

NACH MANDATE FAQs

1. What is a mandate?

- A bank mandate is an authorization you give to a bank or financial institution (a broker, fund house, lender, etc.) to debit your bank account for recurring (or one time) payments. The mandate is sent by the firm to your bank for registration on your behalf. Once the mandate is registered with your bank, the bank will allow the firm to withdraw the amount at the frequency pre-defined.

2. What is an E-Mandate?

- An E-Mandate is a digitized version of a physical mandate. Implemented through an e-NACH form, e-mandates are more efficient and less time-consuming than their physical counterparts. The user/customer needs to fill in the e-NACH form and can use either their NetBanking or Debit Card details for approval. Once a bank/merchant is authorized/approved, the recurring payment debit is completely automated and all payments will not require user intervention. With e-mandates, the entire mandate registration process is completed in an average of 1-2 days, as compared to 15-20 days with physical mandates.

3. What is the benefit of digitizing the mandate process?

- The biggest benefit of digitizing the mandate process is the amount of time saved. Physical mandates take anywhere from 15-20 days to be registered, during which it is very difficult to assess the status of the mandate. In addition, the dependency on logistics and wet ink signatures is significantly reduced. HIPL allows you to digitalize the physical mandate process, reducing the turnaround time (TAT) from 15-20 days to 4.5-5 days.

4. Will the amount in my mandate form be the amount debited every month?

- Not always. If the Mandate form says fixed, then the amount on the form may be debited from your account. If the mandate form says “maximum”, then any amount up to the mentioned amount may be debited from your account.

5. Can I delete/cancel the e-Mandate?

- Yes, the e-Mandate can be cancelled by raising a request with the bank. As soon as the bank approves the cancellation request, the e-Mandate is revoked. However, in case of mandates on loan repayments and EMI, mandates are non-revocable as per RBI guidelines.