

Industry	Financial
Bloomberg	ICICIB IN
BSE CODE	532174

Advance growth Moderated/Profitability Dampened due to COVID 19 provisions

RATING	BUY
CMP	338
Price Target	473
Potential Upside	40%

Rating Change	
Estimate Change	
Target Change	

Stock Info

52wk Range H/L	552/269
Mkt Capital (Rs Cr)	218,670
Free float (%)	100%
Avg. Vol 1M (,000)	51,667
No. of Shares (Cr)	647
Promoters Pledged %	

Fig in Rs cr

FINANCIAL	FY18	FY19	FY20
NII	23026	27015	33267
PPP	24742	23438	28101
PAT	6777	3363	7931
NIM %	3.0	3.2	3.6
EPS (Rs)	11	5	12
EPS growth	-31	-51	135
ROE (%)	7	3	7
ROA (%)	0.8	0.4	0.8
BV	164	168	180
P/B (X)	1.7	2.4	1.9
P/E (x)	26	76	28

Research Analyst
DEEPAK KUMAR

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

KETAN MEHROTRA

ketan.mehrotra@narnolia.com

4QFY20 Result Update

- ❑ NII during the quarter increased by meagre 17% YoY to Rs 8,927 Cr from Rs 7620 Cr in Q4FY19 on account of moderation in advance growth to 10% YoY.
- ❑ PAT grew by 26 YoY but was lower than ur estimate on account of higher credit cost owing to additional provisions for COVID 19 worth Rs 2725 Cr.
- ❑ Advance grew by 10% YoY with domestic advances growing by 13% YoY while the overseas book degrew by 15% YoY. The deposits grew by 18% YoY with CASA growing by 7% YoY while the term deposit growing by 29% YoY.
- ❑ Asset quality during the quarter improved with GNPA at Rs 5.53% v/s 5.95% in Q3FY20 and NNPA at 1.41% v/v 1.49% in Q3FY20. The impact of moratorium on the GNPA would be around 18 bps as per management.

NII growth Moderated

NII increased 17% YoY to Rs 8,927 Cr from Rs 7620 Cr in Q4FY19 on account of moderation in advance growth to 10% YoY. The yield on advance stood at stood at 9.41% v/s 9.29 QoQ and 9.52% YoY while the cost of fund was 4.92% v/s 5.10% YoY and 5.06% QoQ. The NIM for the quarter stood at 3.87% v/s 3.72% in Q4FY19 and 3.77% in Q3FY20. The other income during the quarter stood at Rs 4255 Cr v/s Rs 3621 Cr in Q4FY19 a growth of 18% YoY. The profitability during the quarter was impacted on account of higher provisions owing to the COVID 19.

Asset quality Improves but slippages remain elevated

Asset quality during the quarter improved with GNPA at Rs 5.53% v/s 5.95% in Q4FY20 and NNPA at 1.41% v/v 1.49% in Q4FY20. The impact of moratorium on the GNPA would be around 18 bps as per management. The slippages during the quarter stood at Rs 5306 Cr with SME slippages at Rs 4012 Cr while the retail slippages were Rs 1294 Cr. The BB&Below book during the quarter reduced to Rs 16668 Cr v/s Rs 17525 Cr in Q3FY20. Downgrades during the quarter were granular in nature. The downgrades includes certain commercial real estate accounts. Slippages from the Corporate and SME BB&Below book accounts includes Rs 586 Cr pertaining to an account which was substantially recovered in Q4-2020 pursuant to a settlement. About 30% of the banks customers have opted for the moratorium.

Advance growth Lower/ Deposit continue to grow Healthy

Advance growth was 10% YoY with domestic advances growing by 13% YoY while the overseas book degrew by 15% YoY. The retail loan book during the quarter grew by 16% YoY with personal loan segment which grew by 46 % YoY and Business Banking segment which grew by 41% YoY. Going forward into FY20 bank will look more more to strengthen the balance sheet than to chase the growth. The deposits growth was 18% YoY with CASA growing by 7% YoY while the term deposit growing by 29% YoY.

View and Valuation

Advance growth moderated during the quarter on account of lockdown and degrowth in the international book however the liability franchise continued to grow strong, NII growth was weak on account of slow advance growth but NIM was strong at 3.87%. Asset quality improved during the quarter despite slippages remaining high, the impact of moratorium on the GNPA was 18 bps. The BB&Below book reduced during the quarter. Going forward advance growth is expected to be further moderated with bank looking to build on balance sheet and with about 30% of the banks customers opting for moratorium excessive provisioning might be required which might dampen the profitability. However with sound capital base with CRAR of 16.1% bank is expected to absorb the shock from the unprecedented event. The stock is currently trading at 1.88XFY20BV. We maintain BUY with TP of 473.

Key Risks to our rating and target

- ❑ Further deterioration of the assets quality leading to excessive provisioning.
- ❑ Further moderation of loan 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.

4Q FY20 Results PAT below estimates

Financials	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY %	QoQ%	Fig in Rs cr		
								FY19	FY20	YoY %
Interest Inc.	17,293	17,980	18,565	19,064	19,189	11.0%	0.7%	63,401	74,798	18.0%
Interest Exp.	9,673	10,243	10,508	10,519	10,262	6.1%	-2.4%	36,386	41,531	14.1%
NII	7,620	7,737	8,057	8,545	8,927	17.1%	4.5%	27,015	33,267	23.1%
Other Income	3,621	3,425	4,194	4,574	4,255	17.5%	-7.0%	14,512	16,449	13.3%
Total Income	11,241	11,163	12,252	13,119	13,182	17.3%	0.5%	41,527	49,716	19.7%
Ope Exp.	5,008	4,874	5,378	5,571	5,792	15.7%	4.0%	18,089	21,614	19.5%
PPP	6,233	6,288	6,874	7,549	7,390	18.6%	-2.1%	23,438	28,101	19.9%
Provisions	5,451	3,496	2,507	2,083	5,967	9.5%	186.5%	19,661	14,053	-28.5%
PBT	782	2,793	4,367	5,466	1,423	LTP	-74.0%	3,777	14,048	272.0%
Tax	(187)	885	3,712	1,319	201	NA	-84.7%	413	6,117	1380%
Net Profit	969	1,908	655	4,147	1,221	26.0%	-70.5%	3,363	7,931	136%

Concall Highlights.

- 97% of the Banks branches were working with reduced working time. The majority of the banks employees were working from home excluding some the members working in IT. ATM across the country have remained operational with average uptime of around 98%.
- Bank has made COVID 19 provisions worth Rs 2745 Cr against standard assets for loans under moratorium upto 31 March 2020. Excluding the COVID 19 provisions the credit cost would be 206 bps of average loan for Q4FY20 and 186 bps of average loans for FY20.
- Bank is carrying the excess liquidity The LCR on an daily average basis was healthy at about 135% and even higher LCR on outstanding basis.
- During the quarter an healthcare company account and an oil company account based in Singapore which was misrepresenting its financials to financials have been classified as NPA and have been substantially provided for and going forward no impact on profit and loss is expected from these accounts,
- Bank will continue to lend to high rated corporates and is conscious of importance of balance sheet resilience in the highly uncertain scenario.
- Slippages from the Corporate and SME BB&Below book accounts includes Rs 586 Cr pertaining to an account which was substantially recovered in Q4-2020 pursuant to a settlement.
- Downgrades during the quarter were granular in nature. The downgrades includes certain commercial real estate accounts.
- About 30% of the Banks loan book is under moratorium as of april end. Bank has made COVID 19 provisions worth Rs 2745 Cr against standard assets for loans under moratorium upto 31 March 2020. Excluding the COVID 19 provisions the credit cost would be 206 bps of average loan for Q4FY20 and 186 bps of average loans for FY20. Loans that were overdue as of 31 march 2020 and have not been classified as NPA due to moratorium would have had impact of 18 bps on the GNPA.
- Mortgage portfolio is 40% of the retail loan portfolio and 31% of the total loan portfolio. The mortgage consist of 70% of the home loans and balance is loan against property. The home loan portfolio is granular in nature with average ticket size of 3 million rupees and is geographically well diversified. The average LTV for the Home loan portfolio is about 65%. In respect to LAP portfolio the lending is done on the basis of the cash flow of the business and has LTV about 55%. The growth in the Home loan is better than LAP segment
- About 70% of the personal loan and credit card portfolio is to the existing customers of the bank which provided strong liability information for credit assessment. About 85% of the portfolio comprises of salaried individual out of which 75% are with well rated corporates and MNC.
- The rural portfolio comprises of the 9% of the total bank portfolio within it gold loan are 2% and kisan loans are 3%. The business banking portfolio comprises of the 4% of the total portfolio and comprises of non-business customer with average ticket size of 10 to 15 million rupees. About 85% of the portfolio has collateral cover of more than 100% and 87% qualifies for priority sector lending.About 12% of the builder portfolio was to builder rated BB&Below or those classified as NPA.
- There is expected to be impact on credit demand, fee income, NPA thus focus is on balance sheet preservation.
- Going forward on provisioning front management said they would be conservative and keep the provision coverage at the higher level.
- The NIM is expected to be impacted in the current front on account of higher liquidity, less credit demand and reduction of MCLR but banks will to manage it by lowering funding cost to a certain levels.

Profitability Matrix

	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	45.2	42.9	44.5	43.7	43.9	42.5	43.9	-0.61	1.48
Empl. Cost/ Tot. Exp. %	38.4	37.6	37.9	40.1	39.8	34.9	38.6	0.66	3.72
Other Exp/Tot. Exp.%	61.6	62.4	62.1	59.9	60.2	65.1	61.4	-0.66	-3.72
Provision/PPP %	76.1	69.1	87.5	55.6	36.5	27.6	80.7	-6.71	53.15
Tax Rate %	27.6	15.6	(23.9)	31.7	85.0	24.1	14.1	38.07	-9.98
Int Exp./Int Inc. (%)	57.5	57.8	55.9	57.0	56.6	55.2	53.5	-2.46	-1.70
Other Inc./Net Inc. %	33.0	36.1	32.2	30.7	34.2	34.9	32.3	0.07	-2.59
PAT/ Net Income %	9.7	16.2	9.0	17.7	5.7	34.2	9.9	0.91	-24.27
PAT Growth %	(55.8)	(2.7)	(5.0)	LTP	(27.9)	158.4	26.0	LTP	96.89
NII Growth % (YoY)	12.4	20.5	26.5	26.8	25.6	24.3	17.1	-9.39	-7.14
Op. Profit Growth YoY %	(24.9)	21.5	(17.0)	8.3	30.9	22.8	18.6	35.60	-4.26

Margin Performance

Margin %	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	8.8	9.0	9.3	9.4	9.5	9.5	9.4	0.12	-0.11
Yield on Total Assets	7.9	8.1	8.5	8.4	8.4	8.4	8.3	-0.13	-0.08
Cost Of Funds	5.0	5.1	5.1	5.2	5.2	5.1	4.9	-0.18	-0.14
Cost of Deposits	7.8	4.9	5.0	5.1	5.1	4.9	4.8	-0.22	-0.14
NIM	3.3	3.4	3.7	3.6	3.6	3.8	3.9	0.15	0.10

Exhibit: Yield and Cost

Both Yield and Cost of fund declined

■ Yield on Total Assets ■ Cost Of Funds

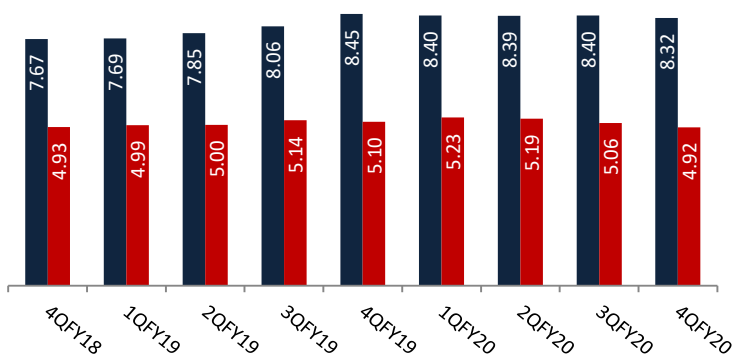
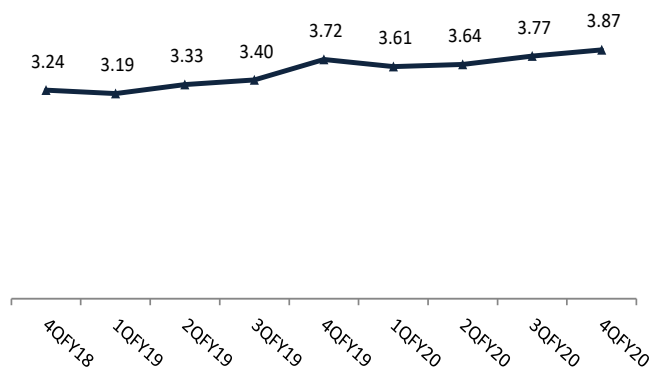


Exhibit: Net Interest Margin

NIM Improves

— NIM



Other Income Break Up

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20E	4QFY20
Fee income	2995	3062	3178	3039	3478	3596	3598	3478	3596
Growth YoY %	12.6%	15.9%	16.5%	16.0%	15.4%	10.3%	16.1%	17.4%	13.2%
Other income	238	331	196	342	287	207	376	447	415
Treasury income	2685	766	-35	479	156	179	341	531	242
Total Other Income	5678	3851	3156	3883	3621	3425	4195	4574	4255
Growth YoY %	250%	116%	-54%	-26%	21%	-37%	92%	31%	45%
Other Income as a % of NII	94	63	49	56	48	44	52	54	48
Other Income as a % of	1.1%	0.7%	0.6%	0.7%	0.6%	0.6%	0.7%	0.7%	0.7%

Exhibit: Fee Income/Advances %

Healthy fee income growth sustained.

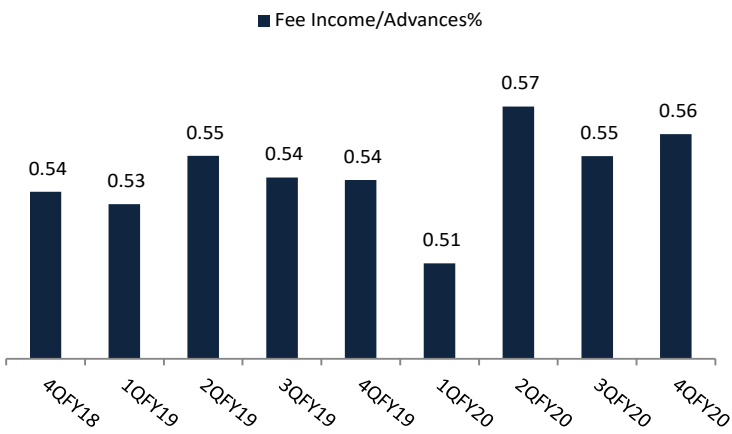
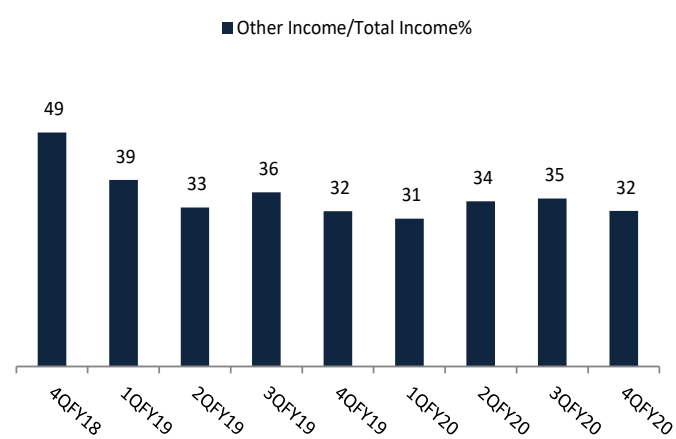


Exhibit: Other Income/ Total Income %

Other income as % of total income decreased



Asset Quality

	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	54,489	51,591	46,292	45,763	45,639	43,454	41,422	-11%	-5%
GNPA %	8.5	7.8	6.7	6.5	6.4	6.0	5.5	-1.17	-0.42
NNPA (Rs in Cr)	22,086	16,252	13,577	11,857	10,916	10,262	10,114	-26%	-1%
NNPA %	3.7	2.6	2.1	1.8	1.6	1.5	1.4	-0.65	-0.08
Slippages (Rs in Cr)	3,117	2,091	3,547	2,779	2,482	4,363	5,306	50%	22%
PCR %	69.4	76.3	81.2	83.4	85.0	85.7	86.7	5.50	1.00

Exhibit: Asset Quality

Assets quality improved.

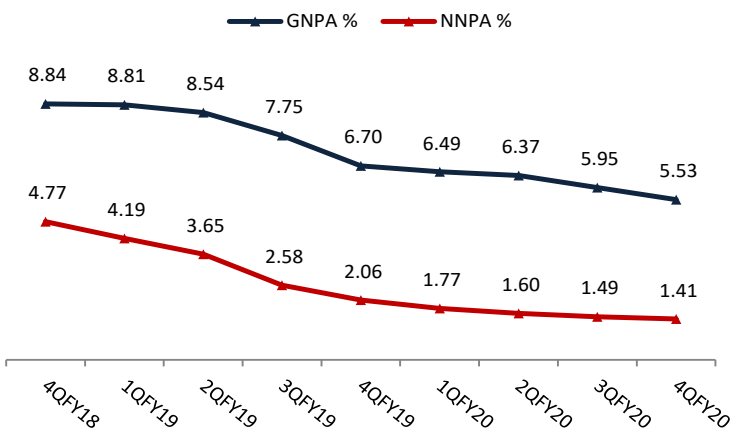


Exhibit: Provisions

PCR increased.

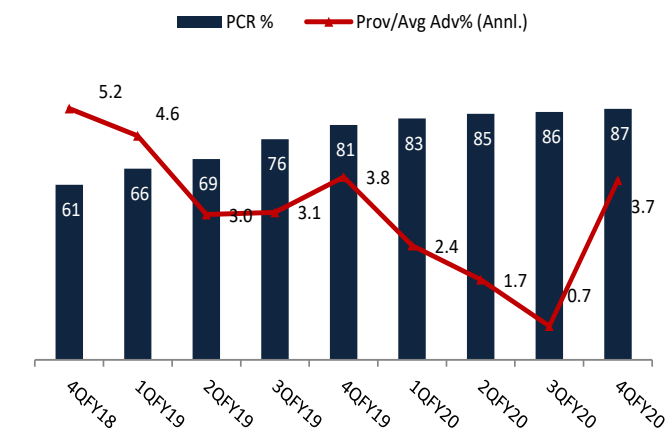


Exhibit: Advances Performance

Moderate advance growth

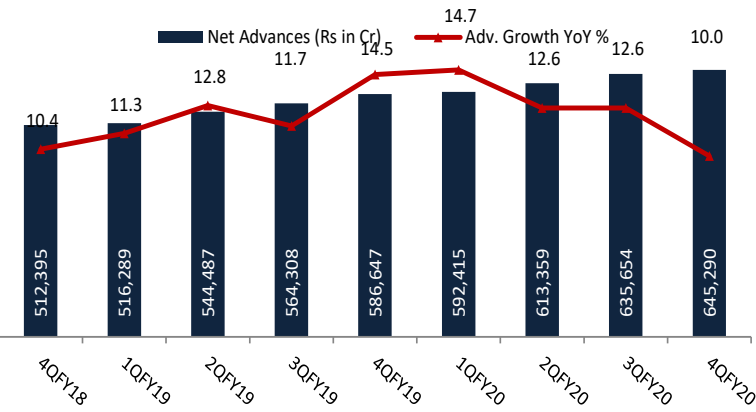


Exhibit: Advances Breakup%

■ Retail Business% ■ SME% ■ Domestic Corporate% ■ Overseas Branches%

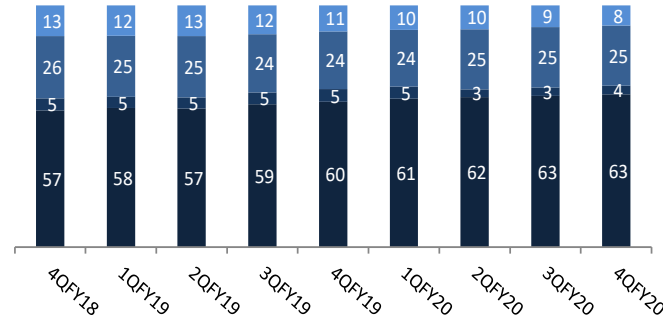


Exhibit: Deposits Performance

Steady deposit growth.

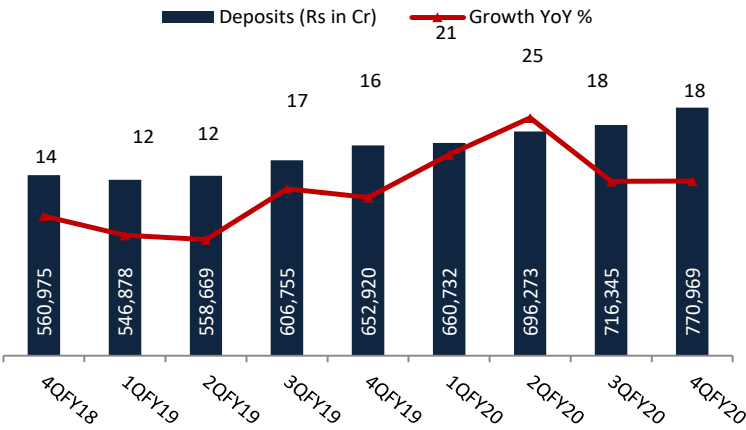


Exhibit: CASA Performance

CASA growth declined.

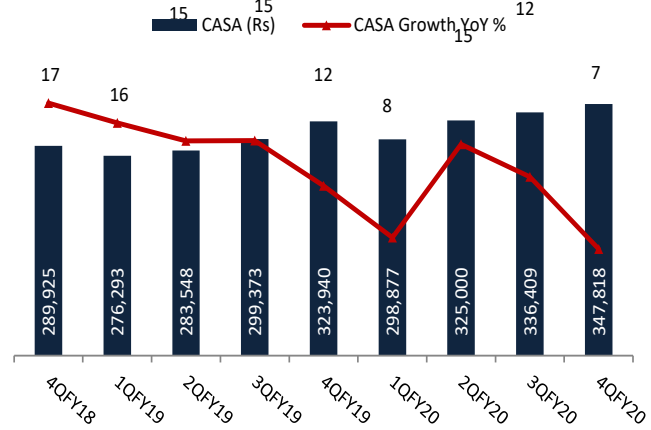


Exhibit: Credit Deposit Ratio

CD ratio moved down.

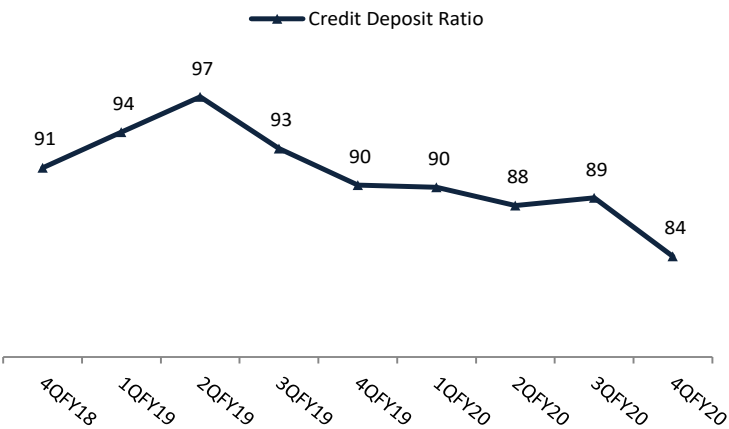
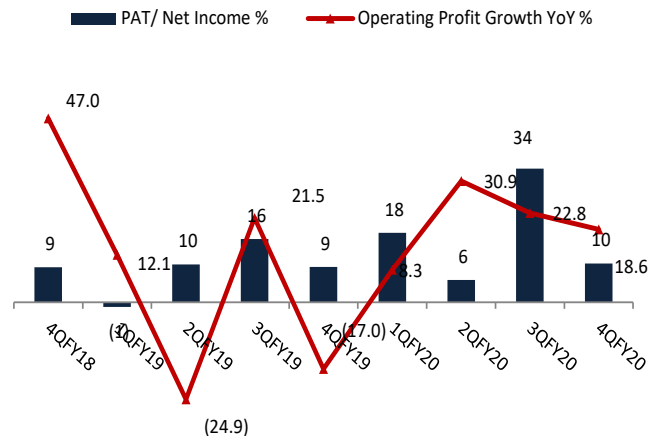


Exhibit: Operating Profit

Slow Operating Profit Growth



Financial Details
Balance Sheet

Fig in Rs cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
Share Capital	1154	1155	1160	1163	1165	1286	1290	1295
>> Equity Capital	1154	1155	1160	1163	1165	1286	1290	1295
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	65552	72058	79270	88572	98786	103873	107078	115209
Networth	66706	73213	80429	89736	99951	105159	108368	116504
Deposits	292614	331914	361563	421426	490039	560975	652920	770969
Change (%)	14.5	13.4	8.9	16.6	16.3	14.5	16.4	18.1
>> CASA Deposits	122577	142378	164380	193100	246821	289925	323940	347818
Change (%)	10.4	16.2	15.5	17.5	27.8	17.5	11.7	7.4
Borrowings	145341	154759	172417	174807	147556	182859	165320	162897
Other Liabilities & Prov.	32134	34756	31720	34726	34245	30196	37851	47995
Total Liabilities	536795	594642	646129	720695	771791	879189	964459	1098365
Cash & Bank	41418	41530	42305	59869	75713	84169	80296	119156
Investments	171394	177022	158129	160412	161507	202994	207733	249531
Change (%)	7.4	3.3	-10.7	1.4	0.7	25.7	2.3	20.1
Advances	290249	338703	387522	435264	464232	512395	586647	645290
Change (%)	14.4	16.7	14.4	12.3	6.7	10.4	14.5	10.0
Fixed Assets	4647	4678	4726	7577	7805	7904	7931	8410
Other Assets	29087	32709	53448	57574	62535	71727	81852	75978
Total Assets	536795	594642	646129	720695	771791	879189	964459	1098365

Income Statement

Fig in Rs cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Interest income	40076	44178	49091	52739	54156	54966	63401	74798
Interest expended	26209	27703	30052	31515	32419	31940	36386	41531
Net Interest Income	13866	16476	19040	21224	21737	23026	27015	33267
Change (%)	29.2	18.8	15.6	11.5	2.4	5.9	17.3	23.1
Other Income	8346	10428	12176	15323	19504	17420	14512	16449
Change (%)	11.2	24.9	16.8	25.8	27.3	-10.7	-16.7	13.3
>> Core Fee Income	6902	7758	8286	8819	9453	10341	11989	13711
>> Treasury Income	495	1016	1694	4061	8576	5802	1366	1293
>> Others	949	1654	2196	2443	1475	1277	1157	1445
Total Net Income	22212	26903	31216	36547	41242	40445	41527	49716
Operating Expenses	9013	10309	11496	12684	14755	15704	18089	21614
Change (%)	14.8	14.4	11.5	10.3	16.3	6.4	15.2	19.5
>> Employee Expenses	3893	4220	4750	5002	5734	5914	6808	8271
Pre-provisioning Profit	13199	16595	19720	23864	26487	24742	23438	28101
Change (%)	27.1	25.7	18.8	21.0	11.0	-6.6	-5.3	19.9
Provisions	1803	2626	3900	11668	15208	17307	19661	14053
Change (%)	13.9	45.7	48.5	199.2	30.3	13.8	13.6	-28.5
PBT	11397	13968	15820	12196	11279	7435	3777	14048
Tax	3071	4158	4645	2469	1478	657	413	6117
Profit After Tax	8325	9810	11175	9726	9801	6777	3363	7931
Change (%)	28.8	17.8	13.9	-13.0	0.8	-30.9	-50.4	135.8

Financial Details
Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
Balance Sheet Metrics								
Loan Growth (%)	14	17	14	12	7	10	14	10
Deposit Growth (%)	15	13	9	17	16	14	16	18
C/D Ratio (%)	99.2	102.0	107.2	103.3	94.7	91.3	89.8	83.7
CASA (%)	41.9	42.9	45.5	45.8	50.4	51.7	49.6	45.1
Investment/Deposit (%)	58.6	53.3	43.7	38.1	33.0	36.2	31.8	32.4
CRAR (%)	18.7	17.7	17.0	16.6	17.4	18.4	16.9	16.1
>> Tier 1 (%)	12.8	12.8	12.8	13.1	14.4	15.9	15.1	14.7
>> Tier 2 (%)	6.0	4.9	4.2	3.6	3.0	2.5	1.8	1.4

Assets Quality Metrics

Gross NPA (Rs)	9,608	10,554	15,242	26,721	42,552	54,063	46,292	41,422
Gross NPA (%)	2.7	2.6	3.3	5.2	7.9	8.8	6.7	5.5
Net NPA(Rs)	2,234	3,301	6,325	13,297	25,451	27,886	13,577	10,114
Net NPA (%)	0.6	0.8	1.4	2.7	4.9	4.8	2.1	1.4
Slippages (%)	1	2	2	5	8	7	3	3
Provision Coverage (%)	77	69	59	50	40	48	71	76
Provision/Average Advances (%)	0.7	0.8	1.1	2.8	3.4	3.5	3.6	2.3

Margin Metrics

Yield On Advances (%)	10.1	10.0	9.8	9.5	8.8	8.4	8.7	9.3
Yield On Investment (%)	6.7	6.6	6.3	6.7	7.1	6.3	6.2	6.4
Yield on Earning Assets (%)	8.6	8.5	8.6	8.3	7.9	7.3	7.5	8.1
Cost Of Deposits (%)	6.2	5.7	5.9	5.5	5.0	4.5	4.4	4.6
Cost Of Funds (%)	6.1	5.8	5.7	5.4	5.1	4.5	4.6	4.6
Spread (%)	2.5	2.7	2.8	2.9	2.8	2.7	2.9	3.5
NIM (%)	3.0	3.2	3.3	3.3	3.2	3.0	3.2	3.6

Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	65.4	62.7	61.2	59.8	59.9	58.1	57.4	55.5
Fee Income/NII (%)	49.8	47.1	43.5	41.6	43.5	44.9	44.4	41.2
Cost to Income (%)	40.6	38.3	36.8	34.7	35.8	38.8	43.6	43.5
Cost on Average Assets (%)	1.8	1.8	1.9	1.9	2.0	1.9	2.0	2.1
Tax Rate (%)	26.9	29.8	29.4	20.2	13.1	8.8	10.9	43.5

Valuation Ratio Metrics

EPS (Rs)	13.1	15.4	17.5	15.2	15.3	10.5	5.2	12.3
Change (%)	28.7	17.7	13.5	(13.2)	0.6	(31)	(51)	135
ROAE (%)	13.1	14.0	14.5	11.4	10.3	6.6	3.2	7.1
ROAA (%)	1.6	1.7	1.8	1.4	1.3	0.8	0.4	0.8
Dividend Payout (%)	30.5	29.8	28.5	32.9	16.3	14.2	19.2	-
Dividend yield (%)	2.1	2.0	1.7	2.3	1.0	0.5	0.3	-
Book Value (Rs)	105.1	115.3	126.1	140.3	156.0	163.6	168.1	180.0
Change (%)	10	10	9	11	11	5	3	7
P/B (X)	1.8	2.0	2.3	1.5	1.6	1.7	2.4	1.9
P/E (X)	14.5	14.7	16.4	14.1	16.5	26.4	76.5	27.59

Financial Details

Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
<i>Interest Income</i>	7.8	7.9	7.7	7.3	6.7	6.9	7.3
<i>Interest expended</i>	4.9	4.8	4.6	4.3	3.9	3.9	4.0
<i>Net Interest Income</i>	2.9	3.1	3.1	2.9	2.8	2.9	3.2
<i>Non-Fund Based Income</i>	1.8	2.0	2.2	2.6	2.1	1.6	1.6
>> <i>Core Fee Income</i>	1.4	1.3	1.3	1.3	1.3	1.3	1.3
>> <i>Trading and Other Income</i>	0.5	0.6	1.0	1.3	0.9	0.3	0.3
<i>Core Operating Income</i>	4.3	4.4	4.4	4.2	4.0	4.2	4.6
<i>Total Income</i>	4.8	5.0	5.3	5.5	4.9	4.5	4.8
<i>Total Operating Expenses</i>	1.8	1.9	1.9	2.0	1.9	2.0	2.1
>> <i>Employee Expenses</i>	0.7	0.8	0.7	0.8	0.7	0.7	0.8
>> <i>Other Expenses</i>	1.1	1.1	1.1	1.2	1.2	1.2	1.3
<i>Operating Profit</i>	2.9	3.2	3.5	3.5	3.0	2.5	2.7
<i>Provisions</i>	0.5	0.6	1.7	2.0	2.1	2.1	1.4
<i>Others</i>	-	-	-	-	-	-	-
<i>PBT</i>	2.5	2.6	1.8	1.5	0.9	0.4	1.4
<i>Tax</i>	0.7	0.7	0.4	0.2	0.1	0.0	0.6
<i>PAT/RoAA</i>	1.7	1.8	1.4	1.3	0.8	0.4	0.3
<i>Equity Multiplier (x)</i>	8.1	8.1	8.0	7.9	8.0	8.6	9.2
<i>ROAE</i>	14.0	14.5	11.4	10.3	6.6	3.2	7.1

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.