

MAS Financial Services Ltd.

Industry **Financial**
Bloomberg **SATIN IN**
BSE CODE **540749**

Slow down in Growth along with Higher COVID Provisioning Erodes Profitability

RATING	NEUTRAL
CMP	621
Price Target	559
Potential Upside	-10%

Rating Change	
Estimate Change	
Target Change	

Stock Info

52wk Range H/L	1269/448
Mkt Capital (Rs Cr)	3427
Free float (%)	27%
Avg. Vol 1M (,000)	0
No. of Shares (Cr)	5
Promoters Pledged %	20%

Fig. in Rs Cr

FINANCI	FY18	FY19	FY20
NII	269	352	395
PPP	208	288	321
PAT	103	152	178
NIM %	7.3	7.1	6.5
EPS (Rs)	19	28	32
EPS	21	47	17
ROE (%)	18.8	18.1	18.2
ROA (%)	4.4	4.8	4.3
BV	142	166	190
P/B (X)	4.2	3.6	3.2
P/E (x)	31.4	21.7	18.6

4QFY20 Results Update

- ❑ NII has remained muted at the rate of 4% on the back of muted growth in the AUM. C/I ratio has increased on a QoQ basis to 22% on the back of the rise in the expense by 24%. PAT stood negative at 14% on the back of higher provisioning at 105%.
- ❑ AUM growth has remained subdued at 12%YoY while on a QoQ basis, all the segment has registered degrowth except the SME loans.
- ❑ COVID provision stood at Rs 20 Cr which stood at 1.6% of the on book assets.
- ❑ CAR stood at 30.96% with Tier-I capital stood at 28.87% as at 4QFY20.
- ❑ Gross stage 3 has increased to 1.42% from 1.29% QoQ while NNPA has increased from 1.06% to 1.14% QoQ
- ❑ Sufficient liquidity due to very efficient liability management. of around Rs 700 Cr. and unutilized Cash Credit facility of Rs 700 Cr.
- ❑ The company took a cautious call of postponing lending activity in the month of April and May on account of lockdown. In the month of June, we are planning to start lending with necessary changes in our credit policy.
- ❑ The amount received against the demand for the month of April and May was 49% and 45% respectively despite having granted the moratorium. This translates into 51% and 55% of the customers by a value having availed moratorium in April and May respectively.
- ❑ Out of 105 branches, 96 branches are operational with minimum staffing to be scaled up gradually depending upon the situation. 65% of branches are in the state of Gujarat and Maharashtra.
- ❑ The sourcing relationship stood at 342 for CV and 326 two wheelers
- ❑ The company uses banking platform for 100% of its disbursement and collections.
- ❑ MAS housing has registered a growth of 6% YoY growth in AUM and 21.8% PAT. Capital Adequacy Ratio (including Tier II capital) as of 31 March 2020 stood at 40.69%. The Tier-t capital stood at 32.57%

View and Valuation

AUM growth has remained almost steady sequentially with higher provisioning affecting the profitability. Management has provided conservatively with COVID related provision standing at Rs 20 Cr which is 25% of the SMA 2 number (Rs 82 Cr.) Management is confident of growth with 56% of its customers being MSME which is catering to smaller industries where revival is expected with the removal of the lockdown. Management has already opened 96 (105 total) branches and plans to start disbursement in the month of June. Though management stated 65% of its branches are in rural & semi-urban but we remain cautious as more than 65% of its total branches are in Gujarat and Maharashtra with red zone areas. We expect credit costs to remain on a higher range going forward. The stock is trading at 2.7x FY21. We maintain NEUTRAL at 559.

Key Risks to our rating and target

- ❑ Slowdown in auto industry will hamper the growth
- ❑ Increase in cost of fund and unable to pass on the burden will impact Margins.

Research Analyst

DEEPAK KUMAR

Deepak.kumar@narnolia.com

+91-22-62701205

SWETA PADHI

Shweta.padhi@narnolia.com

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.

4QFY20 Results Below Our Expectations

Sequential Muted Growth

Fig. in Rs Cr

Financials	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY %	QoQ%	FY19	FY20	YoY %
Interest Inc.	152	156	164	179	168	10.4%	-6.1%	559	667	19.3%
Interest Exp.	57	64	73	69	69	21.1%	0.4%	207	272	31.6%
NII	95	91	91	111	99	4.0%	-10.2%	352	395	12.1%
Other Income	3	3	4	4	5	44.3%	8.6%	14	16	12.8%
Total Income	99	95	95	115	104	5.3%	-9.5%	366	410	12.1%
Ope Exp.	19	19	22	22	23	24.2%	3.2%	77	90	15.9%
PPP	80	76	72	92	81	0.9%	-12.6%	288	321	11.1%
Provisions	16	13	23	19	33	105.4%	76.0%	55	87	59.0%
PBT	64	63	50	74	48	-25.1%	-34.9%	234	234	0.0%
Tax	22	22	3	19	12	-45%	-34.9%	82	56	-31.2%
Extra Items	-	-	-	-	-	-	-	-	-	-
Net Profit	42	41	47	55	36	-14.1%	-34.9%	152	178	17%

Concall Highlights:

- MASFIN could not disburse Rs 325 Cr in March due to lockdown, it has taken a cautious approach of not doing any disbursement April & May. Management plans to restart the disbursement from June onwards.
- The moratorium was given to all eligible borrowers, 51% of customers by value have availed moratorium in April while 55% of customers have availed in May.
- 96 branches are operational out of 105 branches..
- OPEX cost is expected to reduce by 25-35 bps going ahead with a focus on the variable part.
- Credit cost normally ranges from 1-1.5% ranges going ahead it may increase to 1.5-2% ranges.
- Special COVID provisioning stood at Rs 20 Cr which is 0.61% of the total assets. SMA 2 stands at Rs 82 Cr.
- Management will emphasis to reduce the cost and credit cost to maintain RoA at 2.75-3% as oppose to 3.4-3.5% range.
- Management states growth will be affected in the short term period.
- As of 31st march 2020 management has Rs 700 Cr of liquidity while unutilized cash credit facility stood at Rs 700 Cr. Besides, the company has sanction on hand to the tune of Rs 1450 Cr in the form of Term Loan and Direct assignment.
- Management remains confident of maintaining the quantum of direct assignment on the back of superior credit cost.
- 56% of the total customers are into MSME covering 250 industries like electrician, plumbing, and manufacturing with a ticket size of Rs 40-50k. SME is restricted to engineering & plastic industries. Situation is expected to improve as soon as the lockdown is removed.
- 60% of the NBFC by value have taken moratorium while MASFIN has not availed moratorium from banks.
- Rural & Semi-urban constitute 65% of the book while urban stood at 35%.
- MFI is improving collection in the last few weeks. Most of the MFI branches have started working.
- Capital adequacy is sufficient at 28% which gives sufficient cushioning to pass through this crisis.

Profitability Matrix

	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	23.2	19.8	18.9	20.3	23.5	19.6	22.3	3.40	2.74
Empl. Cost/ Tot. Exp. %	13.0	12.3	11.9	13.1	13.5	12.5	12.3	0.41	-0.22
Other Exp/Tot. Exp.%	9.9	6.0	6.1	5.4	8.0	5.1	7.6	1.50	2.48
Provision/PPP %	18.9	15.9	19.9	17.1	31.1	20.1	40.5	20.62	20.39
Tax Rate %	35.6	34.5	35.0	35.0	6.6	25.5	25.5	-9.51	0.01
Int Exp./Int Inc. (%)	36.1	37.2	37.4	41.3	44.4	38.3	41.0	3.62	2.66
Other Inc./NII %	0.0	0.1	0.1	0.1	0.1	0.1	-	-0.06	-0.07
PPP/ Net Income %	76.8	80.2	81.1	79.7	76.5	80.4	77.7	-3.40	-2.74
PAT/ Net Income %	40.1	44.2	42.2	42.9	49.2	47.8	34.4	-7.78	-13.43
NII Growth % (YoY)	23.7	30.2	17.5	16.0	5.8	11.8	4.0	-13.56	-7.78
PPP Growth YoY %	27.4	51.3	20.6	24.8	9.3	11.8	0.9	-19.75	-10.96
PAT Growth %	42.2	50.9	29.1	34	34.7	20.8	(14.1)	-43.22	-34.90

Margin Performance

Margin %	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	12.5	13.6	12.1	11.5	11.3	11.7	10.7	-1.40	-1.01
Cost Of Funds	10.3	11.1	9.9	10.0	10.5	9.5	9.1	-0.79	-0.40
Spreads	2.2	2.4	2.2	1.5	0.7	2.2	1.6	-0.61	-0.61
NIM	8.2	8.8	7.9	7.1	6.7	7.8	6.8	-1.15	-0.98

Exhibit: Calculated Yield and Cost

Spreads has deteriorated sequentially

■ Overall Yield% ■ Overall Cost of Fund %

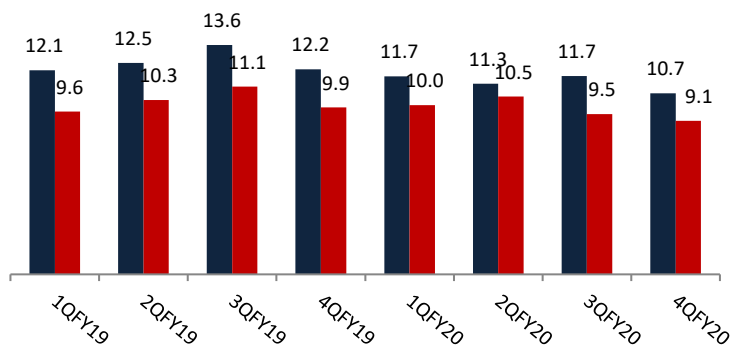
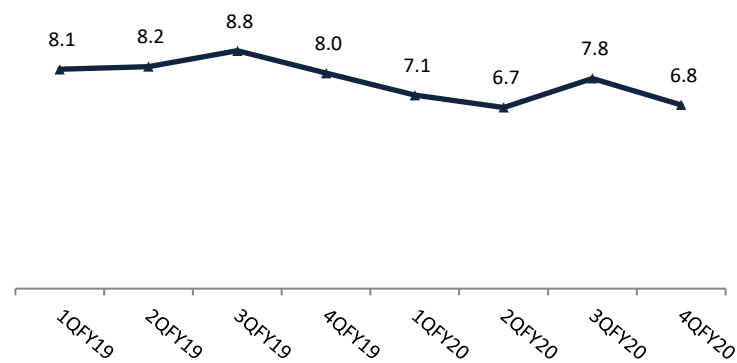


Exhibit: Net Interest Margin

NIM Calc. has declined

NIM % Reported



Asset & Borrowings Growth Trend

Fig. in Rs Cr

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
AUM	4157	4317	4625	4915	5338	5578	5894	5960	5966
Growth YoY %	32	32	33	34	28	29	26	21	12
Borrowings	1785	1894	2226	2524	2567	2959	2980	3053	3123
Growth YoY %	28	17	24	52	36	46	35	24	40

Exhibit: AUM Growth %

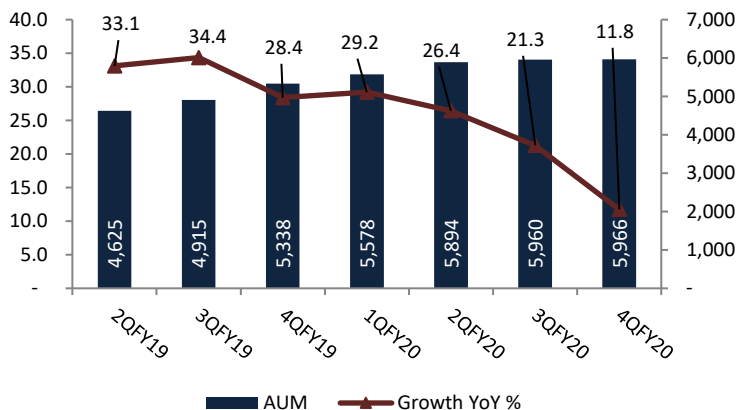
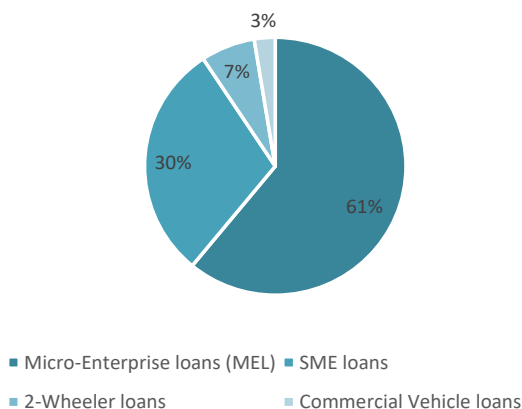


Exhibit: Different Segment Share %

Share of Different segment



Asset Mix

	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Micro-Enterprise loans (%)	63	64	63	62	63	64	61	62	61
SME loans (%)	25	24	24	24	25	25	28	28	30
2-Wheeler loans (%)	8	9	9	10	9	8	8	8	7
Commercial Vehicle loans (%)	4	3	3	3	3	3	2	3	3

Asset Quality

Fig. in Rs Cr

	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (+/-)	QoQ (+/-)
GNPA	60	68	74	78	75	77	85	17	8
GNPA %	1.3	1.4	1.4	1.4	1.3	1.3	1.4	0.0	0.1
NNPA	49	56	61	64	62	63	68	12	5
NNPA %	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	0.1
Total Specific PCR %	18	18	18	18	17	18	20	2	2

Exhibit: Asset Quality

GNPA increased Remained Steady

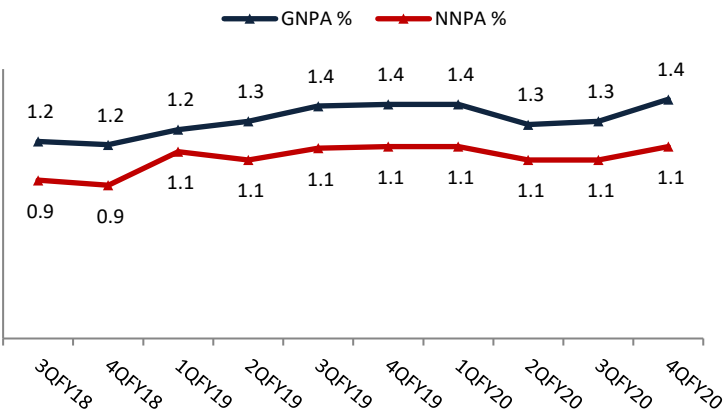


Exhibit: Provisions

PCR has Slightly Improved

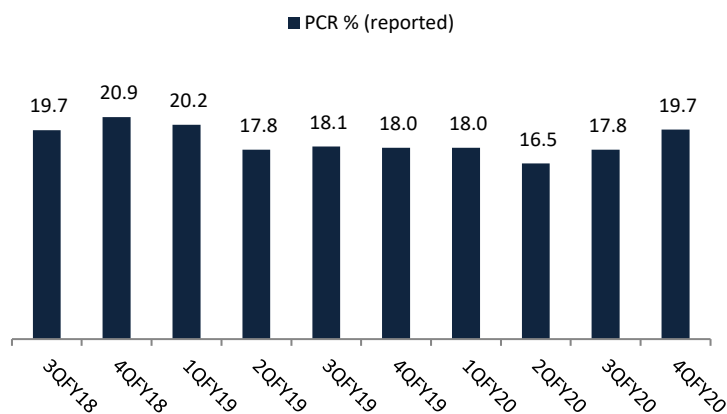


Exhibit: C/I ratio & Operating Profit Gr.

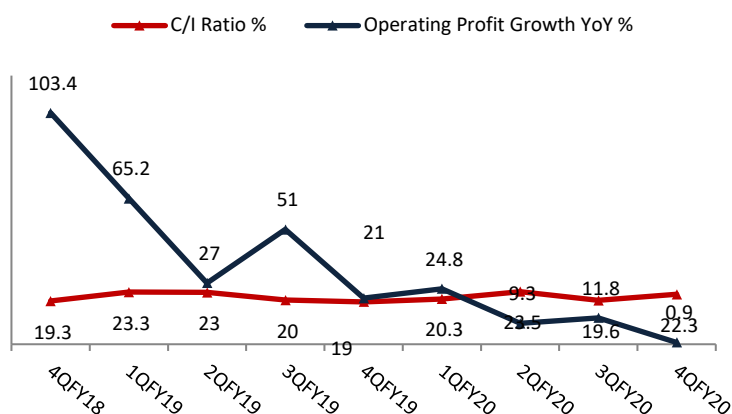
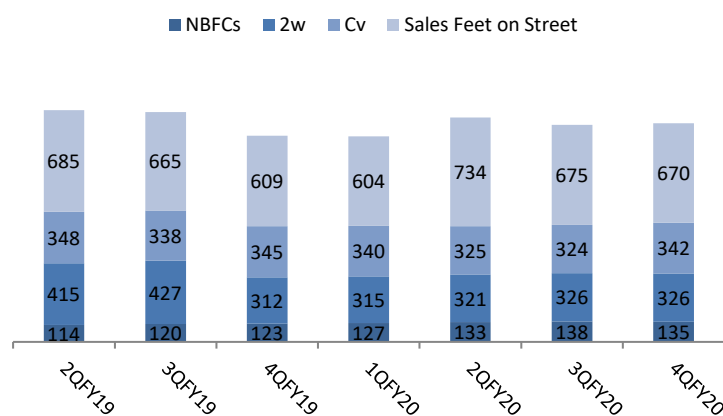


Exhibit: Sourcing Partners



Asset Quality

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
1 – 30 DPD	2.8	2.6	2.6	2.6	2.7	2.8	2.8	1.8
31 – 60 DPD	1.6	1.3	1.3	1.2	1.1	1.0	1.0	0.9
61 – 90 DPD	1.0	1.4	1.1	1.0	1.2	1.5	1.5	0.9
91 – 120 DPD	0.5	0.5	0.4	0.7	0.3	0.3	0.3	0.4
> 120 DPD	0.7	0.8	0.5	0.7	1.1	1.0	1.0	1.0

On/Off Book Mix

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Off Book	37	35	40	39	37	37	42	44
On Book	63	65	60	61	63	63	58	56

Average Ticket Size

Fig. in Rs Cr

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
MSME	34,285	35,596	30,627	37,384	34,033	36,140	38,482	38,383
SME	72	77	54	51	37	39	49	40
2 Wheeler	42,364	49,348	43,076	51,079	45,161	45,104	51,072	50,333
Commercial Vehicle	93545	120848	134783	153567	210682	203701	209360	212593

State Wise Break Up

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
Rajasthan	8	8	8	8	9	10	10	10
Gujarat	37	37	37	38	51	57	59	59
Maharashtra	20	20	20	19	19	21	21	21
Other	13	13	13	13	14	14	15	15
Total	78	78	78	78	93	102	105	105

Financial Details
Balance Sheet

Fig. in Rs Cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
Share Capital	53	59	59	59	90	55	55	55
>> Equity Capital	53	59	59	59	90	55	55	55
>> Preference Capital	-	-	-	-	-	-	-	-
Reserves & Surplus	41	56	81	118	237	719	855	984
Networth	94	115	141	178	327	774	910	1,039
Change (%)	N/A	23	22	26	84	137	18	14
Total Borrowings	-	-	1,213	1,486	1,513	1,785	2567	3122.7
Change (%)	N/A	N/A	N/A	22	2	18	44	22
Provisions	11	13	20	13	16	1	0	0
Other Liabilities	662	944	109	138	168	138	227	395
Total Liabilities	767.26	1073.05	1482.81	1814.21	2024.16	2697.68	3703.54	4556.91
Investments	11	11	11	11	11	13	22	38
Loans	561	858	1228	1592	1936	2546	3219	3338
Change (%)	N/A	53	43	30	22	32	26	4
Fixed Assets	6	6	5	6	7	57	58	60
Other Assets	15	14	22	30	34	33	37	95
Cash Balances	175	185	217	175	37	48	369	1,026
Total Assets	767.26	1073.05	1482.81	1814.21	2024.16	2697.68	3704.42	4556.79

Income Statement

Fig. in Rs Cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Interest income	137	177	225	293	341	439	559	667
Interest expended	55	75	106	134	151	170	207	272
Net Interest Income	82	101	120	159	189	269	352	395
Change (%)	N/A	24	18	33	19	42	31	12
Other Income	1	1	1	1	1	11	14	16
Change (%)	N/A	(18)	14	8	(4)	1,197	21	13
Total Net Income	83	102	120	160	190	280	366	410
Change (%)	N/A	23	18	33	19	47	30	12
Operating Expenses	45	40	43	55	60	73	77	90
Change (%)	N/A	(11)	7	28	10	20	7	16
>> Employee Expenses	12	14	16	22	26	38	47	52
Change (%)	N/A	11	17	40	17	45	24	11
>> Other Expenses	33	26	27	33	34	35	30	37
Pre-provisioning Profit	38	62	78	105	130	208	288	321
Change (%)	N/A	64	25	35	24	60	39	11
Provisions	8	14	19	23	27	43	55	87
Change (%)	N/A	72	34	20	15	60	28	59
PBT	29	48	58	82	103	165	234	234
Tax	12	16	19	28	36	62	82	56
Profit After Tax	17	31	39	53	67	103	152	178
Change (%)	N/A	84	26	37	26	54	47	17
Adjusted Profit After Tax	17	31	39	53	67	103	152	178
Change (%)	N/A	84	26	37	26	54	47	17

Financial Details

Key Ratios

Fig. in Rs Cr

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
Balance Sheet Metrics								
AUM	0	1064	2015	2565	3156	4114	5338	5966
>> Off-Book AUM	-561	206	787	973	1221	1568	2120	2629
AUM Growth (%)	N/A	N/A	89.4	27.3	23.0	30.4	29.7	11.8
Borrowing Growth (%)	N/A	N/A	N/A	22.4	1.8	18.0	43.8	21.6
Loan/Borrowing (%)	N/A	N/A	1.0	1.1	1.3	1.4	1.3	1.1
Disbursement (Rs Cr)	1078	1429	2044	2978	3119	3891	4772	4208
Disbursement Growth (%)	80.0	32.6	43.0	45.7	4.7	24.8	22.6	(11.8)
CRAR (%)	22	19	17	18	23	31	29	31
>> Tier 1 (%)	14.8	13.2	11.5	11.1	16.9	29.1	26.4	28.9
>> Tier 2 (%)	7.7	5.7	5.6	7.3	6.0	2.2	2.8	2.1
Debt/Equity(x)	N/A	N/A	101.2	107.2	127.9	142.7	125.4	106.9
Assets Quality Metrics								
Gross NPA (Rs)	0	15	21	28	34	53	74	85
Gross NPA (%)	-	1.0	1.0	1.1	1.1	1.3	1.4	1.4
Net NPA (Rs)	0	12	17	24	30	49	61	68
Net NPA (%)	-	0.8	0.9	0.9	1.0	1.2	1.1	1.1
Specific Provision Coverage (%)	-	19	18	14	13	8	18	20
Provision/Average Advances (%)	0.9	1.2	1.2	1.0	0.9	1.2	1.2	1.5

Margin Metrics

Yield On Advances (%)	15.2	14.7	13.4	12.8	11.9	12.1	11.8	11.8
Cost Of Funds (%)	10.1	9.7	9.4	9.5	10.1	10.3	9.5	9.6
Spread (%)	5.1	5.0	4.0	3.3	1.7	1.6	1.8	1.4
NIM on AUM (%)	9.1	8.4	7.1	6.9	6.6	7.3	7.1	6.5

Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	40.0	42.7	46.9	45.7	44.4	38.8	37.0	40.8
Other Income/NII (%)	1.1	0.7	0.7	0.6	0.5	4.3	4.0	4.0
Operating Profit/Net Income (%)	45.5	60.8	64.4	65.6	68.2	74.1	78.8	78.1
Net Profit/Net Income (%)	20.4	30.5	32.4	33.4	35.4	36.9	41.6	43.3
Cost to Income (%)	54.5	39.2	35.6	34.4	31.8	25.9	21.2	21.9
Employee Exp/Net Income (%)	14.9	13.4	13.3	14.0	13.8	13.5	12.9	12.8
Cost on Average Assets (%)	5.0	3.3	2.6	2.4	2.1	2.0	1.6	1.6
Provision/PPP (%)	22.3	23.3	25.0	22.2	20.6	20.6	18.9	27.0
Tax Rate (%)	42.3	34.7	33.0	34.6	34.6	37.4	35.0	24.1

Valuation Ratio Metrics

EPS (Rs)	8	10	12	17	16	19	28	32
Change (%)	N/A	14.8	25.6	36.9	(6.0)	21	47.1	16.7
ROAE (%)	18.0	29.7	30.5	33.5	26.7	18.8	18.1	18.2
ROAA (%)	4.4	3.4	3.1	3.2	3.5	4.4	4.8	4.3
Dividend Payout (%)	-	-	-	-	-	9.5	26.7	22.9
Dividend yield (%)	-	-	-	-	-	0.3	0.6	0.2
DPS	-	-	-	-	-	1.5	3.6	1.5
Book Value(Rs)	47	36	44	56	76	142	166	190
Change (%)	N/A	(23)	22	26	37	86	18	14
P/B (X)	-	-	-	-	-	4.2	3.6	3.2
P/E (X)	-	-	-	-	-	31.4	21.7	18.6

Financial Details

Exhibit: DuPont Analysis

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E
<i>Interest Income</i>	35.6	19.2	17.6	17.8	17.7	18.6	20.7	18.0
<i>Interest expended</i>	14.2	8.2	8.3	8.1	7.9	7.2	7.7	7.3
<i>Net Interest Income</i>	21.3	11.0	9.4	9.6	9.9	11.4	13.0	10.7
<i>Non-Fund Based Income</i>	0.2	0.1	0.1	0.1	0.0	0.5	0.5	0.4
<i>Total Income</i>	21.6	11.1	9.4	9.7	9.9	11.9	13.6	11.1
<i>Total Operating Expenses</i>	11.7	4.3	3.4	3.3	3.1	3.1	2.9	2.4
>> <i>Employee Expenses</i>	3.2	1.5	1.3	1.4	1.4	1.6	1.7	1.4
>> <i>Other Expenses</i>	8.5	2.9	2.1	2.0	1.8	1.5	1.1	1.0
<i>Operating Profit</i>	9.8	6.7	6.1	6.4	6.8	8.8	10.7	8.7
<i>Provisions</i>	2.2	1.6	1.5	1.4	1.4	1.8	2.0	2.3
<i>Others</i>								
<i>PBT</i>	7.6	5.2	4.6	5.0	5.4	7.0	8.7	6.3
<i>Tax</i>	3.2	1.8	1.5	1.7	1.9	2.6	3.0	1.5
<i>PAT/RoAA</i>	4.4	3.4	3.1	3.2	3.5	4.4	5.6	4.8
<i>Equity Multiplier (x)</i>	4.1	8.8	10.0	10.3	7.6	4.3	3.2	3.8
<i>ROAE</i>	18.0	29.7	30.5	33.5	26.7	18.8	18.1	18.2

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.