

## 1. What is UPI?

Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts.

## 2. What is a UPI ID?

**UPI ID** (also called Virtual Payment Address or VPA) is a **unique ID**. The customer needs to create a unique payment ID by adding his bank account details in order to send and accept money via **UPI**.

Ex: Once the customer enters your UPI ID and sends the money, it will be directly credited into beneficiary's bank account.

## 3. Do I need to create a new UPI ID for applying in IPO?

No. The existing UPI ID can be used, provided that:

- The bank account associated with the UPI ID is held with a bank whose name is appearing in the 'List of SCSBs eligible to act as an Issuer Bank' available on website of SEBI;
- You are using a mobile application and UPI handle that supports use of UPI for IPOs. A list of such application and handles is appearing in the 'List of SCSBs eligible to act as an Issuer Bank' available on website of SEBI;
- The total length of the UPI ID does not exceed 45 characters.

## 4. How "UPI as a payment option" can be used in the IPO process"?

### **UPI as part of bidding**

- 4.1. Investor will fill in the bid details in the application form as per the existing process along with his UPI id i.e. use only his/her own bank account linked UPI ID with application.
- 4.2. As per the existing process, investor may submit the application with any of the intermediary (Syndicate Member / Registered Stock Brokers / Registrar and Transfer

Agents / Depository Participants), who, on receipt of application will upload the bid details along with UPI id in the stock exchange bidding platform.

- 4.3. The stock exchange will electronically share the bid details along with investors UPI id, with the Escrow/Sponsor Bank appointed by the issuer company.

### **UPI as part of blocking**

- 4.4. The Escrow / Sponsor Bank will initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to applicant amount and subsequent debit of funds in case of allotment.
- 4.5. The request raised by the Escrow/Sponsor Bank, would be electronically received by the investor as SMS/intimation on his / her bank provided mobile no. linked to UPI ID.
- 4.6. Upon validation of block request by the investor, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

### **UPI as part of payment for shares post allocation process**

- 4.7. The registrar to the issue, based on information of bidding and blocking received from stock exchange, would undertake reconciliation and prepare the basis of allotment.
- 4.8. Upon approval of such basis the instructions would be sent to sponsor bank to credit funds in the public issue escrow account and unblock the excess money in the investors account.
- 4.9. Based on authorisation given by investor using UPI at the time of blocking, the funds would be debited from investors account.

## **5. From when can I use UPI as a payment option in IPO?**

UPI as a payment mechanism for IPOs is applicable in all IPOs for which Red Herring Prospectus is filed after January 01, 2019.

## **6. Can I submit the application form with UPI as a payment mechanism with any of the existing channels i.e. to a Self-Certified Syndicate Bank (SCSB), a Syndicate Member, a Registered Stock Broker, a Registrar and Transfer Agent or a Depository Participant?**

No. Application forms with UPI as a payment mechanism can be submitted with either, a Syndicate Member, a Registered Stock Broker, a Registrar and Transfer Agent or a Depository Participant (**‘Intermediaries’**).

## **7. Is use of UPI, as a payment mechanism in IPO, mandatory?**

The applicability of UPI as a payment mechanism has been prescribed in a Phased manner as under:

- 7.1. Phase I: From January 01, 2019, the UPI mechanism for retail individual investors through intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later.
- 7.2. Phase II: Thereafter, for applications by retail individual investors through intermediaries, the existing process of physical movement of forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later.
- 7.3. Phase III: Subsequently, final reduced timeline will be made effective using the UPI mechanism.

## **8. Up to what limit can I apply for an IPO in UPI?**

The limit for IPO application is 2 Lakhs per transaction on UPI.

## **9. How is IPO application using UPI different from IPO application using ASBA submitted with intermediaries?**

IPO application using UPI is a step towards digitizing the offline processes involved in the application process by moving the same online. This requires you to have to create a UPI ID and PIN using any of the UPI enabled mobile application (Banks/ Third Party Apps). The UPI ID can be used for blocking of funds and making payment in the IPO process. You can accept the request for the amount you have bid by entering your UPI PIN. The money shall be earmarked for settlement once the allocation process is completed and shall be automatically remitted to the Escrow Bank. UPI in IPO process shall essentially bring in comfort, ease of use and reduce the listing time for IPO.

## **10. Is use of UPI as a payment mechanism mandatory in Public Issues?**

No. You can make application using your bank account and submitting the application form with any of the SCSBs. However, from Phase II onwards, retail investors submitting application form through intermediaries have to necessarily use UPI as a payment mechanism.

## **11. How do I know if my bank is providing UPI service for IPOs?**

You may refer the list of Banks providing UPI service, available on website of SEBI.

## **12. What if my bank is not providing UPI service for IPOs?**

In case your bank is not providing UPI services for IPO, you may make use of your bank account for blocking of funds and depending upon the Phase (I, II or III) in which the application is being made, submit the application with the respective SCSB or intermediary.

## **13. Can I apply for an IPO through my UPI Application?**

No, the option to apply for an IPO from UPI Application is presently not available.

## **14. Where will I get an option to apply in an IPO using UPI?**

IPO using UPI is initiated through any of the intermediaries. In case you do not have a UPI Id, please register with one of the UPI enabled App and create your profile along with your preferred UPI ID. The UPI ID thus created can be given to the intermediary submitting the application form. All requests for blocking the bid amounts shall be received by you on this UPI ID / App. You would need to enter you UPI PIN to submit the request for blocking the amount for settlement when the allocation happens.

## **15. How do I select UPI as the payment option while applying for IPO?**

The application form for an IPO, now also includes a field for entering your UPI ID as a payment mechanism. Further, you can get in touch with any of the Intermediary who shall be able to guide you on the process in detail.

## **16. Can I apply for an IPO using UPI with my Account + IFSC?**

No, you must apply by providing your UPI ID only, on which the request for blocking the amount shall be received.

## **17. Will my UPI App inform me about the new IPO?**

No, UPI Apps do not receive notification of new IPOs. UPI Apps shall exclusively be enabled for receiving the block / collect request for the bid amount.

## **18. How many IPO's can I apply from one UPI ID?**

There is no restriction for you from UPI on the number of applications using the same UPI ID.

## **19. Can I use third party UPI ID or a third party bank account for making payment in IPO?**

No. Applications made by retail investors using third party UPI ID or by any category of investors using a third party bank account are liable for rejection.

## **20. Can I push the IPO amount to a specific UPI ID of an entity?**

No, an IPO amount cannot be initiated as a direct Pay to a UPI ID.

## **Scenarios which may arise during blocking of funds using UPI in the IPO Process - Creation / modification / cancellation of bid and corresponding block mandate:**

### **Creation**

## **21. What if I erroneously decline the collect request to Block funds?**

In case the collect request is erroneously declined by you, the transaction will be declined and you will have to initiate a fresh request again. The transaction can be re-initiated by approaching the intermediary where your bid cum application form has been submitted.

## **22. What if I do not want to proceed with the IPO application after submission with intermediary? Can I withdraw my bid? If yes, how?**

Retail individual investors can withdraw bids till issue closure date. During the bidding period you can approach the same intermediary to which you had submitted the application form for withdrawal.

## **23. What if I get a technical error on the UPI App while accepting the IPO request?**

In case of a technical decline, you need to reinitiate the payment process from the IPO Portal. The transaction can be re-initiated by approaching the the same intermediary to which you had submitted the application form.

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## **24. Will I be charged for using UPI option for IPO?**

Please get in touch with your respective bank for details of charges, if any.

## **25. Will I be notified when the bid is successfully placed?**

Yes, once the bid details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to you regarding submission of your application, on end of day basis. For the last day of bidding, the SMS may be sent out the next working day.

## **26. What happens if I don't get a blocking / collect request from the Intermediary on the UPI id that has entered in the application form?**

You may approach the the same intermediary to which you had submitted the application form for re-initiating the process. You may also like to check whether the UPI ID recorded is correct or not.

## **27. What if I input wrong UPI PIN while authorising the request from IPO?**

The transaction will be declined with 'Wrong UPI PIN' and you will have to re-initiate the transaction. The transaction can be re-initiated by approaching the the same intermediary to which you had submitted the application form.

## **28. Can I modify/cancel an IPO request by visiting my bank branch?**

The Modification/Revoke can be done using the respective options in your Application till the Mandate start date.

## **29. Is there any timeline by which I need to act upon the block / collect request?**

Yes. In Phase I, all block / collect requests which have not been acted upon by 12:00 p.m. on T+2 day i.e. two days after closure of the issue, would lapse. In Phase II, all block / collect requests which have not been acted upon by 12:00 p.m. on T+1 day i.e. one day after closure of the issue, would lapse.

## **30. What happens when an IPO request has expired?**

In case the IPO Request has expired, the transaction will be declined and needs to be re-initiated by Broker.

## **31. What if there is an inadvertent error while entering the UPI ID?**

The transaction will not get initiated or may get initiated to wrong UPI ID. And needs to be re-initiated as a new request post the correct UPI ID is registered.

## **32. How do I know that the collect request from IPO is not fraudulent?**

The collect request from IPO is not fraudulent in case the UPI ID is marked as a “verified merchant”. Please look out for the indication of a Verified Merchant tag when you receive the request on your App for blocking the amount that you have BID in the IPO. The request is received as a collect request on your UPI enabled App. Further also please verify the details including your Bid-cum application number, amount and other bid details received during the collect request.

## **33. If I inadvertently decline a request, how do I reinitiate the same?**

In case the request is declined, the same cannot be re-initiated from the UPI app. The transaction would have to be re-initiated through the intermediary with whom the initial application was submitted for bidding.

## **34. Till what time shall my money be blocked in IPO?**

The Money will be blocked till the finalization of allotment, post which the amount equivalent to allotted shares would be debited and balance amount (in case of partial allotment) will be unblocked.

## **35. What if my amount is blocked twice for a single IPO request?**

You can raise a complaint with the bank/s with the respective Unique Mandate Number provided for the Mandate.

## **36. Where can I check the status of an active IPO mandate on my UPI App?**

The status of the active IPO mandate can be viewed in the Mandate section of your UPI app.

## **37. If my bank is not live on IPO but my UPI application supports the same, can I still apply for an IPO using UPI?**

No, to apply using UPI, the bank where you hold an account linked to your UPI App also needs to be eligible to act as an Issuer Bank for UPI in the IPO process. The list of such bank is available on website of SEBI.

## **38. What happens if I change my default account after accepting the IPO mandate / blocking request?**

The default account is independent of the IPO Mandate and the execution i.e. debit, will happen against the same account for which the UPI PIN was entered by you at the time of mandate creation.

## **39. What happens if I deregister from the UPI App after accepting the IPO request?**

De-registration will not be available from the application until the active mandates are revoked / Executed.

## **40. What happens if I do not have sufficient balance in my bank account while accepting the IPO mandate / blocking request?**

Transaction will be declined in case the account has insufficient funds.

## **41. Will I receive an IPO mandate / block request on holidays? Will the IPO be processed successfully on holidays?**

While the UPI framework supports both mandate creation as well as execution on a holiday, the uploading of bids in an IPO happens only on working days as defined in SEBI Circular dated November 01, 2018. Accordingly, you may not receive a mandate request on a holiday. However, such mandate requests which are pending in your app can be acted upon by you on a holiday.

## **42. Can I use the same UPI PIN for accepting the IPO mandate / block request?**

Yes, the same UPI PIN can be used to accept an IPO mandate / block request.

## **43. How many times do I need to input UPI PIN for creating and processing the IPO mandate / block request?**

UPI PIN is required only once at the time of creation of the Mandate.

## **44. To whom should I approach if I have some issues with the IPO mandate / block request? My bank or my PSP application?**

Customer should reach out to their bank with the Unique Mandate Number (UMN) for the respective IPO Mandate / Block request.

## **45. How do I know if my bank is providing IPO services through UPI?**

Customer can reach out to [www.npci.org.in](http://www.npci.org.in) for the list of Banks available for the IPO Service on UPI.



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## **46. What if my bank is not providing IPO services through UPI?**

In case your bank is not providing IPO Services through UPI, you will not be able to use this service for IPO Payments.

## **47. What happens if I change my UPI ID after my amount is blocked for IPO?**

Execution of the IPO Mandate / Block request is independent of the UPI ID and will be executed against the same account which was linked at the time of creating the mandate.

### **Modification:**

## **48. Can I modify the parameters, like bid quantity, price, block amount, etc., when I receive a collect / block request for IPO?**

No, the values cannot be modified for the request received for blocking the funds in your account. Any modification to the bid has to be undertaken by approaching the intermediary through whom the bid was placed.

## **49. Till what time I can authorize the modification request?**

In Phase I, all modification requests initiated within the prescribed time can be acted upon by 12:00 p.m. on T+2 day i.e. two days after closure of the issue. In Phase II, all modification requests initiated within the prescribed time can be acted upon by 12:00 p.m. on T+1 day i.e. one day after closure of the issue.

## **50. What if I get a technical error on the UPI App while modifying the IPO request?**

Customer needs to re-initiate a fresh modification request. The transaction can be re-initiated by approaching the intermediary with whom the bid cum application form was submitted.

## **51. Will I be prompted to authorise the modified request sent from IPO?**

Yes the customer will receive App notification as well as SMS for authorising the Modification request.

## **52. What happens if I do not authorise the modification request?**

Post the expiry time of the mandate, the Modification request would lapse and the execution will take place based on the Old mandate which is active.

## **53. Can I/other party modify a mandate?**

The Modification can be done by both the parties. However, you should again authorize the modification with your UPI PIN. Only in few cases like IPO, Payee/IPO can extend the Mandate end date without the customer consent based on specific use cases.

## **54. How do I know my IPO request is modified successfully?**

Once the successful modification is done, a confirmation shall be given by the application.

## **55. What happens if modification request fails?**

You will have to re-initiate the modification request by approaching the intermediary through whom the modification request was submitted.

## **56. What happens if I change my UPI ID after modification of IPO?**

Execution of the IPO Mandate is independent of the Default account and will be executed against the same account which was linked at the time of creating the mandate irrespective of the fact that the UPI ID was changed at a later stage.

## **Canceling a mandate:**

## **57. Till when can I revoke an IPO mandate request?**

A mandate request once created can be revoked till closure of the issue.. The revoke can be initiated through the intermediary with whom the initial application was submitted for bidding.

## **58. What does revoking an IPO request mean?**

Revoking an IPO request is cancelation of the IPO Bid and the corresponding block mandate.

## **59. What happens if revoking of an IPO fails due to technical error?**

In such a case, you would need to re-initiate the revoke request. Such re-initiation of a revoke request can be done initiated through the intermediary with whom the initial application was submitted for bidding.

## **60. How do I know if my IPO block / mandate request is revoked successfully?**

Once the revoke request is submitted successfully, the Application will provide a success notification.

## **61. Do I need UPI PIN for revoking an IPO block / mandate request?**

Yes, you will need the UPI PIN to revoke the Mandate.

## **62. What happens if an IPO block / mandate is revoked after the successful block?**

On revoking the IPO Mandate request, the bid amount will be immediately unblocked in your account.

## **63. In what scenarios will my funds be unblocked?**

The money in your account shall be unblocked, in case the allotted shares are less than the bid quantity or in case the block request is revoked.

### **Execution:**

## **64. What happens if I do not get any shares under the IPO process for applications made using UPI for payment?**

In case you do not get any share allotment, the amount blocked in your account will be unblocked in your account.

## **65. What happens if I get partial allotment? Will my money be unblocked / reinstated for the remaining shares?**

In case of part allocation, money will be debited for the allocation value and the residual amount will be unblocked / reinstated to your account.

## **66. What happens if I do not get any shares but my money is blocked?**

In case the shares have not been allotted to you and money is not unblocked / reinstated in your account, you may raise a complaint through the UPI App.

## **67. What happens if I do not get any shares but my money is debited in this process?**

In case the shares have not been allotted and money is not debited from your account, you may raise a complaint from the UPI App or bring the issue to the knowledge of your bank through any other mode.

## **68. When will the allotment of shares be done after I have approved the request?**

Allotment of the share will be done as per the timelines prescribed for different Phases in SEBI Circular dated November 01, 2018.

## **69. Will I be notified when the shares will be allotted?**

Under the UPI framework, you will be notified of the debit of funds from your account. However, the process of communicating the share allotment process shall be separate, as per the extant process/es.

## **70. What happens if I do not receive the shares and my amount is also not debited?**

Your money shall be unblocked / reinstated to your account with the expiry of the mandate request period in case shares are not allotted to you.

## **71. What if more money is debited than the allocated shares?**

In case amount more than allotment is debited, you may raise a complaint from the UPI App or bring the issue to the knowledge of your bank through any other mode against the Unique Mandate Number.

## **72. What happens if I change my default account before execution i.e. settlement of the IPO mandate request?**

Execution of the IPO mandate request is independent of the default account and will be executed against the same account which was linked at the time of creating the mandate.

## **73. What happens if I change my UPI ID before executing the IPO Request?**

Execution of the IPO mandate request is independent of the UPI ID and will be executed against the same account which was linked at the time of creating the mandate.