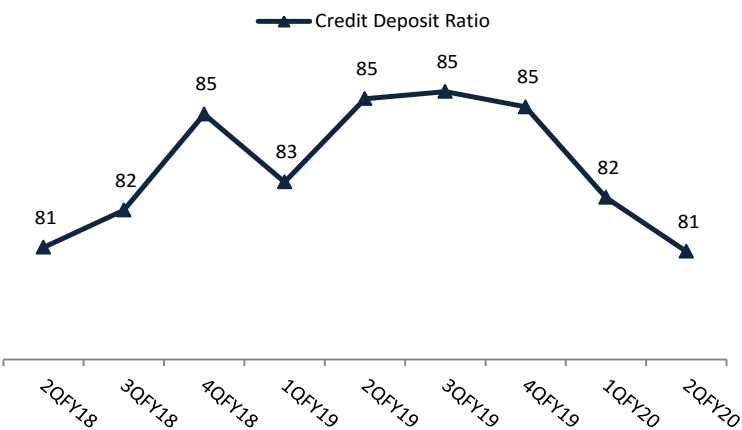
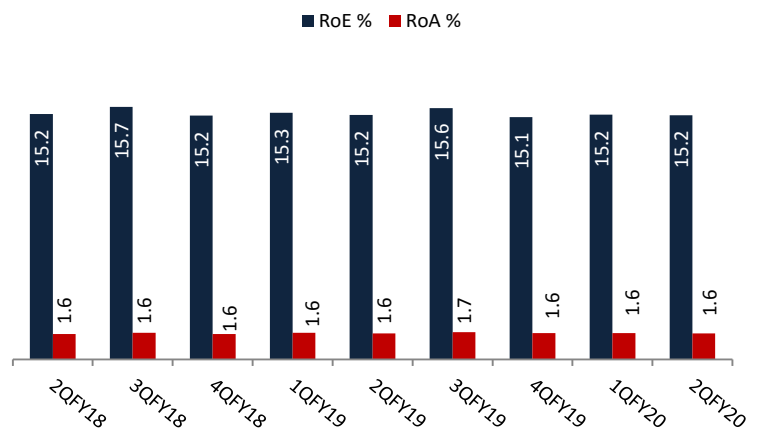


Exhibit: Return Ratios.

Return ratios maintained



Financial Details

Balance Sheet

Fig in Rs cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Share Capital	54	60	60	60	66	73	73	73
>> Equity Capital	54	60	60	60	66	73	73	73
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	1971	2636	2992	3510	4097	4767	5435	6197
Networth	2025	2696	3052	3570	4163	4841	5508	6270
Deposits	22017	24075	27158	30116	32853	38448	44483	51600
Change (%)	8.4	9.3	12.8	10.9	9.1	17.0	15.7	16.0
>> CASA Deposits	3917	4631	5533	7039	7957	9698	11121	12900
Change (%)	15.1	18.2	19.5	27.2	13.0	21.9	14.7	16.0
Borrowings	305	169	664	531	1736	481	747	985
Other Liabilities & Prov.	647	932	929	1054	1186	1489	1680	1907
Total Liabilities	24994	27871	31804	35271	39937	45259	52419	60762
Cash & Bank	2180	2537	2650	2879	2636	2963	3774	4080
Investments	5954	6365	6826	7031	7879	7712	9620	11667
Change (%)	13.0	6.9	7.2	3.0	12.1	-2.1	24.7	21.3
Advances	16097	17966	21057	23833	27853	32673	36921	42828
Change (%)	5.6	11.6	17.2	13.2	16.9	17.3	13.0	16.0
Fixed Assets	183	210	218	215	223	250	258	265
Other Assets	581	793	1053	1313	1346	1660	1846	1922
Total Assets	24994	27871	31804	35271	39937	45259	52419	60762

Income Statement

Fig in Rs cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	2546	2699	2944	3174	3402	3767	4237	4850
Interest expended	1787	1891	1963	1975	1972	2156	2546	2918
Net Interest Income	759	807	981	1199	1430	1611	1691	1932
Change (%)	21.7	6.3	21.5	22.2	19.3	12.7	4.9	14.3
Other Income	301	404	410	484	532	514	675	676
Change (%)	10.1	34.2	1.5	18.0	10.0	-3.3	31.3	0.2
>> Core Fee Income	174	197	211	218	256	294	319	379
>> Treasury Income	56	129	126	206	168	87	217	167
>> Others	71	78	73	61	108	134	139	130
Total Net Income	1061	1211	1391	1683	1962	2126	2366	2609
Operating Expenses	480	519	558	689	755	886	990	1109
Change (%)	28.2	8.2	7.5	23.5	9.5	17.4	11.8	12.0
>> Employee Expenses	186	210	213	298	316	364	438	496
Pre-provisioning Profit	581	693	833	994	1208	1240	1376	1500
Change (%)	11.0	19.2	20.3	19.3	21.5	2.7	11.0	9.0
Provisions	167	183	231	301	418	315	444	407
Change (%)	39.0	9.0	26.3	30.5	38.8	-24.6	40.8	-8.3
PBT	414	521	603	693	790	925	932	1093
Tax	67	126	158	190	198	242	212	279
Profit After Tax	347	395	445	503	592	683	721	814
Change (%)	7.8	13.8	12.6	13.1	17.7	15.3	5.5	13.0

Financial Details

Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Balance Sheet Metrics								
Loan Growth (%)	6	12	17	13	17	17	13	16
Deposit Growth (%)	8	9	13	11	9	17	16	16
C/D Ratio (%)	73.1	74.6	77.5	79.1	84.8	85.0	83.0	83.0
CASA (%)	17.8	19.2	20.4	23.4	24.2	25.2	25.0	25.0
Investment/Deposit (%)	27.0	26.4	25.1	23.3	24.0	20.1	21.6	22.6
CRAR (%)	15.0	16.5	15.6	15.8	16.2	15.6	15.3	15.0
>> Tier 1 (%)	14.4	16.0	15.1	15.4	15.8	15.0	14.9	14.6
>> Tier 2 (%)	0.6	0.5	0.5	0.5	0.4	0.5	0.4	0.3

Assets Quality Metrics

Gross NPA (Rs)	293	336	512	682	857	977	1,338	1,620
Gross NPA (%)	1.8	1.9	2.4	2.8	3.0	3.0	3.6	3.7
Net NPA(Rs)	197	233	323	408	475	591	736	891
Net NPA (%)	1.2	1.3	1.5	1.7	1.7	1.8	2.0	2.1
Slippages (%)	3	4	2	2	2	2	3	
Provision Coverage (%)	62	58	60	61	64	63	69	69
Provision/Average Advances (%)	1.1	1.1	1.2	1.3	1.6	1.0	1.3	1.0

Margin Metrics

Yield On Advances (%)	13.3	12.7	12.1	11.5	11.0	10.5	10.2	10.2
Yield On Investment (%)	7.8	8.4	8.2	7.8	7.0	7.1	7.3	6.8
Yield on Earning Assets (%)	11.3	10.8	10.5	10.0	9.6	9.4	9.2	9.0
Cost Of Deposits (%)	8.2	8.0	7.5	6.8	6.1	5.9	6.0	6.0
Cost Of Funds (%)	8.2	8.0	7.5	6.7	6.0	5.8	6.0	5.9
Spread (%)	3.1	2.8	3.0	3.3	3.6	3.6	3.2	3.2
NIM (%)	3.4	3.2	3.5	3.8	4.0	4.0	3.7	3.6

Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	70.2	70.1	66.7	62.2	58.0	57.2	60.1	60.2
Fee Income/NII (%)	-	-	-	18.2	17.9	18.2	18.9	19.6
Cost to Income (%)	45.2	42.8	40.1	40.9	38.5	41.7	41.8	42.5
Cost on Average Assets (%)	2.0	2.0	1.9	2.1	2.0	2.1	2.0	2.0
Tax Rate (%)	16.1	24.2	26.2	27.4	25.1	26.2	22.7	25.5

Valuation Ratio Metrics

EPS (Rs)	5.3	5.5	6.2	7.0	8.2	9.3	9.9	11.1
Change (%)	7.0	3.5	12.6	13.1	17.0	15	6	13.0
ROAE (%)	18.9	16.3	15.5	15.2	15.3	15.2	13.9	13.8
ROAA (%)	1.4	1.5	1.5	1.5	1.6	1.6	1.5	1.4
Dividend Payout (%)	15.6	16.6	16.1	3.9	3.7	5.4	6.1	5.4
Dividend yield (%)	2.2	1.4	1.5	0.2	0.2	0.2	0.3	0.3
Book Value (Rs)	30.8	37.3	42.3	49.5	57.3	66.1	75.3	85.7
Change (%)	23	21	13	17	16	15	14	14
P/B (X)	1.4	2.1	1.9	2.5	2.7	3.1	2.8	2.5
P/E (X)	8.4	14.6	12.7	17.9	19.2	21.8	21.5	19.0

Financial Details

Exhibit: DuPont Analysis

	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<i>Interest Income</i>	10.2	9.9	9.5	9.0	8.8	8.7	8.6
<i>Interest expended</i>	7.2	6.6	5.9	5.2	5.1	5.2	5.2
<i>Net Interest Income</i>	3.1	3.3	3.6	3.8	3.8	3.5	3.4
<i>Non-Fund Based Income</i>	1.5	1.4	1.4	1.4	1.2	1.4	1.2
>> <i>Core Fee Income</i>	0.7	0.7	0.6	0.7	0.7	0.7	0.7
>> <i>Trading and Other Income</i>	0.8	0.7	0.8	0.7	0.5	0.7	0.5
<i>Core Operating Income</i>	3.8	4.0	4.2	4.5	4.5	4.1	4.1
<i>Total Income</i>	4.6	4.7	5.0	5.2	5.0	4.8	4.6
<i>Total Operating Expenses</i>	2.0	1.9	2.1	2.0	2.1	2.0	2.0
>> <i>Employee Expenses</i>	0.8	0.7	0.9	0.8	0.9	0.9	0.9
>> <i>Other Expenses</i>	1.2	1.2	1.2	1.2	1.2	1.1	1.1
<i>Operating Profit</i>	2.6	2.8	3.0	3.2	2.9	2.8	2.7
<i>Provisions</i>	0.7	0.8	0.9	1.1	0.7	0.9	0.7
<i>Others</i>	0.0	-	-	-	-	-	-
<i>PBT</i>	1.9	2.0	2.1	2.1	2.2	1.9	1.9
<i>Tax</i>	0.5	0.5	0.6	0.5	0.6	0.4	0.5
<i>PAT/RoAA</i>	1.5	1.5	1.5	1.6	1.6	1.5	1.4
<i>Equity Multiplier (x)</i>	11.2	10.4	10.1	9.7	9.5	9.4	9.6
<i>ROAE</i>	16.3	15.5	15.2	15.3	15.2	13.9	13.8

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, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

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

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

Disclaimer:

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

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