



MARCH 2022

# NEWS LETTER

From Customer Care Desk

March 2022 "NEWS LETTER" with the latest communication, updates and other important points.

## LATEST COMMUNICATIONS AND UPDATES



### TEMPORARY DISCONTINUATION OF **AUTO DEBIT MANDATE REGISTRATION FACILITY**

(Mail dated – 11th Mar 2022)

- ▶ This is to inform you that we are **temporary discontinuing Auto Debit Mandate registration facility** for HDFC & ICICI Bank clients for new Bank Mandate registered.
- ▶ All new Bank Mandates will be processed through NACH facility only.
- ▶ Purchase & SIP transactions will continue to be processed on existing registered Auto Debit Mandate.

### ORDER PLACING THROUGH **CALL & TRANSACT FACILITY**

(Mail dated – 11th Mar 2022)

- ▶ You are requested to note that in accordance with the regulatory guidelines, the stock broker is required to ensure that the **orders are not placed in unauthorized mode for any transactions under client's UCC.**
- ▶ In view of above, the Dealers will not entertain any person other than the client for placing order through Call & Transact facility offered by NJ for executing any transaction in mutual fund or capital market segment. You are hereby requested to kindly make your clients aware about the same.

### IMPORTANT COMMUNICATION **ON MARS REBALANCING**

(Mail dated – 11th Mar 2022)

- ▶ In the past couple of months, the profitability & earnings of the Nifty 500 companies has increased considerably. The interest rates have moved up somewhat and the equity market has not performed that well. All these factors suggest a significant increase in Equity allocation in MARS Dynamic portfolios, thereby triggering a rebalancing in all the Dynamic Portfolios.

| PORTFOLIO NAME   | EQUITY % | DEBT % |
|------------------|----------|--------|
| DAA AGGRESSIVE   | 65       | 35     |
| DAA MODERATE     | 39       | 61     |
| DAA CONSERVATIVE | 19.5     | 80.5   |

- ▶ There is also a change in 2 equity schemes, Axis Focused 25 Fund & SBI Flexicap Fund will be replaced by Aditya Birla Sun Life Focused Fund & Axis Growth Opportunities Fund.

- The said schemes will be replaced in MARS Dynamic AA, Fixed AA and MARS SIP diversified portfolios.

| Scheme Name           | Aditya Birla Sun Life Focused Equity Fund - Gr  | Axis Growth Opportunities Fund - Gr   |
|-----------------------|---|---|
| <b>Fund Snapshot</b>  | A 15 year old fund investing in basket of upto 30 stocks with a focus towards high quality in the portfolio. The fund is managed by CIO of ABSL MF. | A fund of Large and Mid cap category which is investing 50% money in Large caps and 50% in Mid and Small Caps. More over, out of 50% Largecaps, around 30% is invested in International stocks (advised by Schroeders), thereby providing International exposure to MARS investors in their portfolios. |
| Focused Fund          | Large & Mid Cap   |   |
| <b>Inception Date</b> | Oct 2005  | Oct 2018  |
| <b>AUM (Rs.)</b>      | <b>5,017 Cr</b>   | <b>5,768 Cr</b>   |
| <b>Benchmark</b>      | NIFTY 500 TRI   | Nifty LargeMidcap 250 TRI   |
| <b>Fund Manager</b>   | Mr. Mahesh Patil  | Mr. Jinesh Gopani   |

- We will be generating rebalancing transactions of all investors, who have invested on or before 30th Nov, 21 in the below Portfolios
1. MARS Dynamic Asset Allocation Portfolios
  2. MARS Fixed Asset Allocation Portfolios
  3. MARS SWP Portfolio
- There is no change in schemes of MARS Balanced Portfolios, hence no rebalancing will be generated for the same.
- New schemes for MARS SIP Aggressive Portfolio and MARS ELSS Portfolio for 2022 will be released shortly. The changes in both these portfolios will be applicable from Apr 1, 2022
- **The rebalancing cycle will be open from 11th Mar, 22 to 23rd Mar 22.**

## TER CHANGE IMPACT IN BROKERAGE

(Mail dated – 16th Mar 2022)

- 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 March 22, existing rates on AUM mobilized upto 28th February 2022 will be reduced as per below table.

| Scheme Name                               | Base Month# | Base month TER | Feb'22 TER | DIFF  | Deduction impact in Payable |
|---|-------------|----------------|------------|-------|-----------------------------|
| ICICI Prudential MNC Fund                 | Sept'21     | 2.18           | 2.07       | -0.11 | -0.06                       |
| Mahindra Manulife Multi Cap Badhat Yojana | Sept'21     | 2.21           | 2.09       | -0.12 | -0.06                       |
| Mirae Asset NYSE FANG + ETF Fund of Fund  | Sept'21     | 0.67           | 0.56       | -0.11 | -0.06                       |
| Quant Tax Plan                            | Jan'22      | 1.85           | 1.75       | -0.10 | -0.05                       |
| Tata Equity Savings Fund                  | Jan'22      | 1.50           | 1.05       | -0.45 | -0.23                       |
| Union Corporate Bond Fund                 | Sept'21     | 0.83           | 0.70       | -0.13 | -0.09                       |

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

## INTIMATION TO UPDATE CORRECT MOBILE NUMBER OF YOUR CLIENTS

(Mail dated – 22nd Mar 2022)

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

- With reference to the SEBI letter no. SEBI/HO/MIRSD/DOP/OW/P/2020/11531/1 dated July 9, 2020, which informs Stock Exchanges to provide list to the members of permanent disconnected mobile numbers, which is issued by Telecom Regulatory Authority of India (TRAI) i.e. Mobile Number Revocation List (MNRL).

- ▶ Further, as per the direction given in the aforesaid letter, the Exchange shall stop all communications on those clients' mobile numbers appearing in the said list until the new mobile number is updated by the client.
- ▶ It has been noticed that the mobile number registered in the NJ E-wealth Account of clients belongs to the said MNRL list issued by TRAI. List of clients is attached in email. We hereby request you to please approach clients and guide them to update their correct mobile number through the path as mentioned below:

**E Wealth Account Login > Help & Support > Send Query > Type – E Wealth Account > Sub Type – Request for Change of Email & Mobile Number**

- ▶ Note: If the mobile number is working properly then we request you to contact your mobile service provider to update the correct details in Telecom Regulatory Authority of India (TRAI).

## IMPORTANT: UPDATE ON SEBI CIRCULARS WITH RESPECT TO DISCONTINUATION OF USAGE OF POOL **ACCOUNTS FOR MUTUAL FUND TRANSACTIONS**

(Mail dated – 19th Mar 2022)

- ▶ This is with reference to SEBI Circulars with respect to **Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds**. SEBI issued circular SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 04, 2021 on Discontinuation of the usage of Pool accounts for Mutual Fund transactions, below are some key highlights of the circular:
  - Pooling of funds and / or units in any manner shall be discontinued for Mutual Fund transactions.
  - Funds Pay-in for Purchase and SIP transactions will be directly received by the Clearing Corporation from the investor bank account and Fund Pay-out in case of Redemptions shall be directly paid to the investor bank account by the Clearing Corporation.
  - The provisions of the circular to be implemented wef: April 01, 2022.
  - AMFI along with the Stock Exchanges were assigned the responsibility to issue Operating Guidelines on the same under consultation with SEBI.
- ▶ Internal Committees were formed by the AMFI/Exchanges and discussions were done for implementation of the above circular and also few representations were made to the SEBI. Based on the above, a revised circular with few amendments is issued by SEBI **SEBI/HO/IMD/IMD-I DOF5/P/CIR/2022/29**, dated March 15, 2022 with no change in the implementation date i.e. April 01, 2022.
- ▶ **Below are the key updates of the 15th March SEBI Circular:**
  - **Existing mandates (Already registered upto 31st March 2022)** can continue to remain in the name of broker subject to credit of the fund collected from the investor goes into the Approved Account of the Clearing Corporation. However the same shall be exclusively used for Mutual Fund transactions only.
  - **New Mandates (registered on or after April 01, 2022)** shall be accepted only in favour of SEBI recognized Clearing Corporations and those mandates shall be exclusively used for Mutual Fund transactions only.
- ▶ In Line with the above, we at NJ have started the activity for implementation of the provisions of the above mentioned circulars, wherein below are some very Important points to be taken in consideration:

### Impacts with respect to Mutual Fund Transactions:

#### Purchases & SIP:

- As per the Circular, **no Payment in any manner shall be collected in the name of the Broker (NJ India Invest Private Limited) for the purpose of mutual fund transactions** through any mode of payment viz: Bank Mandates, UPI, Net-banking, Cheques, NEFT-RTGS, etc.
  - For the purpose of above, all the existing ACH bank mandates on which Mutual Fund transactions are done shall be marked as "Mutual Fund Mandates" and these mandates shall not be used for any other product / purpose
  - **From 1st of April**, no new mandates in the name of NJ India Invest Private Limited will be taken for the purpose of transacting in Mutual Funds.

- Direct Debit Bank Mandates & old ECS mandates may not continue as Mutual Fund mandates and therefore you all are requested to submit new ACH Mandate immediately so as to ensure LIVE SIP registered on such mandates are not impacted. The List of such mandates have already been shared with you on Thursday, March 17, 2022.
- Cheque, NEFT / RTGS modes for payments may temporarily be kept on hold **from 28th March 2022**, till the time the arrangement for accepting the same in the name of the Clearing Corporation is developed.
- MARS & PMS Purchase with Security Transfer facility will be discontinued from **24th March 2022**.

#### Redemptions:

- Redemption payments shall be made to the Client bank account directly from the Clearing Corporations, while the status of the same will be shared to NJ which shall be further shared to you / client.
- Existing / New SWP shall continue, however the payment shall be made by the respective CC directly.

#### Switch & STP:

- Inter AMC switch will not be available wef: **24th March 2022**
- Existing registered STP will be discontinued wef: **24th March 2022**
- New STP registrations will not be available till the time development for the new STP process is developed.
- Process for MARS rebalancing shall be impacted; New process shall be communicated shortly.

#### Transaction Charges on Mutual Fund Transactions:

- Transaction Charge collected on Mutual fund transactions shall be discontinued. With respect to this, Mutual fund tariff on all existing E-Wealth Accounts will be updated as "NIL" wef: **24th March 2022**.

#### Impacts with respect to Capital Market and other Products & Services:

- Mandate as payment mode will be **temporarily discontinued** for CM / Bonds / SGB products..
  - New Mandates collected from 1st of April, 2022 in the name of NJ India Invest Private Limited will be used only for Capital Market and other products / services. These Mandates cannot be strictly used for Mutual Funds.
  - Those Mandates where there are no Mutual Fund transactions done till date may be marked for the purpose of Capital Market and other products / services.
  - In case no existing mandate is marked for Capital Market and other products / services, a new mandate for this purpose will have to be collected from the client.
  - April Month installment of Existing Live Stock SIP may get impacted.
- ▶ We understand that very little time is left for the implementation of the provision of the SEBI circular as mentioned above. We live in a highly compliant world and as a regulated entity it is our prime responsibility to adhere to the regulations laid down. We also understand that implementation of this circular shall not be an easy task for us and the entire Mutual fund industry in such a short time.

## CHANGES IN TRADING AND **DEMAT ACCOUNT CLOSURE PROCESS**

(Mail dated – 21st Mar 2022)

- ▶ We are writing this email with reference to changes in the Trading and Demat account Closure process as per SEBI guidelines.
- ▶ As per our current process, clients can submit the account closure request through an online documents submission utility. Please note that the same process will be discontinued from 21st March 2022 and clients need to follow the below process for account closure.
- ▶ Client need to login to their E-Wealth Account and submit the closure request through **E-Wealth Account Login > Menu > My Profiles > Account Closure Request**.

**Important Points to consider:**

1. Only Individual clients with single holding can submit the request online through the above path. All other clients need to submit a physical request for account closure.
2. Clients need to authorize the online closure request by entering the OTP received on SMS and/or Email followed by Esign.
3. Account Transfer Request of the Single holding clients having balance in their demat account can also be requested through the said utility. In such a case, the Client must have an identical Account (Account with the same PAN & Name) and will also have to mandatory upload the Client Master Report along with a wet signature which was recorded at the time of account opening.
4. If clients want to transfer balance to another demat account with a different holding pattern then they will have to follow the existing process of account closure. Clients will have to submit a physical Account Closure Request along with Delivery Instruction Slip.

## NJ PMS: IMPORTANT UPDATE ON DISCONTINUATION OF MUTUAL FUND SECURITY SELLING OPTION WITH EFFECT FROM MARCH 24, 2022

(Mail dated – 22nd Mar 2022)

- ▶ This is with reference to SEBI Circulars SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 04, 2021 on '**Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds**' which clarifies that pooling of funds and / or units by Broker shall be discontinued for Mutual Fund transactions w.e.f. April 1, 2022.
- ▶ In line with this, the changes below will come into **effect from 5 pm on March 24, 2022**:
  - Discontinuation of Mutual Fund Security selling option - Currently investors may invest in NJ PMS by providing security selling instructions for Mutual Fund units. This facility will be available till March 24, 2022 upto 5 pm.

**New Investors**

- In case of new investors the account opening application with Mutual Fund security selling option submitted till 5 pm on March 24, 2022 shall be accepted.
- If any application marked as "Not Approved" on March 24, 2022 and having the payment mode using MF security selling, application will be required to be re-submitted with payment mode as RTGS or Cheque (i.e. without TIS)
- Account opening applications submitted on or after March 24, 2022, 5 pm should not have the Mutual Fund security selling TIS.

**Top-up (Additional Corpus) request for existing investors**

- Top-up request with Mutual Fund security selling option through PMS desk Document submission utility or physical mode will be accepted till 5 pm on March 24, 2022
- The above impact will be only on the Mutual Fund security selling option and there will be no impact in the security selling option for Shares.
- ▶ We request you to take note of the above and plan your NJ PMS investments accordingly.
- ▶ Thank you for your continued support and cooperation. We are committed to serve you in the best possible way and appreciate your support. For any further assistance you may refer NJ Assist or contact customer care.
- ▶ Kindly note that we will be sending an update to the PMS investors separately as well.

## EMAIL AND MOBILE VERIFICATION FOR **NON INDIVIDUAL ACCOUNT OPENING**

(Mail dated – 24th Mar 2022)

- ▶ With reference to Depositories and Exchanges guidelines, it is mandatory to verify the Email ID and Mobile Numbers of the clients at the time of account opening.
- ▶ In line with that, we have made changes in Non Individual Account opening where Email and Mobile need to be verified by the clients before account opening.
- ▶ **Please find below process for Email ID and Mobile number Verification:**
  - Step 1: Once the account opening form is received at the branch, the CRO will make entry in the system.
  - Step 2: Link for Email ID and Mobile Number verification will be sent to the client once entry is done in the system.
  - Step 3: Client needs to verify the Email ID and Mobile Number by clicking on that particular link.
  - Step 4: Once Email ID and Mobile Number is verified, the CRO can submit the form for HO verification.

## GOOD NEWS - CHANGE IN **TRAIL BROKERAGE PROCESSING**

(Mail dated – 24th Mar 2022)

- ▶ At NJ we are always committed to provide the best of services to our esteemed Partners. As a step forward in this direction, we are pleased to announce that we are introducing a new process for speedy Mutual Fund Trail Brokerage payment to all NJ wealth partners. We have shortened the timeline of MF Trail Brokerage Payment process drastically. Earlier brokerage was processed post receipt from AMCs & post reconciliation, but henceforth we will process it without awaiting the brokerage from the AMCs. We will implement the said process from March 22 brokerage itself.
- ▶ **We will process the trail brokerage by 10th of every month after adjusting of advance trail brokerage which we are currently processing by 1st of every month.**
- ▶ In case of any adjustments required to be done post reconciliation, the same will be effected in the next brokerage cycle of the subsequent month. Further it is to be noted that the brokerage on the 'TIN (Switch in NJ from Other ARN)' transactions will be processed only after the reconciliation is done.
- ▶ **Kindly note that, Brokerage for the month of March'22 will be finalised by 8th April, 2022. Accordingly, the GST Invoice for generation will be available by 8th April 2022. Invoice date pertaining to this brokerage will be 31st March 2022.**
- ▶ We believe this initiative, starting with the new financial year, will be warmly welcomed by all our esteemed NJ Wealth Partners. We cannot thank you enough for your everlasting trust and support.

## IMPORTANT - INTRODUCTION OF **T+1 ROLLING SETTLEMENT IN CAPITAL MARKET**

(Mail dated – 26th Mar 2022)

- ▶ This is in regard to SEBI Circular SEBI/HO/MRD2/DCAP/P/CIR/2021/, dated Sept 7, 2021, according to which Exchanges have **implemented T+1 Settlement cycle for the Equity segment in a phased manner.**
- ▶ The first batch of securities with T+1 settlement cycle has already been implemented from the trading date effective February 25, 2022. Thereafter, from March 2022 onwards, on the last Friday (trade day) of every month, new securities will be added in T+1 Settlement cycle till all the securities are shifted to the new cycle.
- ▶ The logic (Attached in email) of identification and transition of the securities which shall be moved to the T+1 cycle as decided by the exchanges.
- ▶ Further, the list of securities moving from T+2 settlement cycle to T+1 settlement cycle is attached in email for your ready reference.



## IMPORTANT POINT TO REMEMBER

### E-MANDATE REG. GUIDELINES AND ADVANTAGES:

- As we are moving forward in the world of digitalization and trying to make the possible things online, E-Mandate is a facility which can be used by the clients in registering mandate in minimal working days from NJ E-Wealth account through Net-banking, Debit card & E-Sign mode and can register the SIP easily.

#### Advantages of E-Mandate:

- No need of any Paperwork
- No need to wait for longer time approval of the mandate. **E-Mandate approval TAT is T+2 working days.** (T= the day on which mandate is submitted to investor's bank by NPCI)
- Minimal rejection ratio as compared to Physical/Printed Mandate
- Easy authorization through Net-banking, Debit card & E-Sign mode

#### E-Mandate Registration Steps:

| Steps  | Remarks  |
|--------|--|
| Step 1 | <b>Login in NJ E-Wealth Account &gt; My Profile &gt; Bank and Mandate &gt; Click on the Bank Name</b>  |
| Step 2 | Click on <b>Add Mandate</b> & Select <b>Mode of holding</b> (E-Mandate is not available for Joint Holding) & Click on <b>Add Mandate</b> to proceed further.   |
| Step 3 | Enter <b>End Date &amp; Mandate Upper limit</b><br><b>Maximum mandate upper limit is Rs 1 lac for E-Sign mode &amp; Rs 10 Lac for Net Banking &amp; Debit Card Mode</b>  |
| Step 4 | Select <b>E-Mandate Authorization Mode i.e. Netbanking or Debit Card or E-Sign</b> & Click on <b>Submit</b> .  |
| Step 5 | After submit, it will be redirected on bank page where client can check the mandate details: <ul style="list-style-type: none"> <li>• <b>Net-Banking</b> – Check the details, tick on terms &amp; conditions, then Enter internet banking Id/Password and enter OTP (Sent on client's mobile number)</li> <li>• <b>Debit Card</b> – Enter debit card details and tick on terms &amp; conditions. Check the details and enter OTP (Sent on client's mobile number)</li> <li>• <b>E-Sign</b> – Enter Aadhaar number, accept on terms &amp; conditions and enter OTP received on mobile number registered as per Aadhaar records.</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• Client should not close/refresh the window during authorization.</li> <li>• If the client does not complete authorization of e-mandate, the mandate status will remain <b>PENDING</b> and will be auto rejected after 30 flat days.</li> </ul> |
| Step 6 | After successful authorization, mandate will be immediately taken under process.   |

- List of Banks available for Netbanking / Debit card / E-Sign is available on **Partner Desk > Client Services > NJ Assist > Download > Stock Exchange > Exchange Related Notification > List of Live Banks for E-Mandate**.
- Only NJ Bank Mandate will be processed through E-Mandate and ICCL mandate will get auto rejected in the system due to E-Mandate facility is currently not available.
- **Partners can access Mandate Status Report available** on Partner Desk >> Stock Exchange > Transactions > Mandate Status Report. It will provide below important details:
- **Mandate Status i.e.** Pending, Under Process, Sent to Bank/ICCL, Approved, Rejected, etc.
  - **Rejection Reason**
  - **Bank Name & Account Number**
  - **UMRN:** UMRN is a Unique Mandate Reference Number allocated to each mandate created in the NACH system. It is an identification number between two bankers i.e service provider banker (NJ's bank) and client's bank. At the time of Mandate rejection and reason not proper, client can contact his/her banker with UMRN.

All the details are already available on NJ Assist.