



JULY 2021

NEWS LETTER

From Customer Care Desk

JULY 2021 "NEWS LETTER" with the latest communication, updates and other important points.

LATEST COMMUNICATIONS AND UPDATES



UPDATE ON LINKING OF INVESTORS PAN & AADHAAR

(Mail dated – 1st Jul 2021)

- ▶ This is in continuation to our earlier email dated 24th June 21 with Subject "**URGENT & IMPORTANT - LINKING OF INVESTORS PAN & AADHAAR**", we would like to inform you that the last date for linkage of Aadhaar with PAN has been extended till 30th Sept 2021.
- ▶ Data of such physical folios where PAN & AADHAAR is not linked (for any of the holders in the folio) is available on your **Partner Desk > Investments > Mutual Funds > Business Insight > Compliance Client Detail Report >> PAN - AADHAR not linked data**. Even the details can be accessed from the **Client desk >> Mutual fund >> Other Reports >> Compliance Client Detail Report >> PAN - AADHAR not linked data**.
- ▶ Further, we have sent email to respective partner with list of E Wealth Accounts where PAN & AADHAAR is not linked (for any of the holders in the account).
- ▶ Further, to ensure that there are no transactional interruptions and hurdles in future we shall not be allowing new NJ E wealth account registration w.e.f 1st July 2021 where PAN & AADHAAR is not linked for any of the holders. The Customers can link Aadhaar & PAN using link provided in email. Request you to inform the Clients to complete the PAN - AADHAAR linking activity before the given timeline to avoid interruptions in any of the services.

CLARIFICATION ON CDSL MAIL RELATED TO DELINKING OF UCC

(Mail dated – 1st Jul 2021)

- ▶ We are writing this mail in reference to recent communication sent by CSDL to our clients regarding delinking of UCC in their demat account.
- ▶ We would like to inform you that the Exchanges had initiated a request for delinking of closed and inactive UCCs from client demat account due to which intimation mail regarding delinking of UCCs is sent to respective clients including UCC no which has been delinked.
- ▶ Request you to kindly take a note for the same and incase of any further queries please guide the clients to contact respective trading members where the given UCC is registered.
- ▶ Please note there will be no impact on clients where the UCC is already marked active in the exchange system.

IMPACT OF BANK MERGERS IN E-WEALTH ACCOUNT

(Mail dated – 8th Jul 2021)

- ▶ You must be aware that there have been a series of Public Sector Bank Mergers since 2020 as a result of which w.e.f July 01, 2021 many of the merging bank`s IFS and in few of the cases even the bank account number have been changed. Further, the old IFSC has been disabled by the RBI due to which any transaction presented with old IFSC shall get rejected.
- ▶ Below is the bankwise table for your reference which shows changes relating to IFSC / Bank Account number.

PSU Bank Merger - Impact and Actionable			
Old Bank	Acquirer Bank (New Bank)	IFSC Code Change	<u>Bank A/C no Change</u>
Oriental Bank of Commerce	Punjab National Bank	Yes	No
United bank of India			
Syndicate Bank	Canara Bank		
Andhra Bank	Union Bank of India		
Corporation Bank			
Allahabad Bank	Indian Bank		
Vijaya Bank	Bank of Baroda	Yes	Yes
Dena Bank			

- ▶ With reference to above table the Impact shall be based on the below mentioned 2 categories:
 - **Bank Mergers where IFSC codes have been changed**
 - **Bank Mergers where along with IFSC code Bank Account numbers have also been changed.**
- ▶ Below are some Important points related to Impacts on NJ E Wealth Accounts Customers based on above categories:
 - Bank Mergers where IFSC codes have been changed:**
 - Depositories have updated their records to change new IFSC code in their system and accordingly the same is updated in NJ records - **NO ACTION REQUIRED FROM CLIENT'S END.**
 - Cases where the depository will not be able to update records in the primary bank, a list of such accounts will be shared with you separately where Customers will have to provide a Bank Account modification request (along with new merged bank details) to update the records.
 - **NO ACTION REQUIRED FROM CLIENT'S END IN CASE OF SECONDARY BANK.**
 - Bank Mergers where along with IFSC code Bank Account numbers have also been changed.**
 - **In case the Merged bank account is Primary Bank Account for NJEWA:**
 - Depositories have updated their records to change new IFSC code & Account Number in their system and accordingly the same is updated in NJ records - **NO ACTION REQUIRED FROM CLIENT'S END.**
 - NJEWA Client shall have to register a new Bank Mandate to start a new SIP.
 - Old SIP will continue on old mandates.
 - **In case the Merged bank account is Secondary Bank Account for NJEWA:**
 - Customers will have to provide a Bank Account modification request (along with new merged bank details) to update the records. Clients also have to submit a new bank mandate for SIP registration.
 - Cases where the depository will not be able to update records, a list of such accounts will be shared with you separately where Customers will have to provide a Bank Account modification request (along with new merged bank details) to update the records.
- ▶ This is a regulatory update and we are making the best of our efforts to ensure a smooth transition of the overall Changes.

IMPACT ON MF BUSINESS DUE TO NON-COMPLIANT WITH SEBI REGULATION OF NOMENCLATURE

(Mail dated – 09th Jul 2021)

Note: This communication is sent to impacted partners only.

- ▶ In continuation to our earlier mail on 24th June'21, we had informed you in regards to the requirement of change in your name as it is 'Non Acceptable" as per AMFI circular. Further, you were required to get your registered name changed in AMFI but as per the information available at our end the same is not complied, nor have you submitted any evidence of application to the ROC for name change or application to SEBI for registration as Investment Adviser till date.
- ▶ Thus we are compelled to take the following action, as specified by AMFI:
 - Your ARN will be treated as **invalid** w.e.f. 1 July, 2021, hence all transactions will be rejected or will be processed under direct plan.
 - If you have submitted your application for name change to AMFI before 30th June 21, your brokerage will be withheld wef 1 July, 2021 and the same will be processed once your name is changed in AMFI is completed or SEBI IA registration certificate is submitted to AMFI.
 - If you have applied to AMFI for name change **after 1 July 2021**, trail commission for the past assets during the Invalid ARN period (from 1st July 21 till the date when Name change is done) will not be paid i.e. it will be forfeited (not withheld). No transactions will be processed under your code as your ARN will be treated as Invalid.
 - Henceforth, you will not be able to open an E-wealth account.
 - Your Partner Desk will be suspended.
- ▶ You are requested to take note of the Circular attached in email and comply with the same accordingly.

IMPORTANT COMMUNICATION FROM FT REGARDING PARTIAL PAYMENT FROM SCHEMES UNDER WINDING UP

(Mail dated – 12th Jul 2021)

- ▶ PFB an important communication from Franklin Templeton MF regarding partial payments from schemes under winding up.

10 July 2021

- ▶ This is in reference to partial payments from schemes under winding up. You are already aware that a total INR 17,777.59 crores has been distributed across six schemes under winding up.
- ▶ We are pleased to now inform you that SBI Funds Management Pvt. Ltd. (SBI MF) would be distributing the next tranche of **INR 3302.75 crores** to unitholders across all six schemes. The payment to all investors whose accounts are KYC compliant with all details available will be made during the **week of 12 July 2021**. Post this payout, the schemes have returned **INR 21,080.34 crores** to unitholders amounting to 84% of the AUM as on April 23, 2020.
- ▶ The amount to be paid to unitholders will be calculated as per the below table and will be paid by extinguishing proportionate units at the **NAV dated 9 July 2021**. Accordingly, the units held by your investors in the scheme will reduce to that extent. Post this payout, the six schemes would have paid the below mentioned percentages (column D) of their AUM as on 23 April 2020.

Scheme	Cash available for distribution as on 9 July 2021 (INR cr)*	AUM (INR cr) as of 9 July 2021	Distributable Amount as a % of AUM	Total distribution as a % to 23 April 2020 AUM
	A	B	C=A/B	D
Franklin India Ultra Short Bond Fund (FIUBF)	911.50	2,106.92	43.26%	95%
Franklin India Low Duration Fund (FILDF)	171.50	467.10	36.72%	99%
Franklin India Short Term Income Fund (FISTIP)	1,0034.25	3,049.05	33.92%	67%
Franklin India Income Opportunities Fund (FIIOF)	349.75	1,128.71	30.99%	62%
Franklin India Credit Risk Fund (FICRF)	543.25	1,495.02	36.34%	83%
Franklin India Dynamic Accrual Fund (FIDA)	292.50	1,029.75	28.40%	76%
Total	3,302.75	9,276.54		84%

*NRI investors will receive their payment after deduction of TDS

- ▶ The amount payable to unitholders of the respective schemes will be in the same proportion (as per column C in the above table) of the unitholder's portfolio value, prior to extinguishment, as of 9 July 2021. The same proportion (column C) of units will also be extinguished as per the scheme wise plan level NAV as on 9 July 2021. The plan level NAVs for the six schemes are tabulated in email.

Here is an Illustration:

- ▶ Scheme & Plan name: **FIUBF-Retail Plan Growth Option**
 - As on 9 July 2021 and prior to extinguishment
 - Portfolio value: INR 100,000 (A)
 - NAV per unit: 28.6778 (B)
 - Units prior to extinguishment: 3487.018 [100,000 / 28.6778] (C) = (A / B)
 - Payout percentage: 43.26% (D)
 - Payout amount: INR 43,260 (E) = (A x D)
 - Units extinguished: 1508.484 (C x D) or (E / B)
- ▶ The payment will be made electronically to all eligible unitholders by SBI MF. In case the unitholders' bank account is not eligible for an electronic payment, a Cheque/Demand Draft will be issued and sent to their registered address by SBI MF. Further, unitholders whose distributable amounts are less than Re.1 will not receive any payments. We will send an account statement to all unitholders showing details of units extinguished and payment made. However, unitholders holding units in a demat account may contact their Depository Participant (DP) for a transaction statement. For Capital Gains statement, unitholders may request the same via our website, call centre or from their registered email ID.
- ▶ Please note that the distribution for the unitholders, whose PAN/KYC, FATCA/UBO, Minor through guardian or Transmission details / documentation are not available/ invalid, will be made after completion of the regulatory/compliance requirements. We request your support to complete these formalities for your investors so that we can release their payment at the earliest.
- ▶ Please note that a similar communication has also been sent to all impacted investors.
- ▶ In case of any further queries, please call our dedicated helpline at 1-800-425-9100 or 1-800-258-9100 from 9 a.m. to 6 p.m., Monday to Friday, and 9 a.m. to 2 p.m. on Saturday. Alternatively, you can also e-mail us at distserve@franklintempleton.com.

Sincerely,

Franklin Templeton MF

TER CHANGE IMPACT IN BROKERAGE

(Mail dated – 12th Jul 2021)

- ▶ This is to inform you that TER of below mentioned schemes have been reduced by more than 10 bps.
- ▶ As the reduction in TER is more than 10 bps TER cut impact will be given in the immediate succeeding month. So W.E.F 1st July 21, existing rates on AUM mobilized upto 30th June 2021 will be reduced as per below table.

Scheme Name	Base Month#	Base month TER	June 21	DIFF	Deduction impact in Payable
Canara Robeco Small Cap Fund	March 21	2.18	2.07	-0.11	-0.05
Franklin India Multi - Asset Solution Fund	April 21	1.65	1.46	-0.19	-0.10
ICICI Prudential Focused Equity Fund	Jan 21	2.10	1.99	-0.11	-0.06
PGIM India Balanced Advantage Fund	Feb 21	2.25	2.15	-0.10	-0.05
PGIM India Midcap Opportunities Fund	March 21	2.12	1.98	-0.14	-0.07
QUANT ACTIVE FUND	April 19	2.25	2.00	-0.25	-0.13
QUANT SMALL CAP FUND	April 19	2.25	2.00	-0.25	-0.13
SBI TECHNOLOGY OPPORTUNITIES FUND	April 19	2.29	2.18	-0.11	-0.06

#Base month = TER Comparison month(last TER cut impact given month)

DELAY IN E-WEALTH ACCOUNT ACTIVATION DUE TO MAINTENANCE ACTIVITY AT EXCHANGE END

(Mail dated – 16th Jul 2021)

- ▶ Due to some maintenance activity at the exchange between 4 PM on July 16, 2021 to 5 PM on July 17, 2021, there will be some delay in the E-wealth Account Activation Process.
- ▶ However, the Ewealth Account entry module will be operating as normal but all the account activation will be done on T+1 working day.

DISCONTINUATION OF DOCUMENT COLLECTION SERVICE

(Mail dated – 19th Jul 2021)

- ▶ We wish to inform you that during the second wave of Covid-19 Pandemic, we experienced lockdown across many parts of India and even our Branches were closed and our staff was working digitally. However, the lockdown restrictions are getting relaxed now and we are moving towards normal Operations.
- ▶ In line with this, all our NJ branches have started to work normally and therefore we wish to inform you that we shall be discontinuing courier collection service with effect from 21st July 2021. As NJ branches have started working normally you are requested to submit physical documents to the nearest NJ branch.
- ▶ Courier requests initiated from your desks till 21st July 2021 shall be collected as per the current process by the respective courier agency.
- ▶ Additionally, we request you to take note that we shall not be processing any requests including DIS on scan-based with immediate effect and the same shall also get processed based on physical copies received as per the normal process.
- ▶ We thank you for your wholehearted support during the hard times and look forward to serving you with the best of our services.

URGENT & IMPORTANT- INTIMATION TO COMPLETE KYC PROCESS FOR YOUR CLIENTS

(Mail dated – 16th Jul 2021)

Note: This communication is sent to impacted partners only.

- ▶ We would like to draw your attention that as per regulatory guidelines, it is mandatory to complete the KRA KYC process for opening Trading & Demat account for all the holders and accordingly data needs to be registered with the respective KRA (KYC Registration Authorities).
- ▶ In line with the above, we have observed discrepancies in KYC documents submitted by few of your clients due to which we were not able to process and register their KYC. List of such accounts is attached in email for your ready reference.
- ▶ We request you to help us complete the KYC process by requesting clients to follow the steps and provide required documents through the appended link : <https://www.njindiaonline.com/>
- ▶ Note: Once the KYC registration request is submitted, KYC will be registered within 10 working days.
- ▶ Further, as you are aware that we live in a highly compliant world where It is important to follow compliance and maintain the relevant standards as set by regulatory bodies and therefore it is Important we complete the process at the earliest. You are requested to inform your clients to get the activity completed upto 31st July 2021 failing which we may have to de-activate the accounts till the requirement is fulfilled.
- ▶ We shall be sending the said communication to the respective NJEWA clients as well. Request you to kindly take note of the above and solicit your kind co-operation and support to get the activity completed.

SUBMISSION OF PENDING GST INVOICES FOR FY 2020-21

(Mail dated – 21st Jul 2021)

Note: This communication is sent to GST Registered partners only.

- ▶ With regard to above subject line, we would like to inform you that
 1. There are cases where Invoices have not been generated from NJ's Partner Desk. Request you to generate such invoices and submit to NJ for GST payment if pending. You can check the Invoices pending for Generation from **Partner Desk>Admin>Payment>Invoice Generation For GST**
 2. There are cases where Invoices have been generated from NJ's partner desk but not received to NJ. Request you to submit such invoices to NJ for the GST payment if pending. You can check the Invoice Generated Status from **Partner Desk>Admin>Payment>GST Invoice Status Report**
 3. The last date to submit the GST invoices for Financial Year 2020-21 is **31st August, 2021**. Invoices received after above date will not be accepted for GST payment.
 4. GST payment for FY 2020-21 pending invoices will be made once the provided invoice details are reconciled with NJ's GSTR-2A. Any invoice of FY 2020-21 which gets reconciled with GSTR-2A after 13th October, 2021 will not be paid.
- ▶ Request you to take a note of the above points.

UPDATE - INTIMATION TO SUBMIT PENDING DOCUMENTS PROCESSED ON SCAN BASIS

(Mail dated – 21st Jul 2021)

Note: This communication is sent to impacted partners only.

- ▶ We are writing this mail with reference to our previous mail dated 31st May 2021 with subject line: "**Important- Intimation to submit pending documents processed on scan basis**" where we informed about deactivation of NJ E-Wealth account of those clients where the Physical documents are not received for cases which were processed on scan basis due to Pandemic & Lock-down situation.
- ▶ You must be aware that submission of Physical Documents is a regulatory requirement and non-submission of the same shall lead to Non-Compliance. We as a SEBI Registered Intermediary are responsible to follow the compliance religiously.

- ▶ Considering the Pandemic & Lock-down situation throughout the country and to service our Customers without any hassles we had decided to process the Service requests based on scanned images provided by you with a pre-condition of submission of the same once normal operation starts.
- ▶ However, we have been following up with you for submission of the physical documents but even after multiple reminders we are yet to received the required physical copy of the document(s).
- ▶ The list of such Client(s) is attached in email for your ready reference.
- ▶ We request you to treat this as Most Urgent and Important and arrange to submit the pending documents latest by 31st July 2021 failing which we shall be forced to withhold your brokerage payment until the required physical documents are received at our HO.
- ▶ We Solicit your kind support in completing this long pending compliance requirement.

IMPORTANT COMMUNICATION

(Mail dated – 26th Jul 2021)

- ▶ We wish to inform you that NJ India being a SEBI registered Intermediary needs to comply with various Regulations / Guidelines / Act / Circulars issued by Regulators / Exchanges / Depositories from time to time. Furthermore, NJ India is required to undertake the activity of updating its client's KYC details including financial & occupation details at regular intervals.
- ▶ Adhering to the same, our Compliance team shall be sending email to the E-Wealth clients asking to revisit their KYC details and as the case may require providing financial documents like ITR copy. Furthermore, if there are any material changes in KYC details relating to address, mobile and email ID, etc the same needs to be updated in NJ records.
- ▶ We request you to kindly take note of the above and sincerely appreciate your cooperation.

E FORM FACILITY IS NOW AVAILABLE FOR NRI CLIENTS

(Mail dated – 27th Jul 2021)

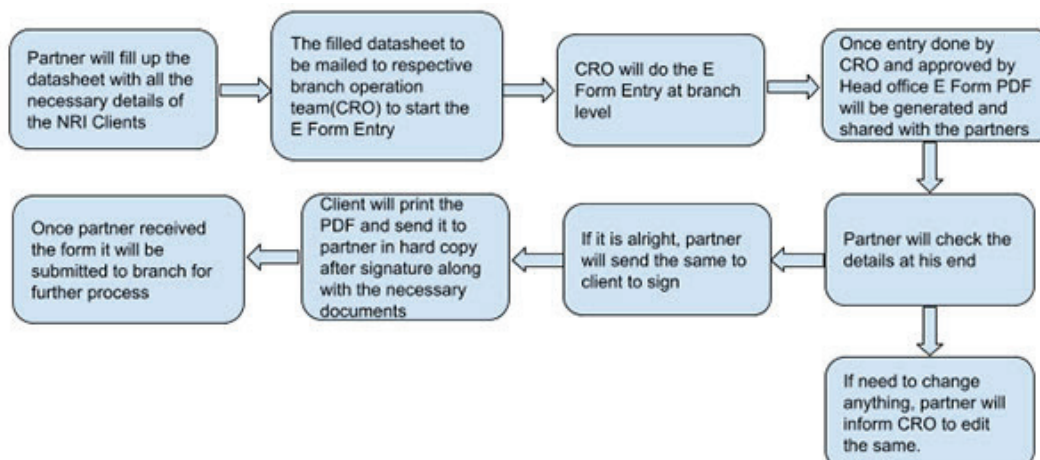
- ▶ We are glad to inform you that on the basis of feedback received from our partners we are initiating E-Form facility **SPECIALLY for NRI Clients.**

As a part of value addition to our services, we have initiated this service for our partners. Further, the entry of E-Form shall be done from Branches through Operations Team (CROs) based on the details provided by Partners.

▶ Important guidelines:

- This facility is available only for NRI Clients.
- The E-Form Facility will not be activated on Partner's desk currently and the same will be done from NJ Branches through CROs.
- Partners will have to provide the data to the CROs as per the "Datasheet" provided below along with necessary documents for making entry in the system.
- This facility is only available for KYC compliant NRI clients.

Summarized Process Flow is given below for your reference:



- ▶ Please check email to refer datasheet. We are sure this new initiative will help you grow your business.
- ▶ Should you require any further assistance or information, please feel free to contact our NRI Helpdesk on nridesk@njgroup.in.

DELAY IN JUN'21 TRAIL BROKERAGE PAYMENT

(Mail dated – 28th Jul 2021)

Note: This communication is sent to impacted partners only.

- ▶ At the outset we sincerely regret that your Trail Brokerage for Jun'21 could not be processed as per our email dated 23-07-21. Having investigated the matter, we came to know that there was some technical glitch in the HDFC Bank system due to which though the payment was initiated from our end, it was rejected by HDFC bank.
- ▶ We are in continuous followup with higher officials of HDFC Bank and have instructed them to expedite the payments.
- ▶ **Trail brokerage payment is expected to be processed by the end of this week.**
- ▶ We humbly request you to bear till then and contact our customer care if you do not receive the payments within the stipulated time of this week.

IMPORTANT COMMUNICATION REGARDING NJ PMS

(Mail dated – 30th Jul 2021)

- ▶ We wish to inform you that, being a SEBI registered Intermediary, we need to comply with various Regulations / Guidelines / Act / Circulars issued by Regulators / Exchanges / Depositories from time to time.
- ▶ As per the latest circular received from the Depository, below mentioned additional validations have been introduced regarding opening of the client demat account which is applicable w.e.f. 1st August 2021.

Valid mobile number & email-id :-

- Once the PMS Application is approved by the PMS Operations Team (“HO Approved”), Client will receive an intimation link from CDSL (Depository) regarding verification of Mobile number and Email ID. Clients will have to click on the provided link and verify the mobile number and email ID through OTP.
- Alternatively, clients have an option to verify the mobile number and Email ID by visiting the CDSL website.
- ▶ **Please note that E-Wealth Account for PMS will be activated only after the successful verification of mobile number and Email ID by the client in the depository system.**
- ▶ **Accordingly, the investment activities will be carried out only after activation of the E-Wealth Account.**

IMPORTANT POINT TO REMEMBER

GET INSTANT STATUS THROUGH REPORTS & UTILITIES AVAILABLE ON PARTNER DESK

- ▶ In order to serve the clients in a more efficient way, many reports and utilities are made available on the Partner Desk like status of E-Wealth account opening, Exchange Redemption, DP Charges, Transaction, DRF, Brokerage etc.
- ▶ **Some of the reports as mentioned below are readily available on Partner Desk which can be helpful in your day to day operational activities.**

Sr. No.	Nature & Path of report on Partner Desk	Information available in reports
1	<p>E-Wealth Account Opening Status</p> <p>Path: PD > Stock Exchange > E-Wealth Reg. Status & Destat > E-Wealth Reg. Status Report</p>	<ul style="list-style-type: none"> - E-Wealth reference number current status will be displayed such as Document Awaited, Document Received, Not Approved, Active, Rejected, etc. - Submission Date - Investor Name - Not approved / Rejection reason
2	<p>E-Wealth Redemption Transaction & payment status</p> <p>Path: PD > Stock Exchange > Transactions > Stock Exchange Transaction Report – Mutual Fund</p>	<ul style="list-style-type: none"> - Trxn Id, Trxn Status - Scheme Details - Redemption payment status - Redemption Amount, Bank name - Transaction rejection reason, if any.
3	<p>DP Charges Payment Status (Initiated by Partner)</p> <p>Path: PD > Stock Exchange > E-Wealth Reg. Status & Destat > DP Charges Payment</p>	<ul style="list-style-type: none"> - DP Charges Payment Status - Bill Generation Date - DP Charges Bill Amount - Payment Date - Rejection Remarks, If any.
4	<p>E-Wealth Transaction Status</p> <p>Path: PD > Stock Exchange > Transactions > Stock Exchange Transaction Report – Mutual Fund</p>	<ul style="list-style-type: none"> - Trxn Id - Trxn Status - Rejection Reason - Payment Mode - Scheme Name
5	<p>E-Wealth Mandate Status</p> <p>Path: > Stock Exchange > Transactions > Mandate Status Report</p>	<ul style="list-style-type: none"> - Bank Name - Mandate Number - Mandate Identifier (E-Mandate / Scan Mandate) - Mandate Status - Rejection Reason, if any. - Upper Limit Amount etc.

- ▶ Detailed help documents of many such reports and utilities of Partner Desk are made available on [NJ Assist > Trending Topics > Help doc on Report/Utilities](#) on desk for your quick reference.