NCDEX Nidhi

Lumpsum – FAQs (English)

NCDEX Nidhi
Next-Gen Mutual Fund Platform

Frequently Asked Questions (FAQs)

Lumpsum - FAQs

This FAQ is made for Lumpsum - Physical Folio, not for Demat.

Q1. What is NCDEX Nidhi?
NCDEX Nidhi is a Mutual Fund transaction platform that enables Members, Mutual Fund Distributors (MFDs), Mutual Fund Intermediaries (MFIs), and Registered Investment Advisors (RIAs) to seamlessly onboard investors and transact in mutual funds through a single integrated ecosystem. The platform supports end-to-end mutual fund transaction journeys including investor onboarding, lumpsum investments, SIPs, redemptions, mandate management, reconciliation, refunds, and transaction notifications.

Q2. How is this new NCDEX Nidhi platform unique?
NCDEX Nidhi is designed with a structured verification, consent, reconciliation, and settlement framework and has the following 5 USPs :

1. **Accurate NAV Timestamping :** Timestamping for NAV ensures precise transaction timing and full compliance with regulatory standards.
2. **Transaction Failure Transparency :** Complete visibility into transaction failures helps users and investors identify and resolve issues efficiently.
3. **Universal UPI Autopay Access :** Granted to all members without restrictions, unlike competitors who limit it to select users.
4. **Flexible Transaction Support :** Allowing External Folio investment through NCDEX Nidhi platform.
5. **Flexible SIP Execution :** Calendar-day SIP feature allows investors to select any day, including weekends, for SIP order executions.

Q3. What is Lumpsum Investment?
A lumpsum investment means putting the full amount into a mutual fund in one single payment, instead of spreading it out over time through installments. In mutual fund terms, this is simply a one-time investment made at the time of purchase. The entire amount is invested at once, and the investor receives units at the applicable NAV (Net Asset Value).

Q4. What is Net Asset Value (NAV)? How is it calculated?
NAV stands for Net Asset Value. In simple terms, it is the market value of one unit of a mutual fund scheme on a given day. NAV is computed by dividing the net assets of the scheme by the number of units outstanding on the valuation day. NAV rises or falls as the market value of the underlying portfolio changes. It is not a fixed rate like a bank deposit interest rate. For more details on NAV, visit AMFI website (Link).

Q5. Who can initiate a lumpsum transaction on NCDEX Nidhi?
A lumpsum transaction is initiated by the distributor on behalf of the investor. The distributor logs into the NCDEX Nidhi platform, selects the investor, chooses the lumpsum transaction type, and proceeds with the investment flow for the selected mutual fund scheme.

Q6. How does the distributor initiate a lumpsum transaction?
The distributor begins the process by logging into the NCDEX Nidhi Home page and selecting the investor for whom the transaction needs to be placed. Once the investor is selected, the distributor chooses ‘Lumpsum’ as the order type and proceeds with scheme selection and transaction details.

Q7. How is a mutual fund scheme selected during a lumpsum transaction?
The distributor selects the mutual fund scheme using either the ISIN (International Securities Identification Number) or the scheme name. Note: Only schemes belonging to empanelled AMCs are visible and enabled for transactions on the platform.

Q8. Can the transaction be linked to a new or existing folio? Can an external folio be added?
Yes. The distributor can either select a new folio or enter an existing folio number while placing the transaction. And yes, an external folio can also be added. These ensure the investment is processed under the correct investor folio.

Q9. What details are entered while placing the lumpsum order?
The distributor enters the investment amount for the selected scheme and reviews all transaction details before proceeding further. Once the review is complete, the transaction is sent to the investor for confirmation, consent, and payment.

Q10. What does the initiated order status mean?
When the transaction is sent to the investor, a draft order link is generated but the investor has not yet confirmed the transaction. At this stage, the order status is marked as ‘Initiated’ on the platform.

Q11. How does the investor receive the transaction link?
The investor receives the transaction link through SMS and email on the registered contact details. The link allows the investor to review the transaction details and continue with the payment and consent journey.

Q12. What is the validity of the transaction link sent to the investor for providing consent?
The transaction link remains valid for 24 hours from the time it is generated. During this validity period, the investor may access the link any number of times. If consent is not provided within the 24-hour window, the link expires, and the investor will be presented with an "Invalid Link" message upon access.

Q13. What happens when the transaction link expires?
If the transaction link expires before the investor provides consent, the distributor can regenerate a new transaction link for the same order which is then valid for another 24 hours from the time of generation of the said link.

Q14. What can the investor review before confirming the transaction?
The investor can review the order details and folio details before proceeding further. This allows the investor to verify that all transaction information is correct before completing payment and consent.

Q15. What payment options are available to the investor?
The investor can choose the bank account from which the payment will be made and select the preferred payment mode, such as UPI or netbanking. These payment options are presented during the payment setup stage of the transaction.

Q16. What is the validity of the payment page link?
The payment page link is generated immediately after the investor provides consent for the transaction/order. This link remains valid for 5 minutes from the time consent is submitted by the investor.

Q17. Can a distributor regenerate a payment link after it has expired?
No. Once a payment link has expired, it cannot be regenerated. To proceed with the transaction, the distributor must initiate a new order, which will generate a fresh payment link following investor consent.

Q18. What happens after the investor confirms the order details?
Once the investor confirms and continues, the transaction moves to the pending stage on the platform. The process then proceeds to investor consent and exchange-level order creation.

Q19. Why is investor consent required for a lumpsum transaction?
Investor consent is collected to ensure that the investor themselves have authorised and initiated the specific transaction. This acts as an additional verification layer before the order is created at the exchange.

Q20. How is investor consent collected on NCDEX Nidhi?
Investor consent is obtained through two-factor authentication using the investor's registered email address and mobile number.

Q21. What happens after investor consent is completed?
Once consent is successfully completed, the order is created at the exchange and timestamped. At the exchange level, the order status moves to the pending state until the payment and settlement activities are completed.

Q22. What happens during the payment stage?
After consent confirmation, a payment record is created and linked to the order. The investor then receives a payment link via SMS and email, which redirects them to the payment page, where they can complete the transaction using the selected payment method through net banking or a UPI application.

Q23. What happens after the payment is successfully completed?
Once your payment is successfully completed, the transaction is recorded on the NCDEX Nidhi platform and moves through the necessary validation and processing stages. The payment details are verified, matched with the corresponding transaction request, and prepared for further processing. Throughout this journey, the platform maintains transaction records to ensure that the order progresses correctly toward investment processing.

Q24. What happens if payment authorisation fails after the investor’s bank account is debited?
If payment authorisation fails or is late-authorised after funds have already been debited, the refund handling depends on where the money is currently held. If the amount is still with the payment aggregator, the payment aggregator refunds the investor directly. If the funds have already reached the NCCL collection account, NCCL initiates the refund process.

Q25. How does NCDEX Nidhi ensure that the transaction is processed correctly after payment?
After payment confirmation, the transaction goes through multiple validation and reconciliation checks to ensure that the order details, payment details, and funds received are correctly matched. If any discrepancy is identified during these checks, the transaction is routed for investigation before further processing. Only successfully validated transactions move forward for investment processing.

Q26. What happens after the transaction is successfully validated?
Once the transaction is successfully validated, the funds and transaction details are made available for processing by the relevant AMC and its Registrar & Transfer Agent (RTA). The AMC/RTA then processes the order, applies the applicable NAV, and allocates units to the investor's folio if the transaction is accepted. The investor is subsequently informed of the final transaction outcome through SMS and email.

Q27. How is the investor informed about the final transaction status?
Once the transaction is completed or rejected, the investor receives SMS and email communication confirming the final status of the purchase. This marks the completion of the end-to-end lumpsum investment journey.

Q28. What happens if the investor does not complete the transaction journey?
If the investor does not complete the required steps, such as consent or other mandatory actions, the order is not created at the exchange and no further processing takes place. After the expiry period, the order expires and a fresh transaction must be initiated to proceed further.

Q29. Where can one find the reason for failure of execution?
Failure Codes are displayed on NCDEX Nidhi portal to identify and resolve transaction issues quickly. The Failure Code Reasons can be found in the Document named “Order Failure Codes - NCDEX Nidhi” on NCDEX Nidhi and NCDEX websites.

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