

Industry
Bloomberg
BSE CODE

Financial
SBIN IN
500112

One off gain from stake sale boosted the profitability

RATING	BUY
CMP	319
Price Target	384
Potential Upside	20%
Rating Change	↔
Estimate Change	↔
Target Change	↔

STOCK INFO	
52wk Range H/L	373/244
Mkt Capital (Rs Cr)	284,293
Free float (%)	43%
Avg. Vol 1M (,000)	30,957
No. of Shares (Crs)	892
Promoters Pledged %	

Fig in Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	88350	100484	104157
PPP	55437	67783	71289
PAT	863	17211	25955
NIM %	2.7	2.9	2.8
EPS (Rs)	1	19	29
EPS growth (%)	-113	1894	51
ROE (%)	0	7	10
ROA (%)	0.0	0.5	0.6
BV	248	267	290
P/B (X)	1.3	1.2	1.1
P/E (x)	331	17	11

RESEARCH ANALYST

DEEPAK KUMAR

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

KETAN MEHROTRA

ketan.mehrotra@narnolia.com

3QFY20 Result Update

- SBI reported healthy result during the quarter, PAT grew by 41% YoY mainly on account of strong recovery from NCLT cases which accounted in higher NII and lower provisioning. NII grew by 22% YoY with Domestic NIM standing at 3.27% v/s 2.92% in Q3FY19. Rs 4000 Cr of interest income write back was accounted in NII from NCLT recovery.
- Slippages during the quarter were Rs 20098 Cr v/s Rs 9126 Cr in 2QFY20. The GNPA ratio stood at 6.94% v/s 7.19% QoQ while the NNPA stood at 2.65% v/s 2.79 QoQ. Provision during the quarter stood at Rs 7253 Cr v/s the Rs 6006 Cr in Q3FY19.
- Advance growth during the quarter was meagre at 7%/2% on QoQ/YoY basis with corporate book growing by 4% YoY while the retail book grew by 18% YoY. Deposits grew by 10% YoY.

Healthy NII growth

NII grew by 22% YoY backed by improvement in NIM (Writeback of Rs 4000 Cr interest income). Domestic NIM stands at 3.27% v/s 2.92% in Q3FY19. The yield on advance stood at 8.91% v/s 8.48% in Q3FY19 while the Cost of deposits reduced to 4.97% v/s 5.07% in Q2FY19. Cost to income ratio during the quarter stood at Rs 51% v/s the 59% in Q2FY20. The operating expense increased by 3.1% YoY with other expenses growing by 4% YoY and employee expense increasing by 2.5% YoY.

Moderate advance and CASA growth

Advance growth during the quarter was meagre at 7%/2% on QoQ/YoY basis with corporate book growing by 4% YoY while the retail book grew by 18% YoY. The Domestic advances growth during the quarter was 5% YoY while the overseas advances grew by 17% YoY. On the retail side the Xpress credit book grew by 39%/8% on YoY/QoQ basis while the home loan book grew by 16%/4% on YoY/QoQ basis. The deposits during the quarter grew by 10%/3% on YoY/QoQ basis while the CASA ratio stood at 43% with CA growing 9% YoY and SA growing -3% YoY.

Improvement in asset Quality

The asset quality during the quarter improved with GNPA at 6.94% v/s 8.71% in Q3FY20 while the NNPA stood at 2.65% v/s 3.95% in Q3FY20. The Slippages during the quarter were Rs 20098 Cr v/s Rs 6541 Cr in Q3FY20. Total Slippages was Rs 20098 Cr out of this fresh Slippages of Rs 16,525 Cr includes exposure to a large Housing Finance Company of Rs 7000 Cr. The slippages from corporate stood at Rs 9467 Cr while the agri slippages stood at Rs 2965 Cr, the recovery and upgradations were Rs 13553 Cr. Banks PCR with AUCA stood at 82% v/s 75% in Q3FY19. SMA1 during the quarter stood at Rs 4424 Cr v/s 10681 Cr in Q2FY20 while the SMA 2 book stood at Rs 3677 Cr v/s Rs 7632 Cr in Q2FY20. On DHFL exposure, Rs 7000 Cr has slipped. Out of this Rs 5500 Cr slipped from the loan book and Rs 1500 Cr through bond exposure. On the Bond exposure 50% is provided and 20% is provided on the loan book

View and valuation

Assets quality continued on the path of improvement on account of the Strong recoveries, however the slippages remain high during the quarter on account of HFC exposure, barring this exposure, slippages were stable. Domestic retail growth has been strong. The NIM continued to improved and management has said it will maintain the Domestic NIM around the current levels. The bank has opted for the lower tax rate which will aid to the profitability. Asset quality is likely to improve significantly going ahead due to absence of any large stressed account in near term. Development in the telecom sector will be key to watch. However, provisions will remain at elevated level, despite this profitability will continue to improve due to improving operating matrix and of the bank. Bank is looking to list its SBI card going forward which would provide upside risk to our estimate. We largely maintain our estimates for FY21e and Maintain BUY with TP of 384 at 1.3x BV FY21e.

Key Risks to our rating and target

- Delay in Resolutions
- Further Moderation in Advance growth

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.

3QFY20 Results

PAT INLINE With Estimates

Fig in Rs Cr

FINANCIALS	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY%	QoQ%	FY18	FY19	YoY%
Interest Inc.	62,277	62,985	62,638	64,312	67,692	8.7%	5.3%	220499	242869	10.1%
Interest Exp.	39,586	40,032	39,699	39,712	39,913	0.8%	0.5%	145645	154519	6.1%
NII	22,691	22,954	22,939	24,600	27,779	22.4%	12.9%	74854	88350	18.0%
Other Income	8,035	12,685	8,015	8,538	9,106	13.3%	6.6%	44601	36775	-17.5%
Total Income	30,726	35,639	30,954	33,139	36,885	20.0%	11.3%	119455	125125	4.7%
Ope Exp.	18,101	18,706	17,708	18,424	18,662	3.1%	1.3%	59944	69688	16.3%
PPP	12,625	16,933	13,246	14,714	18,223	44.3%	23.8%	59511	55437	-6.8%
Provisions	6,006	16,502	9,183	13,139	7,253	20.8%	-44.8%	75039	53829	-28.3%
PBT	6619	431	4,063	5,060	10,970	65.7%	116.8%	-15528	1608	LTP
Tax	2,664	(407)	1,751	2,048	5,386	102.2%	163.0%	-8981	745	NA
Net Profit	3,955	838	2,312	3,012	5,583	41.2%	85.4%	-6547	863	LTP

Webcast Highlights

- The bank has opted to go for revised corporate tax rate and thus has provided Rs 1300 Cr for Reversal of DTA.
- On corporate credit loan growth management expect growth to pick up as the sanctions pipeline is good. The growth has been mainly impacted due to underutilization of working capital loan. The retail loan book growth will be good but overall growth will not touch 10% in 4Q.
- On DHFL exposure, Rs 7000 Cr has slipped. Out of this Rs 5500 Cr slipped from the loan book and Rs 1500 Cr through bond exposure. On the Bond exposure 50% is provided and 20% is provided on the loan book. Management expect the 40%-50% recovery and hopes to resolve the account by September 2020.
- In ICA there are 32 cases and there were no new additions in them and 8 were fully resolved 9 are in NCLT and additional provision requirement in Rs 1100 Cr and Rs 397 Cr in which could slip in Q4FY20.
- Provision in march quarter are expected to be around Rs 10000 Cr at the worst case.
- Expects 3 recoveries- one from textile account worth Rs 1800 is expected, Bhushan power and steel is in advanced stage which is worth Rs 4000 Cr and Rs 1000 Cr is expected from another Power account.
- On recovery in 3Q, the interest income write-back would be around Rs 4000 Cr. The provisioning writeback is around Rs 7800 Cr.
- The Non fund-based exposure to BBB and below telecom account is Rs 11000 Cr and it is through spectrum guarantee. Government will not revoke this till 2 years.
- The divergence provisions have been fully taken in the quarter.
- The wind power account has been fully provided for and has been recognized as NPA in Q2FY20 and in December standby letter of credit which was provided in September got converted into funded exposure in December quarter.
- Mark to Mark provisions during the quarter stood at Rs 3287 Cr. Out of this Rs 1500 Cr is on bond of HFC, Rs 700 Cr on the Mark to market and rest is on Security receipt. Outstanding security receipts are worth Rs 7700 Cr.
- Management expect Domestic NIM to be largely stable going forward and don't see any major improvement in NIM going ahead.
- Under MSME most of the Eligible accounts have been restructured and 70000 accounts worth Rs 3600 Cr have been restructured out of which half were restructured during the quarter.
- SBI cards has Net NPA is around 0.83% and Gross NPA is 2.67%.
- 90% of the Bank transaction now happens outside the branch and 63% of saving accounts are opened through YONO Platform.

Profitability Matrix

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY(+/-)	QoQ(+/-)
C/I Ratio %	58.0	54.1	58.9	52.5	57.2	55.6	50.6	-8.32	-5.00
Empl. Cost/ Tot. Exp. %	58.8	59.2	61.7	56.0	61.7	61.3	61.4	-0.33	0.04
Other Exp/Tot. Exp. %	41.2	40.8	38.3	44.0	38.3	38.7	38.6	0.33	-0.04
Provision/PPP %	160.6	87.0	47.6	97.5	69.3	89.3	39.8	-7.77	-49.49
Tax /PBT %	32.8	47.9	40.2	(94.4)	43.1	40.5	49.1	8.85	8.62
Int Exp./Int Inc. (%)	62.9	64.4	63.6	63.6	63.4	61.7	59.0	-4.60	-2.79
Other Inc./Net Inc. %	23.5	31.0	26.2	35.6	25.9	25.8	24.7	-1.46	-1.08
PAT/ Net Income %	(17.1)	3.1	12.9	2.4	7.5	9.1	15.1	2.27	6.05
PAT Growth %	(343.1)	(40.3)	(263.7)	110.9	147.4	(218.8)	41.2	304.85	259.94
NII Growth % (YoY)	23.8	12.5	21.4	14.9	5.2	17.7	22.4	1.00	4.75
Operating Profit Growth YoY %	0.8	(30.5)	7.4	6.6	10.6	5.8	44.3	36.93	38.51

Margin Performance

MARGIN %	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY(+/-)	QoQ(+/-)
Yield on Advances	8.57	8.43	8.48	8.49	8.56	8.69	8.91	0.43	0.22
Yield on Total Assets (Cal.)	7.69	7.52	7.88	7.72	7.58	7.65	7.95	0.07	0.30
Cost of Fund	4.87	4.89	4.94	4.88	4.87	4.85	4.72	-0.21	-0.13
Cost of Deposits	5.11	5.10	5.09	5.10	5.07	5.02	4.97	-0.12	-0.05
Dom. NIM	2.95	2.88	2.92	2.95	3.01	3.22	3.27	0.35	0.05
Whole NIM	2.80	2.73	2.76	2.78	2.81	2.90	3.05	0.29	0.15
Foreign NIM	1.47	1.42	1.38	1.32	1.18	1.20	1.20	-0.18	0.00

Exhibit: Yield and Cost

Rise in yield & decline in cost

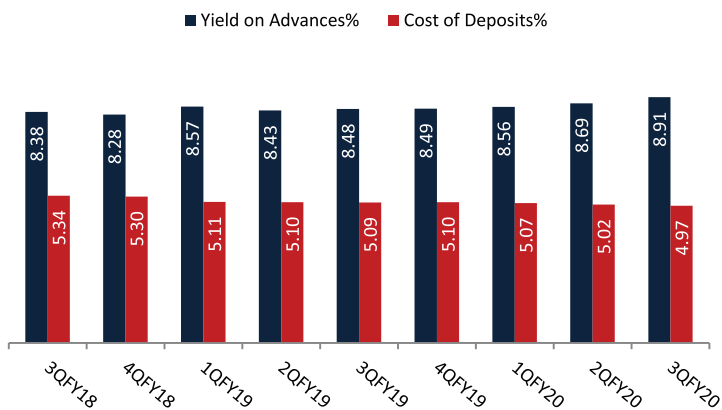
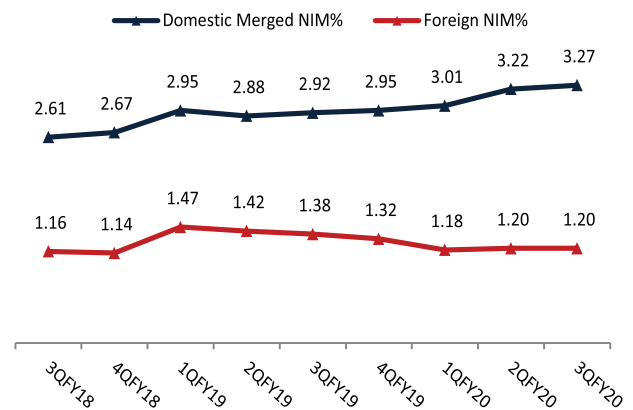


Exhibit: Net Interest Margin

NIM on improving trend.



Other Income Break Up- Marginal in fee income.

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Loan Processing Charges	627	1360	641	641	926	1502	617	766	1120
Commission on Govt. Business	840	1003	931	973	953	1118	963	893	972
Commission on LC/BG	618	636	592	637	600	1289	704	717	771
Transaction Fees									
Cross Sell/Commission on Collection	408	557	376	482	486	583	366	491	558
Misc Fee Income	558	1283	954	761	413	600	678	448	459
Locker Rent, POS, CMP etc.	0	400	812	470	0	0	0	0	0
Account Maintenance Charges	701	890	321	276	253	484	242	255	356
Remittance, Collection etc.	1227	2702	1162	1245	1093	3013	1606	1470	1399
Total Fee Income	4979	8431	4977	5015	4724	8589	5176	5040	5635

Exhibit: Fee Income/Advances %

Fee income as a % of total advances declined.

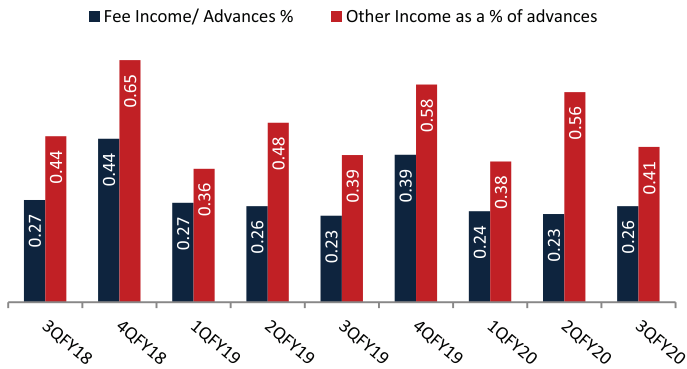
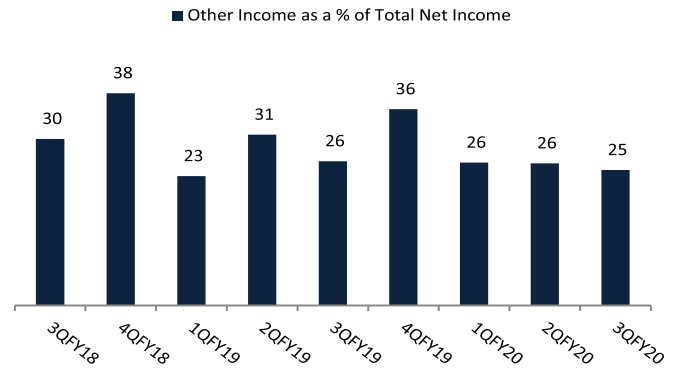


Exhibit: Other Income/ Total Income %

Growth in other income shrunk



Asset Quality

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	212840	205863	187764	172750	168494	161636	159661	-15%	-1%
GNPA %	10.7	10.0	8.7	7.5	7.5	7.2	6.9	-1.77	-0.25
NNPA (Rs in Cr)	99236	94810	80944	65895	65624	59939	58249	-28%	-3%
NNPA %	5.3	4.8	4.0	3.0	3.1	2.8	2.7	-1.30	-0.14
Slippages (Rs in Cr)	14,349	10,888	6,541	7,961	16,995	9,126	20,098	207%	120%
PCR %	69.3	70.7	74.6	78.7	78.7	81.2	81.7	7.10	0.50

Exhibit: Asset Quality

Assets quality improved.

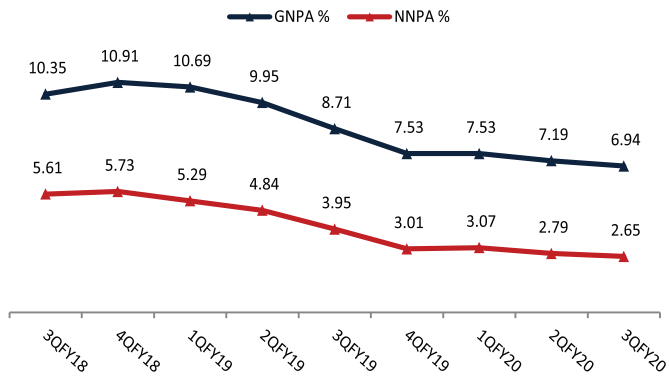


Exhibit: Provisions

PCR trending upwards.

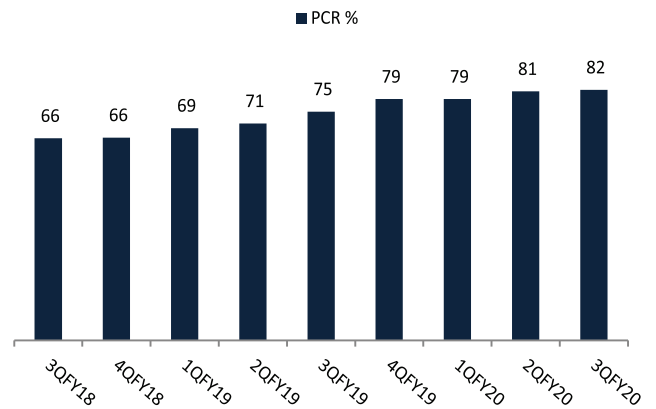


Exhibit: Advances Performance

Advances growth moderated

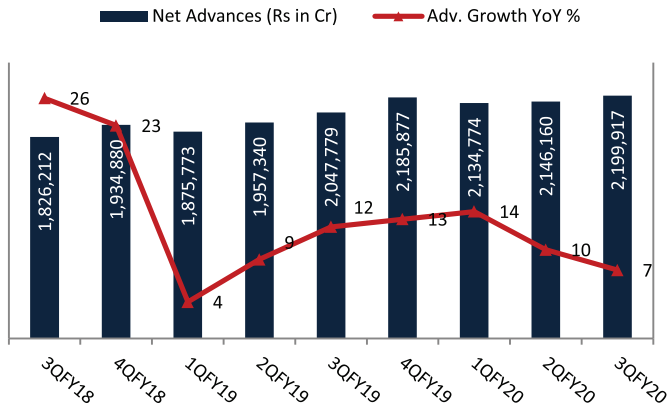


Exhibit: Domestic Advances Breakup%

Contribution of retail increasing

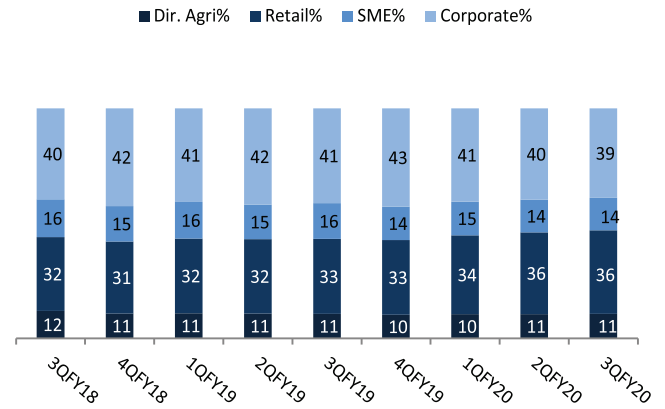


Exhibit: Deposits Performance

Steady deposit growth

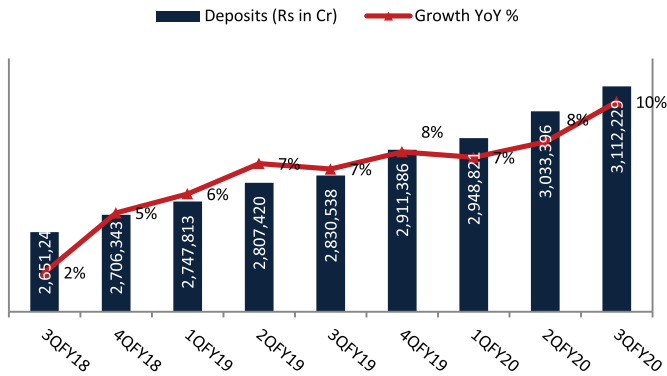


Exhibit: CASA Performance

CASA went down

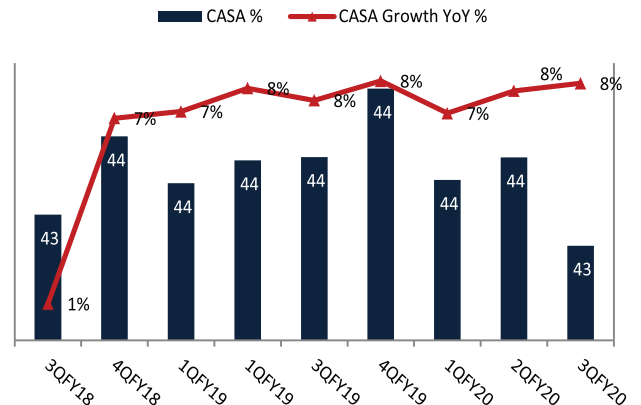


Exhibit: Credit Deposit Ratio

CD ratio moved down.

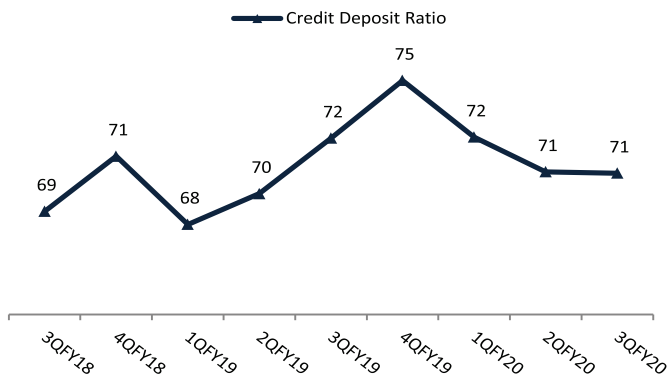
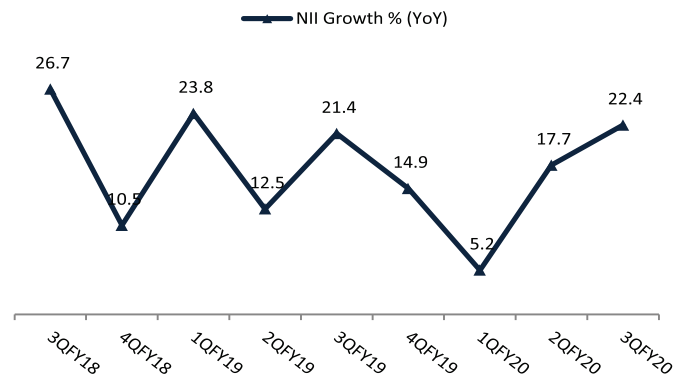


Exhibit: NII Growth

NII growth down .



Financial Details

Balance Sheet

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Share Capital	747	747	776	797	892	892	892	892
Equity Capital	747	747	776	797	892	892	892	892
Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	117536	127692	143498	187489	218236	220021	237232	257833
Networth	118282	128438	144274	188286	219128	220914	238125	258726
Deposits	1394409	1576793	1730722	2044751	2706343	2911386	3190199	3525382
Change (%)	15.9	13.1	9.8	18.1	32.4	7.6	9.6	10.5
CASA Deposits	580197	637760	717332	890409	1187294	1287285	1404325	1551873
Change (%)	10.4	9.9	12.5	24.1	33.3	8.4	9.1	10.5
Borrowings	183131	205150	323345	317694	362142	403017	298603	333149
Other Liabilities & Prov.	96927	137698	159276	155235	167138	145597	153375	160245
Total Liabilities	1792748	2048080	2357617	2705966	3454751	3680914	3880301	4277501
Cash & Bank	132550	174861	167468	171971	191898	222490	278298	292698
Investments	398800	495027	575652	765990	1060987	967022	957060	1057615
Change (%)	13.7	24.1	16.3	33.1	38.5	-8.9	-1.0	10.5
Advances	1209829	1300026	1463700	1571078	1934880	2185877	2360747	2644037
Change (%)	15.7	7.5	12.6	7.3	23.2	13.0	8.0	12.0
Fixed Assets	8002	9329	10389	42919	39992	39198	39982	40781
Other Assets	43568	68836	140408	154008	226994	266328	244215	242370
Total Assets	1792748	2048080	2357617	2705966	3454751	3680914	3880301	4277501

Income Statement

Fig in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	136351	152397	163685	175518	220499	242869	259821	271251
Interest expended	87069	97382	106803	113658	145645	154519	159336	167094
Net Interest Income	49282	55015	56882	61860	74854	88350	100484	104157
Change (%)	11.2	11.6	3.4	8.8	21.0	18.0	13.7	3.7
Other Income	18553	22576	28158	35461	44601	36775	40948	41331
Change (%)	15.7	21.7	24.7	25.9	25.8	-17.5	11.3	0.9
Core Fee Income	12611	14139	15658	17803	23636	23305	21753	26675
Treasury Income	2077	3618	5017	10749	12303	1023	7509	5337
Others	3865	4819	7483	6909	8662	12447	11686	9319
Total Net Income	67835	77591	85041	97321	119455	125125	141432	145489
Operating Expenses	35726	38678	41782	46473	59944	69688	73649	74199
Change (%)	22.0	8.3	8.0	11.2	29.0	16.3	5.7	0.7
Employee Expenses	22504	23537	25114	26489	33179	41055	45137	45101
Pre-provisioning Profit	32109	38913	43258	50848	59511	55437	67783	71289
Change (%)	3.3	21.2	11.2	17.5	17.0	-6.8	22.3	5.2
Provisions	15935	19600	29484	35992	75039	53829	39266	36604
Change (%)	43.2	23.0	50.4	22.1	108.5	-28.3	-27.1	-6.8
PBT	16174	19314	13775	14856	-15528	1608	28517	34686
Tax	5283	6212	3823	4371	-8981	745	11306	8730
Profit After Tax	10891	13102	9951	10485	-6547	863	17211	25955
Change (%)	-22.8	20.3	-24.0	5.4	-162.4	-113.2	1894.3	50.8

Financial Details

Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Balance Sheet Metrics								
Loan Growth (%)	16	7	13	7	23	13	8	12
Deposit Growth (%)	16	13	10	18	32	8	10	11
C/D Ratio (%)	87	82	85	77	71	75	74	75
CASA (%)	41.6	40.4	41.4	43.5	43.9	44.2	44.0	44.0
Investment/Deposit (%)	28.6	31.4	33.3	37.5	39.2	33.2	30.0	30.0
CRAR (%)	12.4	12.0	13.1	13.1	12.6	12.7	11.7	11.4
Tier 1 (%)	9.7	9.6	9.9	10.4	10.4	10.7	9.3	9.3
Tier 2 (%)	2.7	2.4	3.2	2.8	2.2	2.1	2.4	2.1

Assets Quality Metrics

Gross NPA (Rs)	61,605	56,725	98,173	112343	223427	172750	159991	166466
Gross NPA (%)	5.0	4.3	6.5	6.9	10.9	7.5	6.5	6.0
Net NPA(Rs)	31,096	27,591	55,807	58,277	110855	65895	54342	52345
Net NPA (%)	2.6	2.1	3.8	3.7	5.7	3.0	2.3	2.0
Slippages (%)	4	2	5	3	7	2	3	2
Provision Coverage (%)	63	69	61	66	66	79	83	86
Provision/Average Advances (%)	1.4	1.6	2.1	2.4	4.3	2.6	1.7	1.5

Margin Metrics

Yield On Advances (%)	9.1	9.0	8.4	7.9	8.1	7.8	8.1	7.9
Yield On Investment (%)	-	-	-	-	-	-	-	-
Yield on Earning Assets (%)	8.5	8.3	7.8	7.4	7.7	7.3	7.4	7.2
Cost Of Deposits (%)	6.0	6.0	6.0	5.6	5.7	5.0	4.9	4.6
Cost Of Funds (%)	5.7	5.6	5.5	5.1	5.2	4.7	4.6	4.4
Spread (%)	2.8	2.7	2.3	2.3	2.5	2.6	2.9	2.7
NIM (%)	3.1	3.0	2.7	2.6	2.6	2.7	2.9	2.8

Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	63.9	63.9	65.2	64.8	66.1	63.6	61.3	61.6
Fee Income/NII (%)	25.6	25.7	27.5	28.8	31.6	26.4	21.6	25.6
Cost to Income (%)	52.7	49.8	49.1	47.8	50.2	55.7	52.1	51.0
Cost on Average Assets (%)	2.1	2.0	1.9	1.8	1.9	2.0	1.9	1.8
Tax Rate (%)	32.7	32.2	27.8	29.4	57.8	46.3	39.6	25.2

Valuation Ratio Metrics

EPS (Rs)	14.6	17.5	12.8	13.2	(7.3)	1.0	19.3	29.1
Change (%)	(29.3)	20.3	(27.0)	2.6	(155.8)	(113)	1894.3	50.8
ROAE (%)	10.0	10.6	7.3	6.3	(3.2)	0.4	7.5	10.4
ROAA (%)	0.6	0.7	0.5	0.4	(0.2)	0.0	0.5	0.6
Dividend Payout (%)	20.6	19.9	20.3	19.8	-	-	25.9	20.6
Dividend yield (%)	1.6	1.3	1.3	0.9	-	-	1.6	1.9
Book Value (Rs)	158.4	172.0	185.9	236.2	245.5	247.5	266.8	289.9
Change (%)	10	9	8	27	4	1	8	9
ABVPS(Rs)	116.8	135.1	114.0	123.5	93.5	145.9	178.1	203.4
P/B (X)	1.2	1.6	1.0	1.2	1.0	1.3	1.2	1.1
P/E (X)	13.1	15.2	15.2	22.2	(34.1)	330.9	16.5	11.0

Financial Details

Exhibit: DuPont Analysis

	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	7.9	7.4	6.9	7.2	6.8	6.9	6.7
Interest expended	5.1	4.8	4.5	4.7	4.3	4.2	4.1
Net Interest Income	2.9	2.6	2.4	2.4	2.5	2.7	2.6
Non-Fund Based Income	1.2	1.3	1.4	1.4	1.0	1.1	1.0
Core Fee Income	0.7	0.7	0.7	0.8	0.7	0.6	0.7
Trading and Other Income	0.4	0.6	0.7	0.7	0.4	0.5	0.4
Core Operating Income	3.6	3.3	3.1	3.2	3.1	3.2	3.2
Total Income	4.0	3.9	3.8	3.9	3.5	3.7	3.6
Total Operating Expenses	2.0	1.9	1.8	1.9	2.0	1.9	1.8
Employee Expenses	1.2	1.1	1.0	1.1	1.2	1.2	1.1
Other Expenses	0.8	0.8	0.8	0.9	0.8	0.8	0.7
Operating Profit	2.0	2.0	2.0	1.9	1.6	1.8	1.7
Provisions	1.0	1.3	1.4	2.4	1.5	1.0	0.9
Others	-	-	-	-	-	-	-
PBT	1.0	0.6	0.6	(0.5)	0.0	0.8	0.9
Tax	0.3	0.2	0.2	(0.3)	0.0	0.3	0.2
PAT/RoAA	0.7	0.5	0.4	(0.2)	0.0	0.5	0.6
Equity Multiplier (x)	15.6	16.2	15.2	15.1	16.2	16.5	16.4
ROAE	10.6	7.3	6.3	(3.2)	0.4	7.5	10.4

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, AJC 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 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. DBO46/02 || 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.