

Industry  
Bloomberg  
BSE CODE

Financial  
SATIN IN  
539404

RATING	NEUTRAL
CMP	213
Price Target	219
Potential Upside	3%

Rating Change	↔
Estimate Change	↓
Target Change	↓

STOCK INFO	
52wk Range H/L	398/183
Mkt Capital (Rs Cr)	1107
Free float (%)	57%
Avg. Vol 1M (,000)	5
No. of Shares (Crs)	5
Promoters Pledged %	6%

Fig in Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	544	383	378
PPP	368	374	378
PAT	201	176	206
NIM %	8.5	7.9	7.0
EPS (Rs)	41	36	42
EPS growth (%)	163	-12	17
ROE (%)	19.8	14.3	14.4
ROA (%)	3.1	2.6	2.7
BV	235	271	313
P/B (X)	0.9	0.8	0.7
P/E (x)	5.2	5.9	5.1

## RESEARCH ANALYST

### DEEPAK KUMAR

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

### SWETA PADHI

Shweta.padhi@narnolia.com

## Sluggish Growth Along with Asset Quality Woes

### 3QFY20 Result Update

- NII growth has decreased by 9% YoY on the back of sequential steady AUM growth. The other income has remained steady YoY. PAT growth has declined by 33% on the back of higher provisioning of Rs 61 Cr.
- NIM has sequentially declined to 12.86% v/s 12.32% QoQ. The Yield has improved from 21.44% to 21.70% while the cost of the fund has declined from 9.12% to 8.85%. Management has guided to pass on the rise in the cost of funds to the customer thus improving margin.
- AUM growth has remained healthy at 17% YoY mainly driven by micro finance portfolios. The share of MFI has declined to 80% from 84% YoY, the share of Others (Housing finance + Satin Finserv Ltd) segment has increased from 0.5 to 3% of the portfolio, the share of MSME & Product financing stood steady at 7% YoY while the share of TSL portfolio stood at 9%.
- Disbursement growth stood at 23% YoY majorly driven by the MFI portfolio followed by the TSL portfolio. Management has guided to decline MFI portfolio to 1/3rd in a few ears' time frames.
- The GNPA has remained stable at 3.1% QoQ while NNPA has declined to 0.9% from 1.5% QoQ. The PCR has improved to 71% from 52% QoQ. The credit cost has spiked to 3.33% v/s 0.89 bps as at 2QFY20.
- The collection efficiency for the loans disbursed after April 2018 stood at 99% which constitute 96% of the portfolio.
- The TSL AUM has grown at a rate of 13% while its disbursement stood at 41%. The average ticket size stood at Rs 31000.
- The Satin Housing AUM has grown to Rs 138 Cr majorly catering to the affordable housing segment. The average ticket size of Satin Housing stood at Rs 12.68 Lakh.
- The AUM in the Satin Finserv Limited stood at Rs 109 Cr, the average ticket size stood at Rs 13.27 Lakh.
- The percentage of Promoter pledge has gone down from 52.88 to 19.85% in 3QFY20.
- The average ticket size of the MFI portfolio stood at Rs 35000.
- SATIN has added 55 new branches across 14 districts during Q3FY20. SATIN has a strategy to have per district exposure below 1% of total AUM.
- The CRAR stood at 32.17% in Q3FY20.

### View and Valuation

The growth has remained steady sequentially, as management has deliberately slowed down AUM growth, as the focus was majorly towards the re-engineering of processes. NIM has improved sequentially as the spike in the cost of funds eases. The restructuring process was over in 3QFY20, now management is confident of strong incremental growth going ahead. It has been able to maintain 99% collection efficiency in 96% of the portfolio but the recent stress in the upper Assam portfolio (exposure Rs 250 Cr) has led to higher credit cost. Though management has provided Rs 26 Cr of provision for the Assam portfolio we remain cautious as the collection efficiency is still tending at 70-80% range. We decrease our estimates on the back of higher provisioning and reduce our target price to 219 at 0.7x at P/B FY21e.

### Key Risks to our rating and target

- Lack of funding availability will hamper the growth
- The delinquency trend going ahead.

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.

## Healthy Growth

### 3QFY20 Results In Line With Expectations

Fig in Rs Cr

FINANCIALS	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	283	239	249	238	250	-11.7%	5.0%	960	1,186	23.6%
Interest Exp.	167	153	153	150	145	-13.3%	-3.2%	534	642	20.3%
NII	116	86	96	88	105	-9.3%	19.0%	425	544	27.8%
Other Income	116	111	104	129	125	7.8%	-3.1%	72	422	486.8%
Total Income	232	197	200	217	230	-0.8%	5.9%	497	806	62.0%
Ope Exp.	107	122	116	126	115	7.6%	-8.9%	337	437	29.8%
PPP	125	75	84	91	115	-7.9%	26.3%	160	368	129.7%
Provisions	10	(12)	20	16	61	508.7%	281.3%	44	52	17.9%
PBT	115	87	64	75	54	-53.0%	-28.0%	116	316	172.6%
Tax	45	30	23	21	7	-84%	-66.7%	41	114	178.4%
Extra Items	-	-	-	-	-	-	-	-	-	-
Net Profit	70	57	41	54	47	-33.2%	-13.0%	75	201	169%

### Concall Highlights

- NIM has improved QoQ. Management has guided NIM to be in the range of 12.25% range. Management has been able to pass on the rise in the cost to the customer.
- SATIN has undergone several process engineering which was completed in Dec 2019, it is expected to improve operational efficiency. Management has guided the C/I ratio to improve on the incremental growth numbers. As the entire process is set management has guided loan growth will be better going forward.
- The collection efficiency has improved to 99% for portfolios post-Mar 2018 comprising of 96% of the portfolio, it has resulted in the improvement in the GNPA by 10 bps.
- Management has adopted a cautious approach in the state of Assam due to unrest in few districts of upper Assam by some organizations and protests thereafter. The Assam portfolio stood at Rs 250 Cr where the collection efficiency dropped to around 50% in the ongoing protest scenario. Now the collection efficiency stood at 75-80%. Management has provided Rs 26 Cr of provision. Management is confident in improving the Assam portfolio.
- Assam tea garden exposure was at Rs 14 Cr which was majorly impacted where the collection efficiency is at 70-80%.
- Management has resorted to 100% cashless disbursement in all its branches. The cashless collection stood at 27% on Dec 19.
- In the 3QFY20 55 branches in 14 districts were added. The branch network grew by 21% on a YoY basis. The total district stood at 391.
- Write back for FY19 stood at Rs 21 Cr which management expects to maintain in this range in FY20.
- 96.9% of the total district has less than 1% of the exposure.
- Management is planning to grow the secured lending portfolio through the subsidiaries. Capital infusion to the tune of Rs 30 Cr was done in SATIN HF.
- SATIN HF has 100% retail book with 87% of affordable housing and 13% of LAP.
- Management has guided 1/3rd of the portfolio to be non-MFI in the next 5-6 year timeframe.
- The only lender to Satin is at 57% while 49% of the customer is first cycle customers.
- Direct assignment (DA) is limited to a certain fixed percentage of the book. The DA income is expected to remain in the steady range going ahead.
- Percentage of Promoter pledge has gone down from 52.88% to 19.85% at 3QFY20.
- 27% of collection is via cashless mode in Dec'19, up from 12% in Sep'19, enabled in 42% branches.
- The average ticket size stands at Rs 35000.

## Profitability Matrix

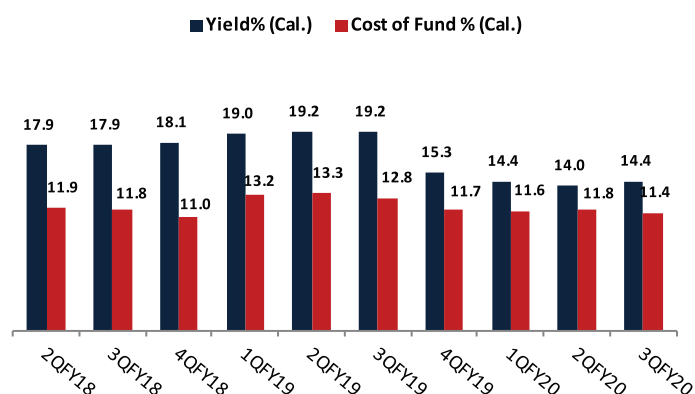
	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	55.6	54.0	46.1	62.1	58.0	58.1	50.0	3.89	-8.09
Empl. Cost/ Tot. Exp. %	40.2	36.2	34.8	42.5	43.0	41.0	37.4	2.57	-3.58
Other Exp/Tot. Exp. %	1.6	1.5	1.4	1.8	1.7	1.8	1.7	0.32	-0.10
Provision/PPP %	46.4	20.5	8.0	(16.0)	23.7	17.6	53.0	45.02	35.47
Tax Rate %	33.3	36.1	38.8	34.7	36.5	28.0	13.0	-25.80	-15.08
Int Exp./Int Inc. (%)	52.9	55.6	59.1	63.9	61.3	62.9	58.0	-1.10	-4.92
Other Inc./NII %	0.2	1.3	2.9	1.9	1.8	1.1	0.1	-2.79	-1.00
PPP/ Net Income %	44.4	46.0	53.9	37.9	42.0	41.9	50.0	-3.89	8.09
PAT/ Net Income %	15.9	23.4	30.4	28.7	20.3	24.9	20.4	-9.92	-4.42
NII Growth % (YoY)	47.5	44.2	18.9	(22.7)	(29.7)	(34.4)	(9.3)	-28.16	25.10
PPP Growth YoY %	59.9	115.5	236.9	31.2	8.9	0.8	(7.9)	-244.77	-8.73
PAT Growth %	(132.7)	(37.3)	46.8	50	47.4	17.6	(33.2)	-79.93	-50.80

## Margin Performance

MARGIN %	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances (Calc.)	19.0	19.2	19.2	15.3	14.4	14.0	14.4	-4.75	0.45
Cost Of Funds (Calc.)	13.2	13.3	12.8	11.7	11.6	11.8	11.4	-1.42	-0.36
Spreads (Calc.)	10.1	10.4	11.2	6.3	5.7	5.3	5.7	-5.49	0.33
NIM (Calc.)	10.4	9.4	7.7	5.4	5.8	5.1	5.9	-1.80	0.74

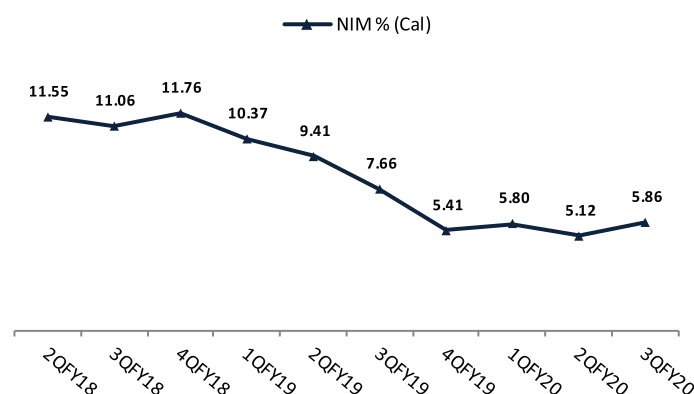
## Exhibit: Calculated Yield and Cost

Spreads has Improved Sequentially



## Exhibit: Net Interest Margin

NIM has Improved Sequentially

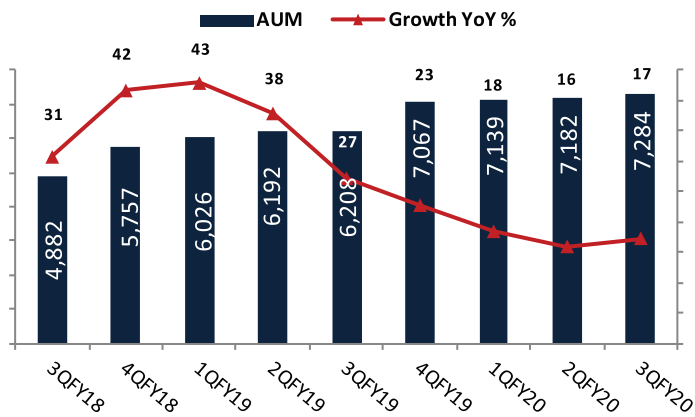


## Asset & Borrowings Growth Trend

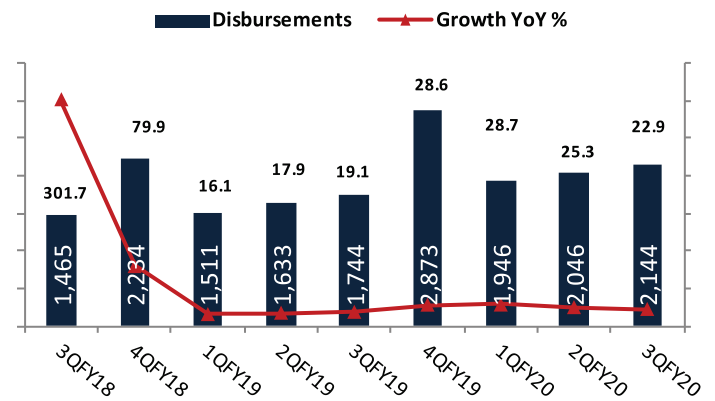
Fig in Rs Cr

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Disbursements	1465	2234	1511	1633	1744	2873	1946	2046	2144
Growth YoY %	302	80	16	18	19	29	29	25	23
AUM	4882	5757	6026	6192	6208	7067	7139	7182	7284
Growth YoY %	31	42	43	38	27	23	18	16	17
Borrowings	4034	4411	5009	5666	5000	5200	5200	4972	4972
Growth YoY %	7	14	32	51	24	18	4	-12	-1

## Exhibit: AUM Growth %



## Exhibit: Disbursement Growth %



## Asset Mix

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
SCL (%)	88.2	88.3	88.8	86.3	83.5	81.2	81.5	80.8	80.5
MSME+ Prod. Financing (%)	-	-	0.8	3.5	6.6	9.0	9.1	8.5	7.2
TSL(%)	11.8	11.6	10.2	9.8	9.2	8.5	7.6	8.2	8.9
Others (%)	-	0.0	0.2	0.4	0.7	1.3	1.8	2.5	3.1

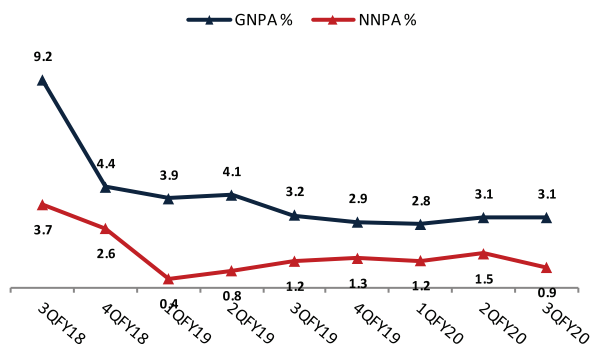
## Asset Quality

Fig in Rs Cr

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
GNPA	212	227	199	205	200	223	226	(2)	3
GNPA %	3.9	4.1	3.2	2.9	2.8	3.1	3.1	(1.0)	-
NNPA	24	47	73	92	86	108	66	19	(42)
NNPA %	0.4	0.8	1.2	1.3	1.2	1.5	0.9	0.1	(0.6)
Total Specific PCR %	89	79	63	55	57	52	71	(8)	19

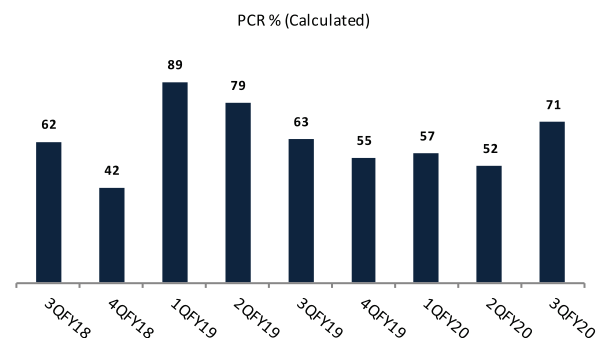
## Exhibit: Asset Quality

GNPA Improved Sequentially

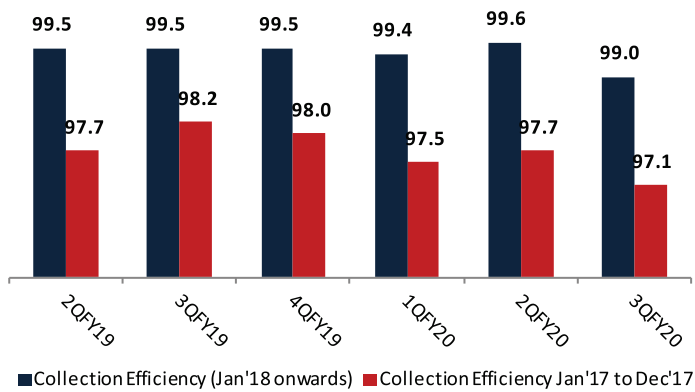


## Exhibit: Provisions

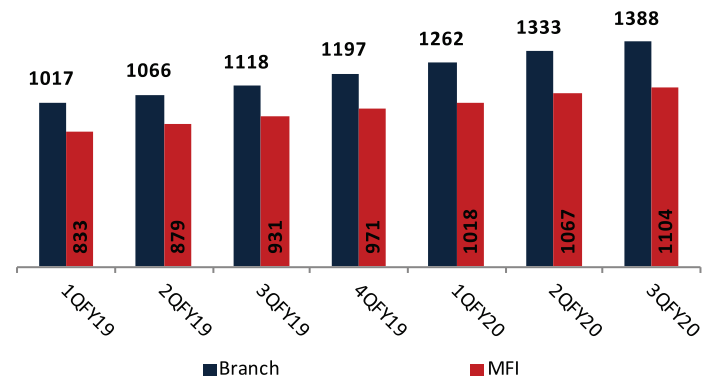
PCR has Improved



## Exhibit: Collection Efficiency (%)



## Exhibit: Branch



## Borrowing Mix

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Term Loan (Bank) (%)	34	22	27	29	27	33	29	53
Term Loan (Others) (%)	19	58	44	25	24	21	14	
NCD (%)	12	-	5	10	8	5	7	17
Commercial Paper (%)	6	4	4	2	2	-	2	
ECB (%)								3
Securitized & Assignment Portfolio (%)	29	17	19	34	40	41	48	27
Total	100	100	100	100	100	100	100	100

## Productivity Metrics For MFI Lending

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Disbursement/ Branch (%)	1.6	1.4	1.3	2.2	1.7	1.7	1.7
Disbursement/ Loan Officer (%)	0.3	0.2	0.2	0.4	0.3	0.3	0.3
GLP/ Branch (%)	6.4	6.2	5.8	6.3	6.3	5.7	5.5
GLP/ Loan Officer (%)	1.0	1.0	0.9	1.0	1.0	0.9	0.9
No. of Clients/ Branch (%)	3,095	3,102	3,055	3,211	3,135	3,016	2,833
No. of Clients/ Loan Officer (%)	507	485	479	520	533	486	446

## Average Ticket Size

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
MFI Lending (SCNL) (Rs.)	29000	28000	27000	26000	28000	30000	35000
TSL (Rs.)	25800	26700	26900	28400	28600	31000	31000
Product Financing (SCNL) (Rs.)	4643	6000	2884	3666	3722	4674	4120
MSME (SCNL) (Lakh)	12	11	23	40	50	36	14
SHFL (Lakh)	13	15	14	15	14	13	13
SFL (Lakh)	-	-	-	287	6	12	13

## Financial Details

### Balance Sheet

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	<b>29</b>	<b>31</b>	<b>31</b>	<b>62</b>	<b>47</b>	<b>49</b>	<b>49</b>	<b>49</b>
Equity Capital	29	31	31	37	47	49	49	49
Preference Capital	-	-	-	25	-	-	-	-
Reserves & Surplus	116	168	293	600	837	1,101	1,277	1,484
<b>Networth</b>	<b>144</b>	<b>199</b>	<b>324</b>	<b>638</b>	<b>885</b>	<b>1,149</b>	<b>1,326</b>	<b>1,533</b>
Change (%)	17	38	62	97	39	30	15	16
Total Borrowings	1,121	1,630	2,748	3,864	4,411	5,200	5399.2	6108.8
Change (%)	90	45	69	41	14	18	4	13
Provisions	2	17	26	71	11	15	16	16
Other Liabilities	(152)	164	205	204	992	388	330	342
<b>Total Liabilities</b>	<b>1115.8</b>	<b>2010.7</b>	<b>3303.4</b>	<b>4777.2</b>	<b>6299</b>	<b>6752.8</b>	<b>7071</b>	<b>8000.2</b>
Investments	0	0	0	21	72	264	319	384
Loans	785	1,464	2,275	3,199	4,303	4,459	5374.6	5912.1
Change (%)	N/A	87	55	41	34	4	21	10
Fixed Assets	12	14	21	51	58	63	93	103
Other Assets	104	183	298	377	733	209	127	154
Cash Balances	215	349	710	1,130	1,134	1,757	1,157	1,448
<b>Total Assets</b>	<b>1115.8</b>	<b>2010.7</b>	<b>3303.4</b>	<b>4777.2</b>	<b>6299</b>	<b>6752.8</b>	<b>7071</b>	<b>8000.2</b>

### Income Statement

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	167	299	470	673	960	1,186	981	1,020
Interest expended	106	177	290	436	534	642	597	643
Net Interest Income	61	122	180	237	425	544	383	378
Change (%)	142	98	48	32	79	28	(29)	(1)
Other Income	24	25	89	129	18	171	311	316
Change (%)	64	3	256	45	(86)	868	82	1
Total Net Income	86	147	269	366	497	806	838	843
Change (%)	114	71	83	36	36	62	4	1
Operating Expenses	62	100	160	269	337	437	465	465
Change (%)	79	61	60	68	25	30	6	0
Employee Expenses	24	39	88	172	220	305	339	342
Change (%)	48	66	125	94	28	39	11	1
Other Expenses	39	61	72	97	116	132	125	124
Pre-provisioning Profit	23	46	108	97	160	368	374	378
Change (%)	338	98	133	(11)	66	130	1	1
Provisions	-	-	21	59	44	52	135	99
Change (%)	N/A	N/A	N/A	182	(24)	18	157	(26)
PBT	23	46	88	38	116	316	239	279
Tax	8	15	30	13	41	114	62	73
Profit After Tax	16	32	58	25	75	201	176	206
Change (%)	346	104	83	(57)	200	(169)	(12)	17
Adjusted Profit After Tax	16	32	58	25	75	201	176	206
Change (%)	346	104	83	(57)	201	(169)	(12)	17

## Financial Details

### Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Balance Sheet Metrics</b>								
AUM	1056	2141	3271	4067	5757	7067	7775	8552
Off-Book AUM	785	1464	2275	3199	4303	4459	5375	5912
AUM Growth (%)	N/A	102.7	52.8	24.3	41.6	22.8	10.0	10.0
Borrowing Growth (%)	90.0	45.5	68.6	40.6	14.2	17.9	3.8	13.1
Loan/Borrowing (%)	0.7	0.9	0.8	0.8	1.0	0.9	1.0	1.0
Disbursement (Rs Cr)	0	2366	3915	4133	6386	7762	7691	6464
Disbursement Growth (%)	N/A	N/A	65.5	5.6	54.5	21.6	(0.9)	(16.0)
CRAR (%)	15	16	17	24	24	28	26	26
Tier 1 (%)	14.3	9.6	11.3	16.6	20.3	19.9	21.3	21.8
Tier 2 (%)	1.0	6.1	5.5	7.6	3.4	8.6	4.8	4.3
Debt/Equity(x)	7.8	8.2	8.5	6.1	5.0	4.5	4.1	4.0
<b>Assets Quality Metrics</b>								
Gross NPA (Rs)	0	0	5	523	226	205	145	154
Gross NPA (%)	0.0	0.0	0.2	14.5	4.4	2.9	2.7	2.6
Net NPA (Rs)	0	0	3	462	131	92	62	66
Net NPA (%)	0.0	0.0	0.1	12.8	2.6	1.3	1.2	1.1
Specific Provision Coverage (%)	50	50	50	12	42	55	57	57
Provision/Average Advances (%)	-	-	0.8	1.6	0.9	0.8	1.8	1.2
<b>Margin Metrics</b>								
Yield On Advances (%)	15.9	18.7	17.4	18.3	19.5	18.5	15.9	14.9
Cost Of Funds (%)	9.5	12.9	13.2	13.2	11.8	12.4	11.3	11.2
Spread (%)	6.4	5.8	4.1	5.2	7.7	6.1	4.6	3.7
NIM on AUM (%)	5.8	7.6	6.6	6.5	8.7	8.5	7.9	7.0
<b>Profitability &amp; Efficiency Metrics</b>								
Int. Expense/Int.Income (%)	63.3	59.3	61.7	64.8	55.7	54.2	60.9	63.0
Other Income/NII (%)	39.4	20.5	49.4	54.2	4.2	31.5	81.2	83.6
Operating Profit/Net Income (%)	27.4	31.7	40.3	26.4	32.2	45.7	44.6	44.9
Net Profit/Net Income (%)	18.2	21.6	21.6	6.8	15.0	25.0	21.1	24.5
Cost to Income (%)	72.6	68.3	59.7	73.6	67.8	54.3	55.4	55.1
Employee Exp/Net Income (%)	27.5	26.7	32.9	47.0	44.3	37.9	40.5	40.5
Cost on Average Assets (%)	5.9	6.3	5.9	7.3	6.9	6.8	6.3	5.7
Provision/PPP (%)	-	-	19.2	60.8	27.7	14.2	36.0	26.3
Tax Rate (%)	33.5	31.7	33.8	34.1	35.4	36.2	26.1	26.0
<b>Valuation Ratio Metrics</b>								
EPS (Rs)	7	12	18	7	16	41	36	42
Change (%)	346.4	82.8	47.8	(63.5)	136.9	163	(12.4)	16.9
ROAE (%)	11.6	18.4	22.1	5.2	9.8	19.8	14.3	14.4
ROAA (%)	1.7	2.0	2.2	0.6	1.4	3.1	2.6	2.7
Dividend Payout (%)	-	-	-	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-	-	-	-
DPS	-	-	-	-	-	-	-	-
Book Value(Rs)	62	77	101	170	185	235	271	313
Change (%)	17	24	31	67	9	27	15	16
P/B (X)	-	-	3.2	2.1	2.2	0.9	0.8	0.7
P/E (X)	-	-	18.0	53.7	25.5	5.2	5.9	5.1



## Financial Details

### Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	18.0	19.1	17.7	16.7	17.3	18.2	14.2	13.5
Interest expended	11.4	11.4	10.9	10.8	9.6	9.8	8.6	8.5
<b>Net Interest Income</b>	<b>6.6</b>	<b>7.8</b>	<b>6.8</b>	<b>5.9</b>	<b>7.7</b>	<b>8.3</b>	<b>5.5</b>	<b>5.0</b>
Non-Fund Based Income	2.6	1.6	3.3	3.2	1.3	4.0	6.3	6.2
Total Income	9.2	9.4	10.1	9.1	9.0	12.3	11.9	11.2
Total Operating Expenses	6.7	6.4	6.0	6.7	6.1	6.7	6.7	6.2
Employee Expenses	2.5	2.5	3.3	4.3	4.0	4.7	4.9	4.5
Other Expenses	4.1	3.9	2.7	2.4	2.1	2.0	1.8	1.6
Operating Profit	2.5	3.0	4.1	2.4	2.9	5.6	5.1	5.0
Provisions	-	-	0.8	1.5	0.8	0.8	1.9	1.3
Others								
PBT	2.5	3.0	3.3	0.9	2.1	4.8	3.2	3.7
Tax	0.8	0.9	1.1	0.3	0.7	1.8	0.9	1.0
<b>PAT/RoAA</b>	<b>1.7</b>	<b>2.0</b>	<b>2.2</b>	<b>0.6</b>	<b>1.4</b>	<b>3.1</b>	<b>2.3</b>	<b>2.7</b>
Equity Multiplier (x)	6.9	9.1	10.2	8.4	7.3	6.4	5.6	5.3
<b>ROAE</b>	<b>11.6</b>	<b>18.4</b>	<b>22.1</b>	<b>5.2</b>	<b>9.8</b>	<b>19.8</b>	<b>12.7</b>	<b>14.4</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 Commerce Limited (Formerly Microsec Commerce Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

**Disclaimer:**

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, not 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.