



Not in Good Order (NIGO)

**General Information: -**

Definition: Applications that are incomplete or inaccurate or ambiguous or conditional are termed as Not in Good Order (NIGO). NIGO applications are processed or rejected in accordance with the following guidelines. Applications may therefore be rejected at the counter itself, or subsequently at the time of a good order review either at the branch or at the back office.

**General Guidelines**

- Applications where corrections or overwriting are not countersigned by the investor (all holders in case of JOINT accounts) in particular, all financial information like, Scheme/Plan/Amount etc. will be treated as Not in Good Order and will be rejected.
- Applications where the signature of the investor(s) is/are not in original will be treated as Not in Good Order and will be rejected.
- Applications designed specifically for Equity & Debt/Liquid schemes to be used for investing in Equity & Debt/Liquid respectively and even if the scheme name has been written by hand and countersigned.

**NIGO for each transaction type along with its respective Default options**

New Purchases: - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected

**New Purchases or Purchases by Existing investors into Scheme**

- Applications that are not signed by the investor, or all holders in case of JOINT accounts.

\* Application having thumb impression but not attested by Notary Public.

- Any one of the following not submitted along with application

## **2 scenarios**

1. Where investor is not KYC compliant and not submitting KYC docs along with application form all holders. Please note KYC docs need to be in accordance with KYCKRA.
2. PAN details or KYC KRA acknowledgement is not submitted. If investor is submitting PAN details we would check the details from the website.

### **Minor through Guardian cases**

- In case of minor investment, mandatory documents (birth certificate, passport copy, school leaving certificate) to support the “Minor Status” are not given then it will be considered as NIGO.
- KYC/PAN documents of guardian not given
- Documents evidencing relationship of guardian with Minor not given

### **In case of POA**

- KYC/PAN details of POA & Investor not submitted. If Investor/POA is submitting PAN details we would check the details from the website.

Applications not accompanied by a signed and valid cheque instrument or payment advice. More detailed options are as below

1. Applications where the cheque is overwritten
  2. Applications with post dated cheques.
  3. Applications with cheques dated prior to 3 months
  4. Cheques are not as per CTS 2010 norms (Post 31<sup>st</sup> March 2013)
  5. Cheque is not signed by the investor.
  6. Applications with Non-MICR cheques
  7. Applications with outstation cheques which do not fall under speed clearing
- Applications not meeting the minimum amount required or multiples as specified in the KIM (Key Information Memorandum) and the Common Application form.

- In case of NRI application where cheque is issued from resident account, then the request can be processed as a non Repatriable transaction
- In case of NRI application where cheque is issued from resident account, then the request has to be rejected if it is asked to be processed on Repatriable transaction

### **Example**

A combination of Tax Status NRI, Instrument cheque SB and bank mandate NRO to be processed and a combination of Tax Status NRI, Instrument cheque SB and bank mandate NRE to be rejected).

- Where investments are made by corporate investors / Trusts or Companies, if the necessary supporting documents like Authorized signatories list & Board Resolution do not accompany the applications.
- Where the investor has applied for multiple funds with single cheque.
- Applications with US addresses.
- Investments in Close Ended Schemes (After NFO allotment)
- Address proof & identity proof is not submitted for Central Government, State Government and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and Sikkim residents
- Where a Power of Attorney (POA) has not been submitted by the unit holder/ POA holder along with the application. Or, in case the unit holder and the POA holder have not signed the POA. POA would be rejected but purchase would be processed under unit holder's name.

Note: In case photocopy of POA is being submitted; the same should be attested as 'True Copy' by a Notary Public or a magistrate or a Gazetted Officer. Also ensure that the original POA is notarized.

- If any of the above is not available on the cheque, investors should submit any one of the following documents viz. Copy of Bank Pass book / Bank Statement stating the name(s) of the account holder(s) and the account number along with a cancelled cheque leaf. These copies should be notarized or attested by the bank branch Manager. Alternatively the investor can produce the original documents at our branch / collection centers for verification.

### **Criteria for checking Third Party payments –**

- a. Payment made through Cheque –

1. Cancelled cheque leaf: The name of the first unit holder not pre-printed on the cheque.

2. If the name of the first unit holder is not printed on the cheque and signature on the cheque does not match with the signature of the first holder in the subscription form.

3. If any of the above is not available on the cheque, and investor has not submitted any one of the following documents to establish that the payment is made from the bank account in which the first holder in application form is one of the bank account holders viz. Copy of Bank Pass book / Bank Statement stating the name(s) of the account holder(s) and the account number along with a cancelled cheque leaf. These copies should be notarized or attested by the bank branch Manager

4. Alternatively the investor can produce the original documents at our branch / collection centers for verification.

**Payments made by RTGS/NEFT/ECS/Bank Transfer:**

Debit instructions to the bank don't hold the investor's bank account number & his name.

1. If the Purchase application is not submitted along with a copy of the instruction to the bank stating the account number debited & account holder's name

**Where payment is through Demand Draft, if any of the following is not submitted:-**

a. A proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available.

b. A copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available.

c. A copy of the passbook/bank statement evidencing the debit for issuance of a DD. with the beneficiary name, account holder's name and account number and DD number

• Where payment is through pre-funded instruments:

1. If it is issued against cash for investments of Rs.50, 000 or more.

2. If it is less than Rs 50,000 & not accompanied by a certificate from the banker giving name, address, PAN (if available) of the person who has requested for the demand draft

### **Third Party Payments**

Where payment is made from a bank account other than that of the beneficiary investor, the same is referred to as a "Third Party Payment" and hence rejected except in following cases:

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- Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP instalment); If the payment is coming from the guardians bank account and he/she is also the registered guardian in Sundaram account, then the restriction of amount Rs.50,000/- does not apply.
- Payment by Employer on behalf of employee under SIP / Lumpsum through Payroll deductions;
- Payment by Employer towards subscription in the name of employees as bonus/incentive paid in form of mutual fund units;
- Custodian on behalf of an FII or a client

Third Party payment should be accompanied by a declaration. This should also be added in our KIM.

### **Defaults for New Purchases**

- Where the mode of holding is not mentioned, an application will be treated as either SINGLE or JOINT based on the number of applicants and number of signatures on the form.
- In case more than one investor's name appears in the application form, but the application form has been signed by the first holder only, the same will be processed with the mode of holding as SINGLE in favour of the first holder.
- In case the status of the investor is not available, the default status would be:
  1. Individual- if only individual name is written in the application.
  2. NRI- if the chq is issued from NRO/NRE account and bank account details are NRE / NRO.
  3. HUF – if HUF stamp is affixed on application or if the name specifies so
  4. Company – if Company stamp is affixed on application or if the name contains words like 'private limited' or 'limited'

#### 5. Trust – if the name contains the word 'Trust'

- In case the amount specified on the cheque /instrument or payment advice differs from the amount on the application, the application will be processed for the amount of the cheque /instrument or payment advice only.
- Application where the scheme name or abbreviation is available, but specifics of the plan or options are not mentioned will be processed as per the default options listed in the KIM.
- Where the investor has mentioned both Plan/Options i.e. Dividend and Growth, the application will be processed as per the default option of the particular scheme listed in the KIM
- If the scheme name in the application is different from the scheme name in the cheque, the transaction will be processed as per the cheque
- If the scheme is not mentioned in the application but mentioned on the cheque we can process the purchase in the scheme mentioned on the cheque.
- If the application is not accompanied by a signed, cancelled cheque leaf (payout bank) and there is difference between the pay in bank and the payout bank, or in the scenario where payout bank details are not mentioned in the application form then the pay-in bank will be treated as default bank unless the payout bank is already registered with us.
- For Minor nominee if guardian name is not available or the guardian is one of the holders, then nominee name will not be taken.
- If three nominees are given but split percentage is not given, then the default will be 34% for 1<sup>st</sup> nominee and 33% for 2<sup>nd</sup> and 3<sup>rd</sup> nominee respectively.
- In case investment is from minor through guardian with joint holder (s), application will be processed with 1st holder only i.e. MINOR .Proof for a minor to be obtained
- Application without address can be processed for KYC complaint applicants, address can be taken from KRA.

**Additional Purchases:** - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected

#### **Additional Purchases**

- Where the existing unit holder information is incomplete i.e. full customer folio/ as allotted to the unit holder is not provided in the application form.
- Applications not signed & not accompanied by a signed and current valid instrument or payment advice.

- Applications not meeting the minimum amount required or multiples as specified in the KIM (Key Information Memorandum) and the Common Application form.
- If the Additional Purchase request form is not signed by all the holders in case of joint mode of holding.
- Applications where the cheque is overwritten but not countersigned by the investor
- Application with outstation cheques which do not fall under speed clearing
- Investment in Close Ended Schemes (After NFO allotment)
- Application with Non-MICR cheque
- Application with Ex PAN (applicable for MICRO SIP).
- Applications with cheques which are not CTS 2010 complaint ( Post 31<sup>st</sup> March2013)
- Signature mismatch or applications which are not signed
- Address proof & identity proof is not submitted for Central Government, State Government and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and Sikkim residents
- Where a Power of Attorney (POA) has not been submitted by the unit holder/ POA holder along with the application. Or, incase the unit holder and the POA holder have not signed the POA.POA would not be registered but purchase would be processed.

Note: In case photocopy of POA is being submitted; the same should be attested by a Notary Public or a magistrate or a Gazetted Officer. Also ensure that the original POA is notarized.

Any one of the following not submitted along with application for non KYC compliant accounts:

- KYC application along with respective documents for all applicable holders
- KYC acknowledgement / PAN details for all holders

#### **Minor through Guardian cases**

- In case of minor investment, mandatory documents to support the “Minor Status” are not given then it will be considered as NIGO.
- KYC/PAN documents of guardian.
- Documents evidencing relationship of guardian with Minor.

#### **In case of POA**

- KYC/PAN details of POA & Investor. If investor is submitting PAN details we would check the details from the website.

## Defaults for Additional Purchases

- If the scheme name in the application is different from the scheme name in the cheque, the transaction will be processed based on the scheme name available in the cheque
- In case the amount on the cheque/instrument or payment advice differs from the amount on the application, the same will be processed for the amount of the cheque /instrument or payment advice only
- If an investor only provides the scheme name, but not the plan and /or option, transactions will be processed based on the following rules:
  - a. If there is one scheme in that folio, the transaction will be processed into that plan/option irrespective of whether it is the default option.
  - b. If there are multiple scheme plan/options in the folio, the transaction will be processed in the scheme under the default option.
  - c. If there is no scheme under the folio, a new scheme in the default plan/ option will be created.

If the application is having multiple brokers and neither one of them is strike off. The txn should be posted in last transacted broker code in the scheme and wait for clarification from the right broker.

Minor to Major Folio in which Guardian is also the second holder – CAMS data. But the Additional purchases are signed by the Guardian then create a new folio and process as Fresh Purchase rather than AP

If an investor mentions his/her Existing Folio number with different mode of holding the same Existing Folio Number will be considered and Units allotted with the existing mode of holding already available with Sundaram

If an investor mentions his/her Existing Folio No with different status the same Existing Folio Number will not be considered and Units allotted with a New Folio. Missing details if any would be taken from existing folio.

**Redemptions:** - The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected

## Redemptions

- Application with incomplete & inappropriate details i.e. Scheme name / customer folio number (all digits& alphabets) as allotted to the unit holder is not provided & not signed.
- If the appropriate transaction field is not completely filled out by the investor i.e. units or Amount.
- Applications that are not signed by the investors, or all holders in case of JOINT mode of holding.
- If the Redemption is requested for future date.
- In case of Minor to major and attained major but request is signed by the Guardian.
- If the request is signed by Major (Minor attained Major) but without attaching mandatory documents.
- Minor to Major Folio. Request signed by second holder (MoH either or survivor in CAMS data)
- In case of Redm+COB where supporting docs for COB are not proper then, redemption to be processed and paid out in existing bank details and COB to be rejected.
- Request with thumb impression (on medical grounds) but not attested by Notary Public.
- Signature Mismatch.
- For Units under Lien, where the lien release documents do not accompany the redemption request
- If the investor has the balance amount more than the minimum amount required for redemption (as per amount specified in the KIM) and is requesting for a redemption amount lesser than the minimum amount
- In case of a difference between the amount in figures and words, the transaction will be rejected
- If folio number given is without a scheme name and there are 2 or more schemes available under the folio.
- If there are 2 or more schemes and balance is available in only one scheme , then txn will be processed in that scheme.
- If the folio is locked due to Court / SEBI/ Income Tax orders
- Zero Balance in the scheme
- If units are under the lock in period

## **Defaults for Redemptions**

- If the number of units and all units mentioned in the request for redemption, number of units (cleared will be considered.)
- Where the number of units and an amount is mentioned, amount would be considered.
- In the request, in Folio No if additional alphabetic or numeric value is mentioned which is not exist in our data bank, then by removing the additional letter it will be processed for the correct Folio **but only after matching** PAN No, Investor Name and Scheme.Name
- If the amount requested for redemption is more than the amount available in the scheme, then entire amount will be redeemed
- If the investor has specifically requested for the payment to be made to the default bank account or any of the other registered bank accounts, the payment would be made in that specified account within the normal service standards.
- If the investor has not specified any bank, then the payout would be made to the default bank.
- If investor is requesting with COB, after the completion of 10 (calendar) days of cooling period payment will made to the new bank.
- Default payment mode in case of the DC bank is DC unless specifically requested for by the investor

## **Switches**

- Where the existing unit holder information is incomplete i.e. complete folio number (all alphabets & digits) as allotted to the unit holder is not provided in the application form.
- If the appropriate transaction field is not completely filled out by the investor i.e. units or Amount.
- If the Source and Destination Fund/Scheme/Plan details are not provided in the request and if the destination fund/ scheme/plan are same.
- Requests that are not signed by the investors, or all holders in case of mode of holding JOINT.
- For Units under Lien, where the lien release documents do not accompany the switch request
- If the name and folio number is not matching.
- Investor has requested for a folio to folio switch
- Switch In or Switch out do the meet the minimum purchase or redemption amount criteria for the requested scheme plan /option.

- If the folio is locked due to Court / SEBI/ Income Tax orders
- Application which are not signed or where signature is not matching
- If the switch out scheme has zero balance.
- Units are under provisional status in the Switch out scheme
- If units are under the lock in period in the source scheme
- If the investor has mentioned only the folio number in the request and there are multiple schemes in the folio
- If the source scheme is mentioned without giving sub option (Dividend or Growth) and balance is available in both sub options.
- If the request is meant for close ended scheme

Any one of the following not submitted along with application for non KYC compliant accounts:

- KYC application along with respective documents for all applicable holders
- KYC acknowledgement / PAN for all holders

#### **Minor through Guardian cases**

- In case of minor investment, mandatory documents (birth certificate, passport copy, school leaving certificate) to support the “Minor Status” are not given then it will be considered as NIGO.
- KYC/PAN documents of guardian not given
- Documents evidencing relationship of guardian with Minor not given

#### **In case of POA**

KYC/PAN details of POA & Investor not submitted. If Investor/POA is submitting PAN details we would check the details from the website.

#### **Defaults for Switches**

- Switch transactions will be processed only if the day is a BUSINESS DAY for both the Source and Destination Funds.
- If the investor has mentioned only the folio number in the request and there are multiple schemes in the folio and balance is available only in one scheme. Scheme with available balance would be considered for switch out.
- If the number of units and all units is mentioned in the request for Switch, all units (Cleared units) will be considered

- If the number of units and an amount is mentioned, the amount(cleared units) will be considered
- If the investor has mentioned the source scheme name and not the plan / option and if there is only one plan /option or if there is balance in only one plan / option then switch out will be processed from the same plan /option of the scheme
- If the investor has mentioned only the target scheme name then units will be processed under the default plan / option of that scheme.

### **Systematic Investment Plan**

The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected SIP

- Where all cheques are not for the same amount, including the first cheque
- Where the application or cheques are not signed by the investor/s.
- Where the application is not accompanied by the prescribed minimum number of cheques/instalments, each cheque/instalment meeting the minimum amount criteria.
- Where the dates of the Post dated cheque are not as per the prescribed dates (1st, 7th, 14th, 20th or 25th)
- Where the bank details of the investor are not provided for debiting sip instalments (bank, branch, MICR number and account number)
- If the Auto Debit form is with incomplete details like scheme name, SIP date, amount etc.,
- If the SIP facility is not available in the requested fund scheme.
- Applications with outstation cheques which do not fall under speed clearing.
- If scheme in purchase application and SIP ECS form / cheque do not match.
- If non CTS 2010 cheques are provided for PDC SIP

Any one of the following not submitted along with application for non KYC compliant accounts :

- KYC application along with respective documents for all applicable holders not submitted
- KYC acknowledgement/ PAN for all holders not submitted

### **Minor through Guardian cases**

- In case of minor investment, mandatory documents (birth certificate, passport copy, school leaving certificate) to support the “Minor Status” are not given then it will be considered as NIGO.
- KYC/PAN documents of guardian not given
- Documents evidencing relationship of guardian with Minor not given

### **In case of POA**

KYC/PAN details of POA & Investor not submitted. If Investor/POA is submitting PAN details we would check the details from the website.

- Address proof & identity proof for Central Government, State Government and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and Sikkim residents and investments through MICRO SIP.
- MICRO SIP declaration form signed by all holders in case mode of holding is JOINT.

### **Prescribed Formats for submitting SIP applications**

The SIP through ECS and the Common Application Form, along with the necessary cheque or copy thereof should be submitted at least 30 days in advance of the date of the first ECS. The PDC SIP should be provided at least 21 days before the first instalment date

### **Application with Post dated cheques:-**

- a. Fresh Investment and Existing Investments – Common Application Form with the PDC SIP details duly filled up

### **SIP through ECS:-**

- Fresh Investment - Common Application Form & ECS form. Additional Investments Common Transaction Form & ECS form
- If SIP request is submitted in any form other than the above, the transaction would be not accepted.

Note: Whenever a renewal of an SIP is done, investors have to fill up a fresh Common Transaction Form and submit the same along with the PDCs. In case of SIP through ECS, if there is a change of bank or bank account number given by the investor, then the change request shall be accompanied by a cancelled or photocopy of the cheque along with relevant particulars (like ECS Account Number, ECS Bank, ECS Account type etc.)

### **Systematic Transfer Plan, Systematic Withdrawal Plan & Dividend Transfer Plan**

The following applications will be considered as 'not in good order' (NIGO) and are liable to be rejected

- Applications that are not signed by the investors, or all holders in case of mode of holding JOINT.
- Where the minimum amount requested is less than the minimum amount specified for the facility.
- If the requested facility is not available in the scheme
- Where the amount is not mentioned in the request.
- In case of STP/DTP, where the details of the Source Fund/Scheme/Plan and the Destination Fund/Scheme/Plan are not provided in the request.
- If the investor does not have adequate balance in the account at the time of registration or on the date of such processing of STP / DTP / SWP request as per the terms of the facility.
- If STP/SWP requests is not filled in the prescribed form by the investor.
- If applications are not signed or where signature doesn't match with the original application.
- If the source scheme has zero balance
- If the folio is locked
- If the units are under provisional status in the source scheme
- If the units are in the lock in period in the source scheme
- If the destination scheme is closed ended

Any one of the following not submitted along with STP /DTP application for non KYC compliant accounts:

- KYC application along with respective documents for all applicable holders not submitted
- KYC acknowledgement/ PAN for all holders **not submitted**

### **Minor through Guardian cases**

- In case of minor investment, mandatory documents (birth certificate, passport copy, school leaving certificate) to support the “Minor Status” are not given then it will be considered as NIGO.
- KYC/PAN documents of guardian not given
- Documents evidencing relationship of guardian with Minor not given

### **In case of POA**

KYC/PAN details of POA & Investor not submitted. If Investor/POA is submitting PAN details we would check the details from the website.

### **Defaults for SIP, STP & SWP**

- If scheme in the purchase application (new investment) and SIP ECS form / cheque do not match then the transaction will be processed as per the application if minimum criteria is met and ECS will be processed as per ECS application.
- In case the end date for an SIP with PDCs is not mentioned, the SIP would end once the current cheques in hand are exhausted
- In case the specified date is a non-business day for the scheme, the SIP / STP/SWP will be processed on the following business day for that scheme.
- In case of SIP through ECS or Direct debit mode, if the end date is not mentioned, it would be assumed that to be 36 months from the date of commencement
- In case the Frequency (Weekly/Monthly/Quarterly) and SIP date is not mentioned in ECS form, Monthly frequency shall be treated as the Default Frequency and 7th shall be treated as the Default date
- In case of SIP investment for minor through guardian, SIP end date will be validated with the date minor attaining majority. If SIP end date is greater than the date of minor attaining majority then SIP will be registered till the date minor attaining majority
- In case the end date for an SWP/STP is not mentioned, the same would be assumed to be 36 months from the date of commencement, subject to adequate balance being available in the account.
- At least 7 days prior intimation should be given to nearest ISC for commencement of a fresh STP or cancellation/termination of an existing STP.
- For STP under Weekly option, the Start Date shall be deemed to be the first available STP date (first Wednesday) under Weekly Option after a period of 7 days from the date of submission of the STP request.
- Where the Start Date of the SWP is not mentioned, then the same shall be deemed to be the first available SWP date depending upon the option chosen by the unit holder, after a period of 7 days from the date of submission of the SWP request

