



JUNE 2021

NEWS LETTER

From Customer Care Desk

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

LATEST COMMUNICATIONS AND UPDATES



MARS REBALANCING 3 JUN 21

(Mail dated – 2nd Jun 2021)

- ▶ In the past couple of months, while the Nifty 500 has moved up by 7%, the earnings of Nifty 500 companies have gone up by 24% reducing the P/E ratio of the index significantly. This reduction in P/E ratio has triggered a significant increase in Equity allocation in MARS Dynamic portfolios, thereby triggering a rebalancing in all the Dynamic Portfolios.
- The Revised Asset Allocation of DAA Portfolios will be as under

PORTFOLIO NAME	EQUITY %	DEBT %
DAA AGGRESSIVE	45	55
DAA MODERATE	27	73
DAA CONSERVATIVE	13.5	86.5

- ▶ We will be generating rebalancing transactions of all investors in DAA portfolios, who have invested on or before 30 Apr 21. The rebalancing cycle will be open from 3 Jun 21 to 9 Jun 21.
- ▶ The rebalancing transactions will start generating from the morning of 3 Jun 21.
- ▶ The revised Portfolios for DAA Aggressive, Moderate and Conservative are attached in email for your perusal.

IMP COMMUNICATION FROM FT ON PARTIAL PAYMENT FROM SCHEMES

(Mail dated – 7th Jun 2021)

- ▶ Franklin Templeton AMC has made an important communication with respect to Partial Payment from the 6 six schemes. Please go through the same

Team NJ

- ▶ We are pleased to inform you that SBI Funds Management Pvt. Ltd. (SBI MF) is distributing the next tranche of INR 3205.25 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 7 June 2021. Post this payout, the schemes have returned INR 17,777.59 crores to unitholders amounting to 71% of the AUM as on April 23, 2020.

► Please find below table with a synopsis of distribution across 6 schemes:

Scheme	Cash available for distribution as on 4 June 2021 (INR cr)*	AUM (INR cr) as of 4 June 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)	928	3006.42	30.87%	86.00%
Franklin India Low Duration Fund (FILDF)	106	572.45	18.52%	92.00%
Franklin India Short Term Income Fund (FISTIP)	1134.5	4293.31	26.42%	49.00%
Franklin India Income Opportunities Fund (FIIOF)	273.25	1384.03	19.74%	42.00%
Franklin India Credit Risk Fund (FICRF)	554.75	2076.39	26.72%	67.00%
Franklin India Dynamic Accrual Fund (FIDA)	208.75	1252.76	16.66%	64.00%
Total	3205.25	12585.36		71.00%

*NRI investors will receive their payment after deduction of TDS

Regards,
Franklin Templeton MF

NOTE ON ASSET ALLOCATION CHANGE IN NJPMS DYNAMIC STRATEGIES

(Mail dated – 8th Jun 2021.)

- In the past couple of months, while the Nifty 500 and S&P BSE Sensex have moved up by around 3% and 6% respectively, the earnings of Nifty 500 and S&P BSE Sensex companies have gone up by around 20% and 12% respectively which has helped in reducing the P/E ratio of the indices considerably.
- Interest rates during the period also have fallen by around 25 bps. The asset allocation model accordingly suggested a higher equity proportion. We have already initiated rebalancing transactions for all existing clients.
- **The Revised Asset Allocation of Dynamic Asset Allocation Investment Approaches:**

Investment Approaches	Asset Allocation at last Rebalancing in April 2021	Current Asset Allocation in May 2021
DAA Aggressive Portfolios*	25% Equity : 75% Debt	45% Equity : 55% Debt
DAA Conservative Portfolios#	7.5% Equity : 92.5% Debt	13.5% Equity : 86.5% Debt

*** DAA Aggressive Portfolio includes:**

- Dynamic Stock Allocation Portfolio Aggressive - DSAP (A)
- Dynamic ETF Allocation Portfolio Aggressive - DEAP (A)
- Dynamic Asset Allocation Portfolio Aggressive - DAAP (A)

DAA Conservative Portfolio includes:

- Dynamic Stock Allocation Portfolio Conservative - DSAP (C)
- Dynamic ETF Allocation Portfolio Conservative - DEAP (C)

- To increase allocation in equities, we have redeemed from Liquid Funds and Arbitrage Funds. For Fresh and Top Ups in Dynamic Investment Approaches, new asset allocation will apply.

TAX DEDUCTION AT SOURCE (TDS) AT 20% IN CASE OF NON-LINKING OF PAN-AADHAAR

(Mail dated – 11th Jun 2021.)

- ▶ This is to inform you that the Central Government has vide Press Release dated 31st March, 2021 extended the last date for linking of Aadhaar number with PAN to 30th June, 2021. If PAN is not linked with Aadhaar by this date, PAN will become inoperative / invalid in accordance with Rule 114AAA(3) of the Income-tax Rules, 1962 ('Rules') [Notification No.11/2020/F.No. 370149/166/2019-TPL].
- ▶ As per section 206AA(6) of the Income-tax Act, 1961 ('Act'), where the PAN provided to the deductor is inoperative / invalid, it shall be deemed that the deductee has not furnished his PAN to the deductor and the provisions of sub-section 206AA(1) (consequential withholding at higher rate) shall apply accordingly.
- ▶ Therefore, in accordance with Rule 114AAA(3) of the Rules, **where PAN has become inoperative / invalid due to non-linking with Aadhaar, TDS shall be deducted @ 20% as per section 206AA of the Act. TDS at 20% will be deducted only for those brokerage/Commission/Incentive** which are currently subject to TDS. Where TDS is not applicable, there won't be any impact.
- ▶ Tax deduction is the responsibility of the payer and we hope that the necessary information shall be provided by you to enable us to comply with the relevant provisions. Also note that in cases where we shall deduct TDS as per the higher rates prescribed under section 206AA of the Act, we shall not process / perform any refund/adjustments in such cases at a later date.
- ▶ Request you to kindly link your Aadhaar with PAN by 30th June, 2021 to avoid higher tax deduction.

URGENT & IMPORTANT - LINKING OF INVESTORS PAN & AADHAAR

(Mail dated – 12th Jun 2021)

- ▶ The recent amendments to the Income Tax Rules has made it mandatory to link Aadhaar to PAN, on or before 30th June 2021. If the PAN is not linked with Aadhaar, the PAN shall be deemed to have become inoperative, after such date.
- ▶ **The impact would be as follows:**
 1. Restrictions on all Mutual Fund transactions types through any mode. Meaning by no further Mutual Fund transactions will be processed including SIP installments and redemptions w.e.f. 1st of July 2021.
 2. Higher TDS deduction @ 20% on dividend declared in scheme.
 3. E Wealth Account may become inactive.
- ▶ PAN & Aadhaar linking has to be done for all the holders in a Folio. We are in a process of collecting the data of all such folios where PAN & Aadhaar Linking is not done by the Investors. We will provide you the data in due course.
- ▶ Request to kindly inform your clients to get their PAN & Aadhaar linked on priority to avoid interruption in any services.

AN NJ NRI DESK INITIATIVE - A PARTNER'S GUIDE TO OPEN NRI E-WEALTH A/C

(Mail dated – 12th Jun 2021)

- ▶ After the Launch of NRI Help Desk FAQ, we had also organized a Digitalk Session on 8th June 2021. We Thank you for your overwhelming response during the Digitalk Session.
- ▶ We are glad to inform you that we have uploaded a presentation on your Partner Desk Banner Section in the name of "A Partner's Guide to open NRI E-wealth A/C". Please refer to that presentation to take a glance on NRI Client acquisition on E-Wealth Platform.
- ▶ Kindly refer to the email to check the presentation. This presentation is only for your reference, not for circulating among the clients or leads.
- ▶ We believe that the new initiative would be warmly welcomed by our valued Partners and support you in getting NRI Clients.

TER CHANGE IMPACT IN BROKERAGE

(Mail dated – 15th Jun 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 June 21, existing rates on AUM mobilized upto 31st May 2021 will be reduced as per below table.

Scheme Name	Base Month#	Base month TER	May 21	DIFF	Deduction impact in Payable
Canara Robeco Bluechip Equity Fund	Feb 21	1.98	1.88	-0.10	-0.05
ICICI Prudential Equity Savings Fund	April 19	1.33	1.05	-0.28	-0.14
ICICI Prudential Technology Fund	Jan 21	2.03	1.90	-0.13	-0.06
IDBI NIFTY INDEX FUND	April 19	1.00	0.88	-0.12	-0.06
IDBI Nifty Junior Index Fund	April 19	1.00	0.88	-0.12	-0.06
Mahindra Manulife Dynamic Bond Yojana	April 19	1.75	1.56	-0.19	-0.13
PGIM India Flexi cap fund	Sept 20	2.23	2.11	-0.12	-0.06
SBI EQUITY SAVINGS FUND	April 19	1.55	1.15	-0.40	-0.20

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

IMPORTANT : PAN-AADHAAR LINKING IS MANDATORY

(Mail dated – 19th Jun 2021)

Note: This communication is sent to impacted PMS partners only.

- ▶ As you are aware, the Income Tax authority has made it mandatory to link PAN with Aadhaar without which PAN will be treated as invalid effective 1st July 2021. In line with the same wherever PAN is valid, and PAN is not linked to Aadhaar or linking is not successful, we have shared such data with you all.
- ▶ If PAN is not linked with the Aadhaar for all the holders in a PMS Account by **30th June 2021**, the following consequences will be applicable:
 - Any transaction initiated by the investor including Additional Purchases, Switches & New SIP/STP registrations will be restricted.
 - Existing SIPs/STPs will be ceased.
 - Investor initiated redemptions & closures will be restricted.
 - Deduct higher TDS for Dividends
 - Portfolio Manager initiated Re-balancing transactions will be restricted.
- ▶ Kindly note that Non-Financial Transactions will get processed.
- ▶ This is applicable for all Online & Physical modes of transaction sources.

BUDDY UPDATE - NOW AVAILABLE ON E-WEALTH DESK

(Mail dated – 21st Jun 2021)

- ▶ As you all are aware that we have Launched NJ's Chatbot - NJ Buddy in 2019. We are obliged and thankful to our NJ Wealth Partners who have been using NJ Buddy extensively with over 2.5+ lac hits by more than 10000+ NJ Wealth Partners since the day it was launched. We would like to express our sincere gratitude for this overwhelming response.
- ▶ Further, as a part of our continuous endeavor to serve our customers with the best of our services, we are delighted to extend and launch NJ Buddy for our NJ E Wealth Customers through their NJ E wealth account desk.

- ▶ NJ E-Wealth Clients can Access NJ Buddy anytime from their E-Wealth desk (currently Web-version) for instant assistance on the available topics. Very soon the feature will be available through the NJEWA Mobile app as well.



- ▶ Kindly check email to refer to demo & Help document of Buddy features.
- ▶ We hope this addition shall help our customers get instant assistance at their fingertips.

INTRODUCING E-DIS FACILITY FOR NSDL DEMAT ACCOUNT

(Mail dated – 24th Jun 2021)

- ▶ It gives us immense pleasure to introduce yet another feature in **e-DIS**. **e-DIS facility will now be available for NSDL Demat account clients also effective June 25, 2021.**

Below are some important points for consideration:

1. There will be no need of providing Power of Attorney (POA) in favour of Stock Broker / DP for processing DIS.
2. e-DIS option will be available to following category of accounts:
 - Resident Individual Tax status
 - Minor client
 - NRI having NRO bank account type
3. e-DIS option will not be required for Clients who have already provided Power of Attorney, therefore option of e-DIS will not be given to POA Clients.
4. Existing clients having "Single" mode of holding, e-DIS facility will be activated from our end.
5. Existing clients having "Joint" mode of holding, all holders shall have to submit the attached form duly signed by all holders.
6. Effective June 25, 2021 e-DIS facility will be auto provided to the eligible clients at the time of Account opening.
7. Capital Market Segment shall be activated for all NON POA clients who have opted for the same during account opening as there will be no need of POA.

Implementation process:

1. One time Depository MPIN for existing eligible clients will be generated by NJ through Depository system & communication of MPIN will be sent to the clients registered email id & mobile number.
2. MPIN for new accounts shall be sent to registered mobile & email id from depository system upon successful activation of NJ EWA.

3. In case the client forgets the MPIN the same can be reset instantly on the NSDL page during the transaction execution.

- ▶ Detailed Process & Help files for submitting e-DIS at transaction level can be checked from email.
- ▶ We believe that the new feature will be warmly welcomed by our NJ Wealth Partners.

WITHHELD BROKERAGE PAYMENT IF PENDING COMPLIANCE OF NOMENCLATURE

(Mail dated – 23rd Jun 2021)

- ▶ In continuation to our earlier mail on **25th Nov'20**, This is to inform you that all AMFI registered mutual fund distributors (MFD) whose registered name has fallen under a given list in **circular** are required to get their registered name changed with AMFI.
- ▶ As per the recent AMFI communication, If AMFI registered mutual fund distributors (MFD) fail to change their registered name, then brokerage payment will be withheld from 1st July'21.
- ▶ We request you to kindly submit the application with CAMS (AMFI unit) for name change urgently.
- ▶ If the application is submitted and name change is pending at CAMS (AMFI unit) we request to kindly take follow up with them to get your name changed.
- ▶ Further, once you submit the application with the AMFI unit at CAMS, you are required to submit along with required documents to NJ for effecting change of name in our records.
- ▶ Humble request to kindly get the process completed at your end for name change urgently by 30th June 21.

UPDATE ON URGENT & IMPORTANT - LINKING OF INVESTORS PAN & AADHAAR

(Mail dated – 24th Jun 2021)

- ▶ In continuation to our Email dated 11th June 21 with Subject " URGENT & IMPORTANT - LINKING OF INVESTORS PAN & AADHAAR", we would like to inform you that the data of Folios where PAN & AADHAAR is not linked is available on partner desk from appended link.
Partner Desk > Investments > Mutual Funds > Business Insight > Compliance Client Detail Report >> PAN - AADHAR Not Link data.
- ▶ Further Clients can also check the same on the Client desk from the appended link.
Client Desk >> Mutual fund >> Other Reports >> Compliance Client Detail Report >> PAN - AADHAR Not Link data.
- ▶ List of E Wealth Accounts where PAN & AADHAAR is not linked will be shared by 28th June 21.
- ▶ Request to kindly inform your clients to get their PAN & Aadhaar linked on priority to avoid interruption in any services.

IMPORTANT COMMUNICATION REGARDING DIRECT CONTACT BY NJ COMPLIANCE TEAM TO TRADING AND DEMAT CLIENTS FOR REGULATORY AND/OR DUE DILIGENCE MATTER

(Mail dated – 24th Jun 2021)

- ▶ As you are aware that NJ India Invest Private Limited is an SEBI registered intermediary and required to follow various SEBI Rules and Regulations. It is very essential for all the stakeholders including our NJ Partners to exercise Client due diligence and also to comply with various guidelines/circulars/notice issued by SEBI, Exchanges and Depositories from time to time.
- ▶ In context to complying Client due diligence requirements under various Acts, Rules, Regulations, Guidelines, Circular/Notice and Directives, we may be required to directly approach Trading and/or Demat Clients. Furthermore, we also would like to clarify that Clients will only be approached directly by NJ India for regulatory requirements/to perform due diligence and not for any other purpose.
- ▶ We request you to take note of the above information.

IMPORTANT POINT TO REMEMBER

Initiate DP Charges Payment from Partner Desk

- ▶ DP charges payment can now be initiated/paid with the ease of a few clicks through the UPI payment gateway from the Partner Desk.
- ▶ Please find the process of paying DP Charges from Partner Desk as below:

- 1** Go to Partner Desk > Stock Exchange > E-Wealth Reg. Status and Destat > DP Charges Payment
- 2** Click on Payment Utility
- 3** Enter UCC / Client Name and Click on Submit
(Multiple clients can be selected using Default Option)
- 4** Select the clients through Checkbox
- For Making Payment for Client**
 - Click on “Make Payment”
- 5** **For Initiating Payment for Client**
 - Click on “Send Intimation to Client”
 - An Intimation mail with payment link will be sent to the client.
 - Click on payment link.
- 6** Enter Your VPA i.e. UPI (For example: dummyXXX@icici) and Click on Submit
- 7** A notification will be sent immediately to UPI based bank App to complete the transaction.
- 8** Payment must be authorized within 5 minutes.
Payment Confirmation will be displayed on screen.

- ▶ Please note the below important points:

- Once the amount is received to NJ, the E-wealth account will be activated (if deactivated) within T+1 working day and the e-mail intimation will be sent to client / partner.
- If the payment is not authorized within the above specified timeline, then the status of the payment request will be updated as “Expired” and the partner / client may re-initiate payment of outstanding DP Charges on T+2 working days.
- UPI payment mode is currently available for all account types except NRI.
- Third party payment through UPI is acceptable only for DP charges payment.
- Only those UCC will get reflected on the Partner Desk whose payment is not received even after 60 days from bill generation date.

Detailed information is available on NJ Assist. Refer to the same now!