

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

- i) This Document has been filed with the Securities & Exchange Board of India (SEBI) along with the Certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- ii) The purpose of this Document is to provide essential Information about the portfolio service in a manner to assist and enable the investor in making informed decisions in engaging a portfolio Manager.
- iii) This Document contains necessary information about Narnolia Financial Services Ltd. (Portfolio Managers) required by investor before investing. The investor is advised to retain this document for future reference.

iv) The following are the details of the Portfolio Manager:-

Name of the Portfolio Manager	Narnolia Financial Services Ltd.
SEBI registration Number	INP000006420
Registered Office Address	Marble Arch, office 201, 2 nd Floor, 236B, AJC Bose Road, Kolkata 700020, West Bengal
Correspondence Office Address	Marble Arch, office 201, 2 nd Floor, 236B, AJC Bose Road, Kolkata 700020, West Bengal
Phone No.	033 4050 1500
Website	www.narnolia.com

iv) The name, Phone number, e-mail id of the Principal Officer is given below:-

Name of the Principal Officer	Mr. Atul Kumar Mishra
Contact No.	033 4050 1500
E-mail address	atul.mishra@narnolia.com

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1. DISCLAIMER :

The particulars have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

2. DEFINITIONS :

(i) "Act" means the Securities and Exchange Board of India Act, 1992.

(ii) "Portfolio" means the total holdings of Securities & goods belonging to any person;

(iii) "Portfolio Manager" means a body corporate, which pursuant to a contract with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of Securities or goods or funds of the client as the case may be.

Provided that the Portfolio Manager may deal in goods received in delivery against physical settlement of commodity derivatives.

(iv) "Discretionary Portfolio manager" means a portfolio manager who under a contract relating to portfolio management, exercise or may exercise any degree of discretion as to the investment of funds or management of portfolio of securities or the funds of the client, as the case may be.

(v) "Principal Officer" means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for:-

(a) The decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client as the case may be; and

(b) All other operations of the portfolio manager

Words and expressions used and not defined in these regulations but defined in the Act shall have the meaning respectively assigned to them in Act.

3. HISTORY, PRESENT BUSINESS AND BACKGROUND OF PORTFOLIO MANAGER:

The company was incorporated on 14th July 1995 in the name of Lokpriya Mercantile Pvt. Ltd. There after the name of the Company was changed to Microsec India Ltd. and Microsec Capital Ltd subsequently. The company acquired membership of ISE in 2000 & started as a sub broker in 2001. In 2003, the company got the Merchant Banker License. In 2004 the company became member of NSE both Cash & Derivatives Segments. In 2005 the company got membership of BSE, NSDL and Underwriters Certificate. In 2007 the company also got the membership of CDSL. In 2008, the company got membership of NSE-Currency Derivatives Segment. In 2009 the Company got membership of Metropolitan Stock Exchange of India Limited for Currency Derivatives Segment. In 2012 the company became member of MSEI for Cash & Derivatives Segments. As a Stock Broker, the Company is providing services to approx. 50,000 customers. In 2017-18, there was change in control of the Company whereby Mr. Krishnanand Narnolia, Promoter of Narnolia Securities Ltd. acquired control of the Company and name of the Company was changed to Narnolia Financial Services Ltd (Formerly Narnolia Financial Advisors Limited). In October 2020, the company transferred its Broking and Depository business to Motilal Oswal Financial Services Limited and applied for surrender of its Broking and Depository licence.

The Company has been named as most consistent Portfolio Manager of the Country 2018 by BSE Tefla's. Further, Narnolia has been rewarded as India's most promising Brand 2017 by WCRC.

Besides Portfolio Management Services, the Narnolia Group provides a gamut of financial services in the arena of SEBI registered Merchant Banker, Investment Advisors, Research Analyst, PFRDA registered NPS POP, AMFI registered Mutual Fund Distributor, RBI registered NBFC, IRDA Licensed Direct Insurance Broker Life and Non- Life.

4. DETAILS OF PROMOTER & DIRECTORS OF PORTFOLIO MANAGER AND THEIR BACKGROUND

Name	Status / Designation	Qualification	Background
Mr. Krishnanand Narnolia	Promoter & Director	Graduate	Mr. Krishnanand Narnolia is the Promoter & Chairman of Narnolia Group. He is having more than 22 years of vast experience in Capital Market.
Mr. Shailendra Kumar	Promoter & Director	Graduate, Master of Technology in Management & Systems from IIT, Delhi	Mr. Shailendra Kumar is having more than 19 years of vast experience in Securities Market Research & Analysis.
Mr. Pankaj Harlalka	Director	FCS	Mr. Harlalka has vast experience in dealing with Corporates and played a major role in the execution of major assignments in the Merchant Banking division. Mr. Harlalka is having more than 15 years of experience in Merchant Banking and securities market.
Mr. Vikram Vilas Wadekar	Director	Master degree in Personal Management	Mr. Vikram Wadekar is a Management visionary with fast track career celebrated with impactful roles. He has more than 22 years of experience in Capital Market operation in Manpower Management.

5. GROUP COMPANIES/FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS:

- i) Narnolia Securities Limited ii) G Raj And Company Consultants Limited
- iii) Narnolia Capital Advisors Private Limited iv) Narnolia Commodities Brokers Private Limited
- v) Narnolia Knowledge Training Centre Private Limited vi) Narnolia Velox Advisory Ltd
- vii) Narnolia Investment Advisors Private Limited viii) Narnolia Commerze Limited
- ix) Narnolia Insurance Brokers Limited

6. SERVICES OFFERED BY THE PORTFOLIO MANAGER:

- i) The investment objective and Policy of the Portfolio Manager shall be to undertake, on behalf of the Client, the Management & administration of the Funds and Portfolio of the Client with the aim of generating a reasonable return on the client's investment, while at the same time endeavouring to reduce the risk of capital loss.

The approach to investment is based purely on fundamental analysis.

- I) Macro factors like state of the economy, interest rates, global trends are studied, and based on these industries that are likely to perform well are chosen.
 - II) We are using the research softwares to analyze the data and get instant access to the live data.
 - III) Diversification is achieved by adopting a judicious mixture of investment in different sectors. Within the sectors companies are carefully chosen keeping in mind the quality of management, past track record, future growth plans, investor relations & liquidity of the stock.
 - IV) For Discretionary services, investment shall be made in securities listed or traded on a recognised stock exchange, money market instruments, units of Mutual Funds (through Direct Plan) and other securities as specified by SEBI from time to time. For Non- Discretionary or advisory services, in addition to securities permitted for discretionary services, investment may be made in unlisted securities upto 25% of assets under management of the client.
- ii) Company may invest in the Shares, mutual funds, debt, deposit and other financial instrument of group Companies not exceeding 5% subject to applicable laws/regulations/guidelines.

The Portfolio Manager broadly offers services under the following categories:-

Discretionary Services: In these schemes, the choice as well as the timings of the investment decision rest solely with the Portfolio Manager. The Portfolio Manager at times and at its own discretion, adheres to the views of the Client pertaining to the investment decisions of the Client's Portfolio. The Portfolio Manager will exercise any degree of discretion as to the investment or management of the portfolio of securities or the funds of the client.

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under the following Investment Strategy(ies):

- (i) **Narnolia Multi Cap Strategy:** The strategy follows a value based stock selection with investment horizon of Medium to Long Term. The Strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by industry experts for superior wealth creation. The strategy strives for active alpha-generation through investing in companies with rising relative growth and valuation.
- (ii) **Narnolia Large Cap Strategy-** Grow with the leaders of today by investing in a portfolio consisting of the top 3 players of their respective industries
- (iii) **Narnolia Theme of Themes Strategy -** Invest in a portfolio that have contributed considerably towards a 'New India' based on value migration theme
- (iv) **Narnolia Mid Cap & Small cap Strategy –** Portfolio that invests in good quality and growing small/mid cap companies for long term wealth creation
- (v) **Narnolia Multi Asset Strategy:** Multi asset comprises of flexible and judicious mix of multi cap, large, mid and small cap equity funds, debt schemes or if required other asset class like gold. The portfolio has right kind of stability to sail through tough times, as well as has the right force to outperform in the long term.
- (vi) **Multi Managers –Fixed Income -** The strategy follows investment in Debt Mutual Funds of various durations like Short / Medium / Long Term funds , Dynamic bond funds, liquid funds and overnight funds. By investing money in such avenues, debt mutual funds lower the risk factor considerably for investors. This is a relatively stable investment avenue that could help to generate wealth.

Non- Discretionary Services: The Portfolio Manager will not exercise any degree of discretion as to the investment or management of the portfolio of securities or the funds of the client. The Portfolio Manager will be taking care of execution, payment, settlement and custody. Portfolio Manager will be offering the investment advice while the final decision rests with the client.

Advisory Services: Under this arrangement, funds are not taken by the Portfolio Manager but they remain with the client. The client gives authority to the company to make investment on his behalf. The client opens broking account with a recognized stock broker. When securities are bought or sold, the client receives contract notes in his name from the broker. Payments are made by the client directly to the broker. The securities that are purchased get credited to the depository account of the client. The company receives a fee for providing these services.

There is facility to on board directly without intermediation of persons engaged in distribution services and the client can opt the same.

7. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATION FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INTIATED BY ANY REGULATORY AUTHORITY. :

- No penalty has been imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder against the Company.
- No penalty has been imposed for any economic offence and/or violation of any securities laws.
- There is no pending material litigation/legal proceeding against the portfolio manager/key personnel. No deficiency in the systems and operations of the portfolio manager has been observed either by the Board or any regulatory agency.
- No enquiry/adjudication proceedings have been initiated by the Board against the portfolio manager or its directors, principal officer or employee or any other person directly or indirectly connected with Portfolio Manager or its Directors, Principal Officer or Employee, under the act or rules or regulation made there under.

8. RISK FACTORS:

Investments in Securities are subject to market risks, which include price fluctuation risk. There is no assurance or guarantee that the objectives of any of the investments will be achieved. The investments may not be suited to all categories of investors.

The past performance of the Portfolio Manager is not indicative of the future performance. There is no assurance that the past performance will be repeated. Investors are not being offered any guarantee or indicative returns about the performance of Portfolio.

The Portfolio Manager has 14 years' experience as Portfolio Manager.

The debt investment and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures. Investment in unlisted securities may lead to liquidity risk.

Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity. Derivatives products being highly levered product in itself carry risk.

The Performance of the Portfolio may be adversely affected by the performance of individual companies, changes in the market place and industry specific, change in Government policies & Macro economic factors. There are inherent risks arising out of investment approach, investment objectives, Investment strategy and assets allocation.

None of the employees directly involved in Investment operations have any conflict of Interest with the transaction in any of the client's portfolio.

Disclosure of conflict of Interest related to services offered:-

Name of The Company	Type of Company	Services Offered
Narnolia Commerze Ltd.	Group Company	SEBI registration certificate has been surrendered.
Narnolia Investment Advisors Pvt. Ltd.	Group Company	SEBI registered Investment Advisor
Narnolia Financial Services Ltd.	self	SEBI registered Stock Broker*, Merchant Banker, Research Analyst AMFI registered Mutual Fund Distributor,

* Surrender under process

9) Investment approach opted by clients & Portfolio Construction

Investment approach

We follow proprietary Fundamental & Quantitative Model that processes multiple years of Profit & Loss A/c, Balance Sheets and Cash flow data of companies resulting in portfolio of India Story based Growth. The strategy strives for active alpha generation through investing in companies with rising relative growth and valuation. We identify investments within a M (Momentum) C (Carry) Q (Quality) framework which looks at rising momentum in the fundamentals (not necessarily price) of the company.

An investor can invest in our PMS which comprises of equity strategy or Mutual Fund Strategies as per the need of the customer. The various strategies from which customer can choose and invest as per their risk through one or more strategies in single account are outlined as:

- (i) Narnolia Multi Cap Strategy- A Multi-Cap equity strategy relies on Fundamental & Quantitative Model that processes multiple years of P/L, BS and cash flow data of companies resulting in portfolio of India Story based Growth and MIDCAP BASED stocks
- (ii) Narnolia Large Cap Strategy- This equity aggressive theme identifies companies that are leaders of their respective industry and are showing growth in value characteristics with expected higher return ratio.
- (iii) Narnolia Theme of Themes- This Value migration theme prefers a stock which is next –gen opportunity. The stock has growth in value characteristics and passes the 360 degree deductive reasoning framework.
- (iv) Narnolia Mid Cap & Small Cap – Active investing in small cap investment universe by identifying companies with improving fundamentals. Tactical weight allocation under the sub-classes to achieve positive return along with managing the risk.
- (v) Narnolia Multi- Asset Strategy- The strategy deploys funds through Direct Schemes of Mutual Funds. The portfolio invests judiciously into different asset classes of Mutual Fund Schemes (Equity and Debt), Gold Fund (Listed or ETF) and REIT or Infra (which are listed). The portfolio recommends investing in tactical and thematic schemes alongside multi cycle stable schemes. The aggressive approach also employs ETFs.
- (vi) Multi Managers –Fixed Income: The philosophy in managing fixed income portfolios is to generate steady income streams for investors while managing risks in a manner which is consistent with the fund objectives. Our investment process is driven by thorough research of different Securities, Papers & Bonds held by the funds and balances both risk and return to construct portfolios which seek to deliver consistent and superior risk-adjusted returns to investors over the long term. Research is focused on both, interest rates and credit. We thoroughly analyze the macro economic scenario and monetary policy environment to formulate our views on interest rates and our stance on duration.

Portfolio Construction

- a) Equity: Nature of equity- Growth in value philosophy will be followed for all listed equity stocks with – large, mid, small cap. The detail steps followed in this regard is mentioned below.
- b) Balanced- Currently no such strategy
- c) Debt- Investments done through Mutual Fund route only
- d) Mutual Funds-Investment in Equity and Debt Mutual Funds is done through Direct schemes of Mutual Funds.
- e) Others- No other strategy other than investments through Direct Equity and Mutual Funds



Investment Universe Creation & Classification

- Data analytics on over 1600 stocks (99.5% of total market cap).
- Grouping of stocks into 4 Cap, 10 Sectors, 44 Industries, 76 Sub-Industries, style based and theme based classification.

Stocks Quantitative Parameters: Earning Score (ES) and Price Score (PS) using detailed financial accounting data.

Approved 'Buy' List Preparation

Analyzing each company's valuation, growth and financial history for last 10 years.

Identifying valuation multiple for each Industry through extensive testing on over 80 financial parameters.

Stocks analyzed using three fundamental attributes based on earnings momentum (M), capital allocation & payout ratio (C) and quality of return ratios (Q).

Identifying companies with appropriate growth and value characteristics.

Focused 'Buy' List Preparation

Rigorous bottom up fundamental analysis of companies in approved 'buy list' to ascertain stocks with sustainable high/rising return ratios.

Identify trends for stocks in approved 'buy list' on peer relative basis by using financial mapping technique.

Sensitivity analysis to ascertain margin of safety in terms of financials, valuation, liquidity and predictability.

Identifying top 70 stocks for Portfolio recommendations.

Risk Management

Proprietary model to allocate optimal weights to various industries. Portfolio weighting is revised based on industry index performance & adaptable sniffing model using fundamental parameters to decipher 'themes in force' in the market.

Optimal portfolio weightings to avoid risk concentration.

10. CLIENT REPRESENTATION

A) Details of Client's account activated

Category of Clients	No. of Clients	Assets under Management (Rs. Cr.)	Discretionary / Non-Discretionary / Advisory
Associates/Group			
As on 31/03/2021	Nil	Nil	Nil
As on 31/03/2020	Nil	Nil	Nil
As on 31/03/2019	Nil	Nil	Nil
Others			
As on 31/03/2021	179	159.64	Discretionary
	5	77.00	Advisory
As on 31/03/2020	241	96.81	Discretionary
	5	77.00	Advisory
As on 31/03/2019	218	90.45	Discretionary
	5	77.00	Advisory

B) Transactions with related parties are as under:

The Portfolio Manager is availing the services of its own broking division i.e. Narnolia Financial Services Ltd. for executing trades on behalf of the PMS clients. The details of transaction with related party for the period from 01-10-2020 to 31-03-2021 are as follows:

Name of the Party	Relation	Nature	Amount (Rs.)
Narnolia Financial Services Ltd.	SELF	BROKERAGE	15,21,559.65

Name of the related parties and description of relationship:-

Related Parties where control exist

- i) Ultimate Holding Company- Narnolia Securities Limited
- ii) Immediate Holding Company- G.Raj and Company Consultants Limited
- iii) Subsidiary Companies
Narnolia Commerze Limited
Narnolia Insurance Brokers Limi

Sl. No	Particulars	Holding Company	Subsidiaries & Fellow Subsidiaries Companies	Key Management Personal	Relatives of Key Management Personal	Enterprises in which Key management Personnel Exercise Significant Influence	Total	Outstanding / (Receivable) as on 31.03.2020
1	Office Expenses							
	Narnolia Securities Limited	1,96,39,099	-	-	-	-	1,96,39,099	1,74,93,671
	Narnolia Capital Advisors Pvt Ltd	-	-	-	-	4,44,504	4,44,504	-36,098
	Total	1,96,39,099	-	-	-	4,44,504	2,00,83,603	1,74,57,573
2	Unsecured Loan							
	Narnolia Capital Advisors Pvt Ltd	2,60,12,537	-	-	-	-	2,60,12,537	2,60,12,537
3	Managerial Remuneration							
	Shailendra Kumar	-	-	33,00,000	-	-	33,00,000	-
	Pankaj Harlalka	-	-	29,53,872	-	-	29,53,872	-
	Vikram Vilas Wadekar	-	-	22,80,000	-	-	22,80,000	-
	Keval Meghji Bhanushali	-	-	49,05,076	-	-	49,05,076	-
	Total			1,34,38,948			1,34,38,948	-
4	Investment in Limited Company							
	Narnolia Commerze Limited	-	1,04,62,000	-	-	-	1,04,62,000	1,04,62,000
	Narnolia Insurance Brokers Limited	-	77,35,332	-	-	-	77,35,332	77,35,332
		-	1,81,97,332	-	-	-	1,81,97,332	1,81,97,332
5	Advance to Subsidiary Company							
	Narnolia Commerze Limited	-	8,23,229	-	-	-	8,23,229	8,23,229

11. FINANCIAL PERFORMANCE OF PORTFOLIO MANAGER:

Audited Financial Results:

Balance Sheet	<u>31.03.2020</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
Share Capital	4,94,35,610	4,94,35,610	3,44,35,610
Reserves & Surplus	17,23,96,720	19,25,61,382	12,45,00,539
Non-Current Liabilities	56,19,189	56,93,417	53,22,743
Current Liabilities	96,37,89,168	86,57,60,877	65,28,91,980
TOTAL	119,12,40,688	111,34,51,286	81,71,50,872
Non Current Assets	14,78,56,154	15,79,21,490	14,85,54,375
Current Assets	104,33,84,534	95,55,29,796	66,85,96,497
TOTAL	119,12,40,688	111,34,51,286	81,71,50,872

12.

Income Statement	<u>31.03.2020</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
Income	50,05,31,754	45,03,37,618	27,09,14,611
Expenditure	52,21,19,078	44,70,72,524	26,83,64,361
Profit Before Tax	(2,15,87,325)	32,65,093	25,50,250
Profit on sale of Property	--	--	--
Tax Adjustments	(14,22,664)	26,65,518	
			(57,25,371)
Net Profit / Loss	(2,01,64,661)	5,99,575	82,75,621

PERFORMANCE OF PORTFOLIO MANAGER:

The Performance of Portfolio of the Portfolio Manager is as follows:-

Particulars	2020-21	2019-20	2018-19
Portfolio Performance (%) Net of fees & charges			
-Multi Cap	64.80	(25.81)	2.19
- Multi Assets	65.34	(21.83)	-
- Theme of Themes	43.80	-	-
- Large Cap	41.07	-	-
- Mid and Small Cap	66.93	-	-
Benchmark Performance			
NIFTY 50	70.86	(25.09)	6.34
BSE 500	68.01	(25.06)	5.94

13. AUDIT OBSERVATIONS:

There were no Audit observations of the auditor for the preceding 3 years.

14. NATURE OF EXPENSES :

The following are indicative types of costs and expenses for clients availing the Portfolio Management services.

- (I) **Investment management and Advisory Fee:** Professional Charges to the Portfolio Management Services offered to the clients. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be return based or a combination of any of these.
- (II) **Custodian / Depository Fees:** The charges relating to opening and operation of dematerialize accounts, custody and transfer charges for shares, bonds and transfer charges for shares, bonds and units, dematerialisation, rematerialisation and other charges in connection with the operation and management of depository accounts.
- (III) **Registrar and transfer agent Fee:** Charges payable to the registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage, stamp and courier charges.

- (IV) **Brokerage and transaction costs** : The brokerage charges and other charges like service charges, stamp duty, transaction costs, turnover tax, security transaction tax on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.
- (V) **Certification and professional charges** : Charges payable for out sourced professional services like accounting, taxation and legal services, notarization etc. For certifications, attestations required by bankers or regulatory authorities.
- (VI) **Incidental Expenses** : Charges in connection with the courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of the bank account etc.

The quantum and manner of fee payable by client for each activity shall be as below:

Fixed Fees:-Upto 2.5% p.a. based on Average daily Assets under Management (Monthly Basis)

Variable Fees:- 12.50% sharing on profit above Hurdle rate (10%)based on High Water mark Basis.

(On Average daily Assets under Management as on 31st March or as on date of redemption)

Operating expenses:- 0.50% p.a. (Maximum) on Average daily Assets under Management

Brokerage, Depository charges and other transaction cost:- At actual

Exit Load:-Within 1 year:- 1% of AUM on redemption date; 1 year and above:- NIL

15. TAXATION:

General

In view of the individual nature of tax consequences, each Client is advised to consult his/her tax advisor with respect to the specific tax consequences. The Portfolio Manager shall not be responsible for assisting in or completing the fulfilment of the Client's tax obligation.

Tax Deducted at Source

If any tax is required to be deducted on account of any legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regards.

It shall be the Client's responsibility to meet the advance tax obligation instalment payable on the due dates under the Income - tax Act.

16. ACCOUNTING POLICY :

- A) **Contribution to Portfolio** : Contribution to portfolio by way of securities is recorded at the prevailing closing market value on the date of portfolio manager takes over securities as corpus.
- B) **Portfolio Investments** : Portfolio Investments i.e. Securities are stated at market/fair value prevailing as on year end.
- C) **Market value/fair value of Portfolio Investment** is determined as follows:
 - i) Investments in listed equity shares are valued at the closing quoted price on National Stock Exchange of India Ltd. (NSE). However, if the equity shares are not listed on NSE then the same are valued at the closing quoted price on Bombay Stock Exchange Ltd. (BSE).
 - ii) Purchase and Sale of investments are accounted for on trade date basis. Cost of Purchase and Sale includes consideration for scrip, brokerage (including service tax thereon) and securities transaction tax on purchase/sale of securities.
- D) **Revenue** :
 - i) **Realized Gain** : Realized gain/loss on sale of Securities is accounted on Trade date basis by comparing sale consideration with the purchase cost. The cost of investment is calculated by following First-in- First-Out (FIFO) method.
 - ii) **Unrealized Gain** : Un realized gain/loss is not accounted for, but same is recognized on trade date basis by comparing Market Value of Securities with purchase cost.
 - iii) **Dividend credited to the clients account** directly is accounted for on record date basis in the performance statement.
- E) **Expenses**:

Portfolio Manager Fees is recorded in books on accrual basis. Fee may be charged on fixed basis or performance basis or combination of both as agreed between client and Portfolio Manager.

17. INVESTOR'S SERVICE:

(I) Details of the investor relation officer who shall attend to the investor queries and complaints:-

Name of the Person	Mr. Manish Kumar Agarwal
Designation	Compliance Officer
Address	Marble Arch, office 201, 2 nd Floor, 236B, AJC Bose Road, Kolkata 700020, West Bengal
E-mail	mkagarwal@narnolia.com
Telephone	033 4050 1500

18. GRIEVANCE REDRESSAL AND DISPUTE SETTLEMENT MECHANISM:

The Grievances, if any that may arise pursuant to Portfolio Management Services shall be solved in the manner detailed below:

While resolving the Grievance, acts done in good faith, risk or losses arising out of normal business practices, which have been disclosed in the Agreement or have bearing on the normal operations, shall be taken into consideration.

- At the out-set, the grievance is referred to the Dealing Officer, who shall try to resolve the same within a week
- In the event of non-redressal of Grievance within the stipulated time, the same is escalated to Investor Relation Officer, who shall resolve the same within 3 days of the reference
- The Client can also refer the Matter to Arbitration as provided in the Agreement under Arbitration and Conciliation Act, if he is not satisfied of its resolution by the Investor Relation Officer. Such arbitration proceedings shall be held at Kolkata or such other place as may be deemed fit by the Portfolio Manager.

19. MATERIAL CHANGES SINCE LAST SUBMISSION:

Signed & Approved by 2 Directors:-

Name of Directors	Designation	Signature
Mr. Vikram Vilas Wadekar	Director	Sd/-
Mr. Pankaj Harlalka	Director	Sd/-

Place : Kolkata

Form C

**Securities and Exchange Board of India
(Portfolio Managers) Regulations 2020
(Regulation 22)**

Dear Investor,

For Narnolia Financial Services Limited

A Singhi & Co.

TO WHOM IT MAY CONCERN

For A. Singhi & Co.

UDIN: 21053088AAAAUF8523