NCDEX Nidhi
Next-Gen Mutual Fund Platform

NCDEX Nidhi

Refund of Rejected Orders - FAQs (English)

Frequently Asked Questions (FAQs)

Refund of Rejected Orders - FAQs

Q1. What is a refund in the mutual fund transaction process?
A refund is the return of money to the investor when money is debited from investor, but order is rejected by RTA/AMC post fund transfer to AMC. The refund process ensures that the eligible amount is returned to the investor in accordance with applicable regulatory and operational requirements.

Q2. When can a refund arise?
A refund may arise when the order is rejected by RTA/AMC post fund transfer to AMC, after payment has been made, or when only a portion of the investment amount is accepted, such as in certain New Fund Offer (NFO) transactions involving partial allotment.

Q3. What are the common reasons for a refund?
Refunds may occur due to transaction rejection, investor eligibility issues, folio-related issues, regulatory requirements, scheme-specific restrictions, payment-related issues, or partial allotment in an NFO (New Fund Offering). The exact reason depends on the outcome of the transaction processing by the AMC and its RTA. Participants can view rejection reason provided by RTA/AMC in order status and investor will get notification of rejection along with reason on the register mobile number and Email.

Q4. What happens if the mutual fund transaction is rejected?
If a transaction is rejected after payment has been made due to order rejection by RTA/AMC post fund transfer to AMC, the AMC initiates the refund process for the eligible amount. The refund is credited to the investor's registered bank account linked to folio within the applicable timeline.

Q5. What happens in a partially allotted NFO transaction?
In a partially allotted NFO transaction, the investor receives mutual fund units for the allotted portion of the application amount, while the balance amount that was not allotted is refunded separately to the investor's registered bank account linked to folio.

Q6. How much refund will I receive?
In a full rejection scenario, the investor receives the entire eligible amount paid towards the transaction. In a partial allotment scenario, the investor receives a refund for the portion of the application amount that was not allotted.

Q7. By when should one receive the refund?
Refunds are processed on T+2 business days from the date of transactions reported to RTA/AMC. For NFO applications, refunds are generally processed within T+5 business days from the date of allotment.

Q8. What are the stages of the refund process?

The refund process generally involves the following stages:

1. **Transaction Rejection** – The transactions are as rejected or partially allotted as per confirmation from RTA/AMC.
2. **Refund Initiation –** The AMC initiates the refund for the eligible transactions by transferring fund to NCCL and share refund MIS.
3. **Reconciliation Process –** NCCL perform reconciliation process (fund received in bank, Refund MIS received from RTA) and mapped fund to the orders provided by RTA in refund MIS.
4. **Credit to Investor Account –** The refund amount is credited to the investor's registered bank account linked to folio.
5. **Status Update –** The refund status is updated on the NCDEX Nidhi platform and notification is sent to Investor on his/her registered Email ID and mobile number.

Q9. How will one know the status of the refund?

The status of the refund is updated on the NCDEX Nidhi platform. Investors and distributors may track the refund status through the NCDEX Nidhi platform. Also, notification is sent to Investor on his/her registered Email ID and mobile number.

Q10. Where will the refund amount be credited?

The refund amount is credited to the investor's registered bank account associated with the original mutual fund transaction.

Q11. What happens if the refund is delayed?

If a refund is delayed beyond the applicable timeline, the AMC will be pay interest to the investor. For further details, participant may directly connect with RTA/AMC.

Q12. What happens if the refund cannot be credited successfully?

If the refund cannot be credited successfully due to incorrect bank account details, account closure, banking restrictions, or other processing issues, the refund is marked as unsuccessful and appropriate corrective action needs to be initiated by participant and investor in coordination with investor’s bank.

Q13. What should one do if the refund is not received?

If investor has not received your refund within the applicable timeline (within T+2 or T+5 business days), participant should first verify the refund status on the NCDEX Nidhi platform. If the refund is still pending or not credited, you may contact your distributor, Member, FPO, or raise a query through the NCDEX Nidhi support channels for assistance.

Q14. Can a Distributor track the refund status of investor transactions?

Distributors currently will have to get the status from customer support team. In future updates, facility would be provided on NCDEX Nidhi for Distributors to view and track the refund status of investor transactions.

Q15. Will I receive any confirmation once the refund is processed?

Yes. Once the refund is successfully processed, the status is updated on the NCDEX Nidhi platform. Investors will also receive confirmation on their registered mobile number and Email ID.

Disclaimer :- This guide/ FAQ/ brochure on Mutual Funds is published for information purposes only and shall not be construed as a legal, financial or regulatory advice. Readers, including but not limited to Investors, Mutual Fund Distributors (MFDs), Farmer Producer Organisations (FPOs) are advised to apprise themselves with the Circulars, Master Circulars and directives issued by the Association of Mutual Funds in India (AMFI), the Securities & Exchange Board of India (SEBI) and other relevant regulatory authority from time to time on matters covered herein, and in the event of any discrepancy between this document and such Circulars, and/ or Master Circulars and/ or directives, the latter shall prevail and be conclusive. While reasonable care and diligence have been exercised in the preparation of this document, NCDEX Nidhi, its affiliates, subsidiaries and associates make no representation, express or implied, as to the accuracy, completeness, or correctness of the information contained herein, and expressly disclaim all liability for any direct, indirect, incidental, or consequential loss or damage, including but not limited to loss of profits, goodwill arising from any reliance placed on it. NCDEX Nidhi neither warrants nor guarantees the suitability or applicability of this information for any purpose and readers are advised to exercise independent judgment and conduct their own due diligence. Any reliance placed on this document without independent verification shall be entirely at the reader's own risk. Nothing contained herein shall be construed as creating any obligation or a binding commitment on NCDEX Nidhi in any manner whatsoever. NCDEX Nidhi, NCDEX and its affiliates, or their employees, directors or agents shall not be liable or responsible for any loss or costs or any action whatsoever arising out of use or relying on the information provided herein.

NCDEX Limited

Akruti Corporate Park, 1st Floor, LBS Road, Kanjurmarg (W.), Mumbai-400078.

E: askmf@ncdex.com **W**: www.ncdex.com **T**: 1800-266-2339

Follow us on: