

Sub Section V Use of Unified Payments Interface (UPI) with ASBA in public issue process
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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. (Source : NPCI - <https://www.npci.org.in/what-we-do/upi/faqs>)

2. What is a UPI ID?

UPIID (also called Virtual Payment Addressor VPA) is a unique ID for using UPI. The UPI Id can be created by registering with one of the UPI enabled mobile applications (App) using the investors bank account details.

3. How is public issue application using UPI different from public issue application using ASBA submitted with intermediaries?

Public issue application using UPI is a step towards digitizing some of the offline processes involved in the application process by moving the same online. This requires an investor to create a UPI ID and PIN using any of the UPI enabled mobile applications of SCSBs. The UPI ID can be used for blocking of funds in the bank account and making payment in the public issue process. An investor can accept the request to block the funds for the amount bid by entering the UPI PIN in his/her mobile application. The money shall be blocked and shall be automatically remitted to the Escrow Bank, in case of allotment. In case of non-allotment, the funds shall be unblocked by the SCSBs. UPI in public issue process will essentially bring in comfort, ease of use and reduce the listing time for public issues.

4. Can I use my existing UPI ID for applying in public issues?

Yes. 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 at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- The investors shall be using a mobile application and a UPI handle that supports

use of UPI for public issues. A list of such applications and handles appears in the 'List of Mobile Applications for using UPI in Public Issues' available on website of SEBI at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=43>

Investors, whose bank is not providing the UPI Mandate facility, may use the other alternate channels available to them viz. submission of physical application form with Self Certified Syndicate Bank or using the facility of linked online trading, demat and bank account.

5. How can “UPI as a payment option” be used in the public issue process”?

UPI as part of bidding

- Investor can fill in the bid details in the application form or the mobile device / web interface of the intermediary along with his/her UPIID.
- As per the existing process, investor may submit the application or fill in the bid details on the mobile device / web interface with any of the intermediaries (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.
- The stock exchange will electronically share the bid details, along with investors UPI id, with the Sponsor Bank appointed by the issuer company.

UPI as part of blocking of funds

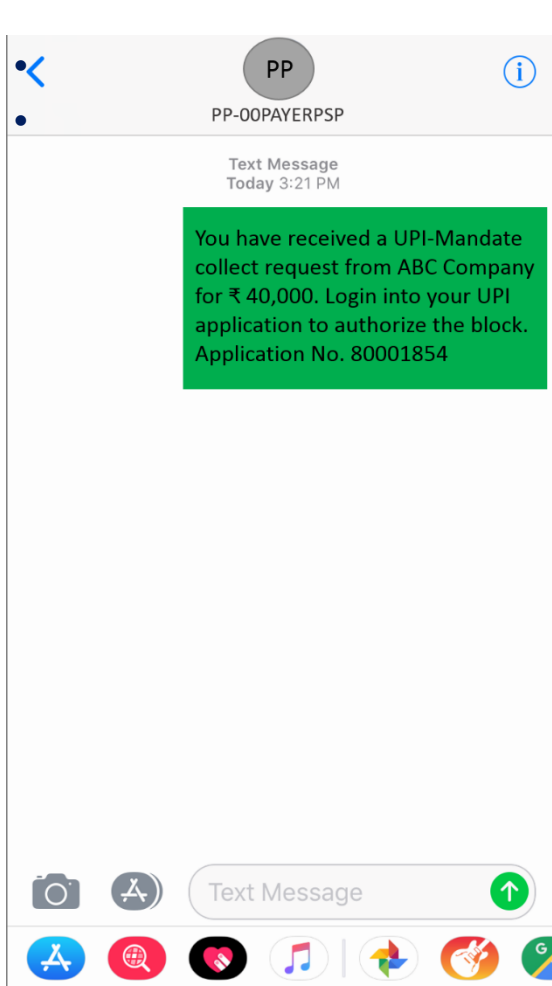
- The Sponsor Bank will request the investor to authorize blocking of funds equivalent to application amount and subsequently debit the funds in case of allotment.
- The request raised by the Sponsor Bank, would be electronically received by the investor as an SMS/intimation on his / her bank provided mobile no./mobile app associated with UPIID.
- Upon validation of mandate fund block request by the investor by entering his UPI PIN, 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 allocation process

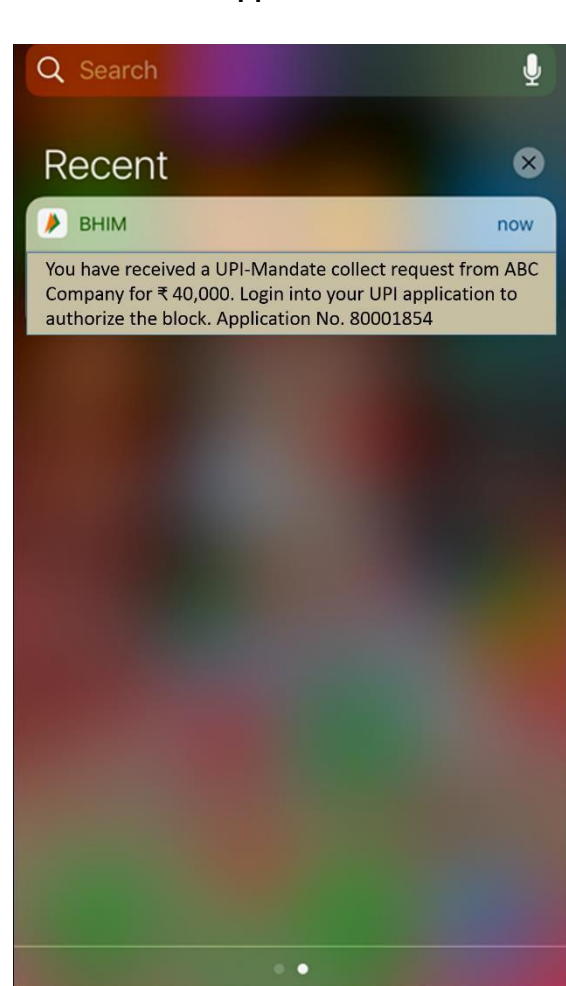
- The registrar to the issue, based on information of bidding and blocking received from stock exchange, would undertake reconciliation and prepare the basis of allotment.
- Upon approval of such basis of allotment, the instructions would be sent to sponsor bank to initiate process for credit of funds in the public issue escrow account and unblocking excess money.
- Based on authorization given by investor using UPI PIN at the time of fund blocking, the funds, equivalent to the allotment, would be debited from investors account and remaining funds, if any, would be unblocked.

Graphical indicative illustration of the aforesaid process:

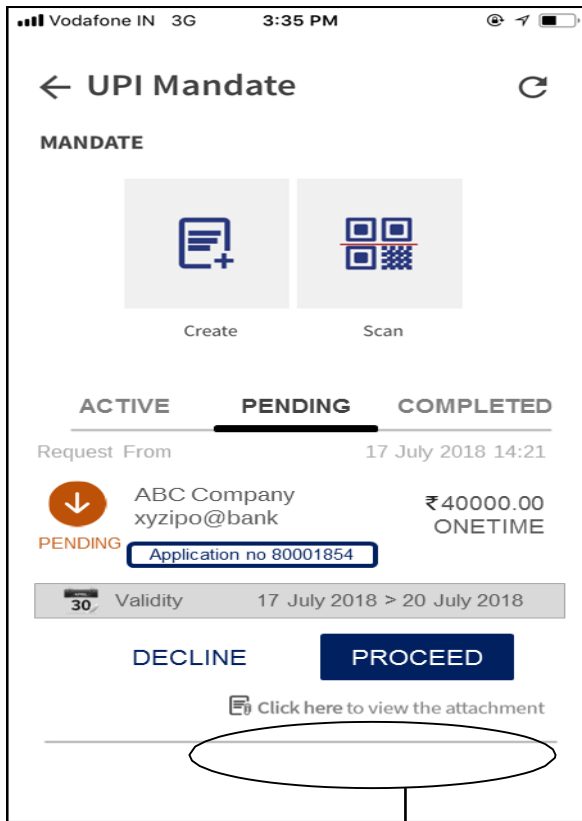
BlockrequestSMStoinvestor



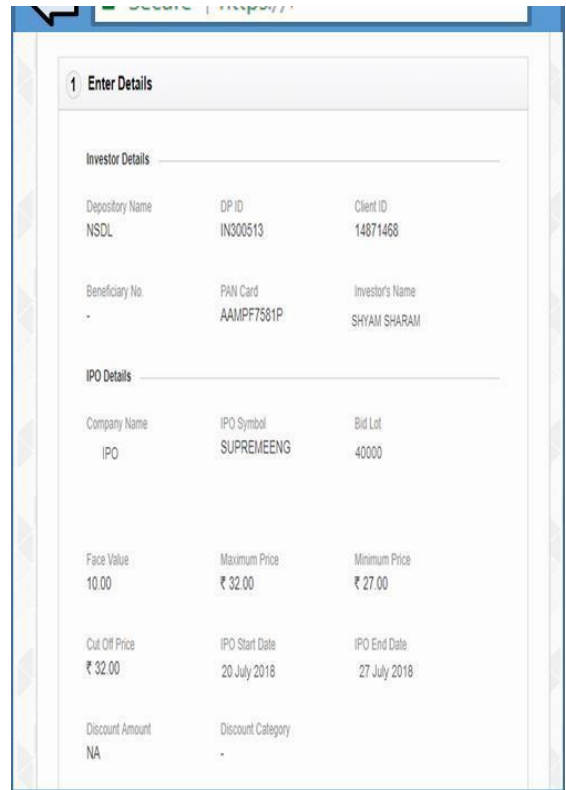
Block request intimation through UPI application



1. Investor UPI application screen

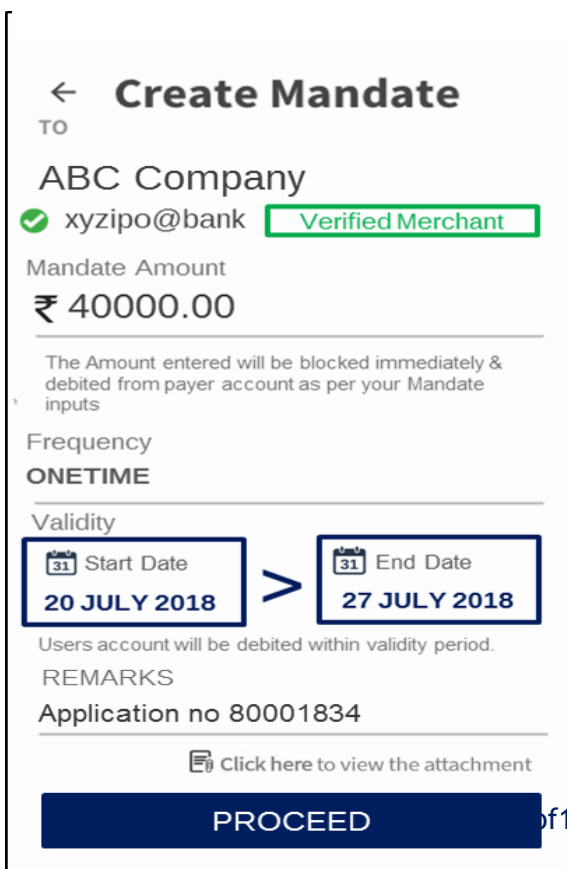


2. Sample of IPO details in attachment

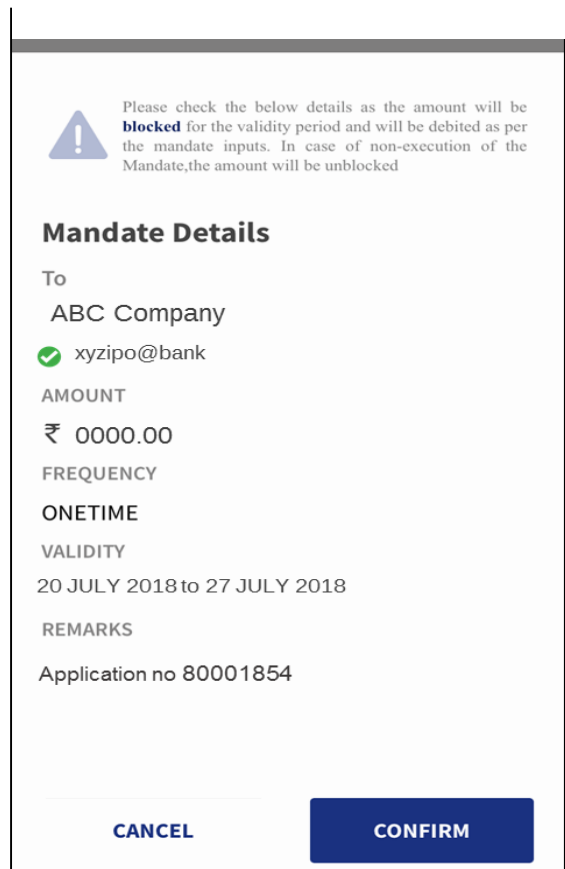


This attachment will contain IPO application details submitted by investor

3. Postverification of details above




4. Pre-confirmation page



5. Entering of UPI PIN


CANCEL

STATE BANK OF INDIA 


ABC Company ₹ 40000

ENTER UPI PIN

— — — —

1	2	3
4	5	6
7	8	9
	0	SUBMIT

6. Confirmation page



Mandate Approved


UPI ID: xyzipo@bank
 Amount: Rs 40000.00
 Frequency: ONETIME
 UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi
 Validity: 20th July 2018 to 27th July 2018

[VIEW DETAILS](#) [HOME](#)

7. Approved mandates visible in UPI application

← **Active Mandate**


Received From 18 July 2018 14:21

 ABC Company ₹ 40000.00
 xyzipo@bank ONETIME
 ACTIVE [Application No 80001834](#)

MANDATE DETAILS

START DATE: 20 July 2018
 END DATE: 27 July 2018
 FREQUENCY: One Time
 UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi
 REMARKS: Application No 80001834


Block confirmation SMS to investor

IB 


IB-00ISSUERBANK


Text Message
Today 3:21 PM


Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854

Text Message 

Block confirmation application intimation

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Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854

6. Where can I submit either the electronic or physical application form with UPI as a payment mechanism?

Electronic or Physical Application forms with UPI as a payment mechanism **can only be** submitted with, a Syndicate Member, or a Registered Stock Broker, or a Registrar and Transfer Agent or a or Depository Participant (**'Intermediaries'**). The investor may also use the online facility (if provided) of stock brokers for seamless bidding in IPOs.

7. Is use of UPI, as a payment mechanism in public issues, mandatory?

Yes. For applications by retail individual investors through intermediaries, UPI mechanism is mandatory.

8. Up to what limit can I apply for a public issue inUPI?

In UPI, the limit for an IPO application is 2 Lakhs per application.

9. Are all categories of investors eligible to apply in public issues using UPI for payment?

No. Only retail individual investors are allowed to use UPI for payment in public issues. Qualified Institutional Buyers, High Net-worth Individuals, Employees and Shareholders (Reserved Category) shall continue to apply as per the existing process.

10. Will the existing non-UPI channels for making application in public issues be available for retail investors after introduction of UPI?

For non-UPI applications, investors shall submit applications directly to SCSBs. Alternately, 3-in-1 type accounts will continue to be available. The UPI is another option available to retail individual investors.

11. Where will I get an option to apply in a public issue using UPI?

Public issue using UPI may be initiated through any of the intermediaries. The UPI id can be given to the intermediary to whom the application form is being submitted. Alternately, the stock broker's mobile application/web facility can be used for online application submission. All requests for blocking the bid amounts shall be received by the investor, on his/her UPI id / App. The investor would need to enter the UPI PIN to accept the mandate request for blocking the funds against the bank account.

12. How do I select UPI as the payment option while applying for public issues?

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

13. What if my bank is not providing UPI service for public issues?

In case the bank is not providing UPI services for public issues, the investors may make use of their bank account for directly blocking of funds and submit the application with the bank, provided it is recognized by SEBI as a SCSB.

14. If my bank does not enable for making payment in public issues through UPI, but my UPI application supports the same, can I still apply for public issues using UPI for payment?

In order to use UPI for payment, the investors bank account must be linked to the UPI id, provided the bank is eligible to act as an Issuer Bank in the public issue process. The list of such banks is available on website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=40>

15. Can I apply in a public issue using UPI ID with my Account +IFSC?

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

16. Can I use third party UPI ID or a third party bank account for making payment in public issues?

No. Applications made by retail investors using third party UPI id or by any category of investors using a third party bank account will not be considered valid for allocation.

17. Are second / third / joint account holders in a bank account restrained from using the same account for payment in public issues?

No specific restriction has been imposed by SEBI on use of bank account by second/third/joint holder. However, third party applications will not be considered valid for allotment.

18. 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 the investor regarding registration of the bid, on end of day basis or on the next working day. Further, the investor shall receive a SMS notification on the UPI enabled mobile device stating that a mandate block request is received in UPI.

19. Where can an investor submit his UPI application for any grievances in the issue procedure?

Investor should first approach the intermediary to whom the application was submitted. For complaints with respect to blocking / unblocking of funds, investor may approach the bank. For complaints with respect to non-allotment of shares, investor may approach the registrar to the issue. If the investor is not satisfied with the response, investor can approach the stock exchange. In case, where the investor is not satisfied with the response of any of the intermediaries, investors may submit a complaint with SEBI on <http://scores.gov.in/>.

FAQs on scenarios that may arise during blocking of funds using UPI in the public issue process - Creation / modification / cancellation / execution of bid and corresponding block request(mandate):

Scenario 1 - Creation of a block request (mandate)

20. What happens if I don't get a block request from the intermediary on the UPI id that was entered in the application form?

In such a case, the investor may approach the same intermediary to whom the application form was submitted for re-initiating the process. The investor may also like to check whether the UPI id recorded is correct or not and that the UPI app is updated/Up-to-date.

21. What if there is an inadvertent error while entering the UPIID?

In such a case, the transaction will not get initiated or may get initiated to the wrong UPI id. The transaction needs to be re-initiated as a new request post submission of correct UPI id.

22. What if I erroneously decline the request to block funds?

In case the request is erroneously declined by the investor, the transaction will be declined and the investor will have to initiate a fresh request. The transaction can be re-initiated before the issue closure, by approaching the intermediary with whom the application form was submitted.

23. What if I input wrong UPI PIN while authorizing the block request?

The transaction will be declined with 'Wrong UPI PIN' and the investor will have to re-initiate the transaction. The transaction can be re-initiated before the issue closure, by approaching the same intermediary to whom the application form was submitted.

24. What if I get a technical error on the UPI App while accepting the block request?

In case of a technical decline, the transaction can be re-initiated by approaching the intermediary before the issue closure, to whom the application form was submitted.

25. Is there any timeline by which I need to act upon the block request?

Yes. As per the indicative activity wise timeline prescribed in the SEBI Circular dated

November 01, 2018, all block/collect requests which have not been acted upon by 12.00 pm on T+1 working day i.e. one working day after closure of the issue, would lapse.

26. How do I know that the block request is not fraudulent?

The block request is not fraudulent in case the UPI ID is marked as a “verified merchant”. The investors have to look out for the tag or indication of a “Verified Merchant” when they receive the request on their App for blocking the amount. The request is received as a collect request on the UPI enabled App. Further, the investors shall also verify the details including the Bid-cum application number, bid amount and other bid details, included in the attachment as part of such block request.

27. Till what time will the amount remain blocked in my account in the public issue process?

The amount 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 by the SCSB. In case the amount is not unblocked post the finalization of allotment, you may approach your bank and request them to unblock the funds manually.

28. What if my amount is blocked twice for a single block request?

In such a case, the investor may raise a complaint with the bank/Lead Manager providing the requisite details including the Unique Mandate Number for the unblock request.

29. Where can I check the status of an active request on my UPI App?

The status of the active requests can be viewed in the Mandate section of the UPI app / pending transactions to approve.

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

The default account is independent of the block request. The execution will happen against the same account for which the UPI PIN was entered by the investor at the time of accepting the block request.

31. What happens if I deregister from the UPI App after accepting the block request?

De-registration will not be available from the application until the active requests are

revoked /executed.

32. What happens if I do not have sufficient balance in my bank account while accepting the block request?

Transaction will be declined in case the account has insufficient funds. The application shall be treated as invalid and not eligible for allocation.

33. Will I receive a block request for public issues on holidays? Will the request 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 a public issue happens only on working days as defined in SEBI Circular dated November 01, 2018. Mandate requests may be received on any day till the bid modification window is closed. However, such mandate requests which are pending in your app can be acted upon before 12 PM on T+1 working day (T: Issue Closure Day)

34. Can I use the existing UPI PIN for accepting the block request?

Yes. The existing UPI PIN can be used to accept a mandate block request. However, note that this UPI PIN is different from the login PIN of your app.

35. How many times do I need to input UPI PIN for creating and processing the block request?

UPI PIN is required to be entered only once at the time of confirmation of the mandate block request.

36. Who should I approach if I face issues with the block request? My bank or through my mobile / PSP app?

While the request can be re-initiated in case of any technical issues the investor may also reinitiate with another bank account or a different UPI application. In such a case, customer can reach out to their bank/PSP with the Unique Mandate Number (UMN) of the block request.

Scenario 2 - Modification of a block request (mandate)

37. Can I modify the parameters, like bid quantity, price, amount, etc., when I receive a block request in public issues?

No, the values in the block request cannot be modified on the UPI application. Any modification to the bid details, including the amount, has to be undertaken by approaching the intermediary to whom the application form was originally submitted. Upon modification of bid amount by the intermediary, you will receive a fresh mandate block request with revised amount, which needs to be again authorized by entering your UPI PIN. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

38. Till what time can I authorize the modification request for parameters like bid quantity, price, amount etc?

All modification requests initiated can be acted upon before 12:00 pm on T+1 working day i.e. one working day after closure of the issue.

39. Will I be prompted to authorize the modified request?

Yes. The customer will receive notification on mobile application as well as an SMS for authorizing the modification request.

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

In such a case, the investors need to initiate a fresh modification request. The transaction can be re-initiated by approaching the intermediary with whom the application form was submitted. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

41. What happens if I do not authorize the modification request?

Post the expiry time of the modification request, the modification request would lapse and the execution will take place based on the earlier approved request / mandate which shall remain active on the original application.

42. How do I know that my modification mandate request is successful?

Once the successful modification is done, a confirmation will appear on the UPI mobile application.

Scenario 3 – Cancellation / revocation of a block request (mandate)

43. What if I do not want to proceed with the public issue application after submission with intermediary? Can I withdraw my bid? If yes, how?

As per the extant legal framework, retail individual investors can withdraw bids till issue closure date. During the bidding period you may approach the same intermediary with whom the application form was submitted, for withdrawal of bid. Intermediaries providing the web/mobile interface also provide the modification/cancellation option on their platform.

44. What does revoking a block request mean?

Revoking a mandate request is cancellation of a block request pursuant to cancellation of an IPO bid.

45. Till when can I revoke a block request?

A mandate request once created can be revoked during the issue period till closure of the issue. The revoke can be initiated through the intermediary with whom the application was submitted. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

Investors should not approve a mandate block request post cancelling the bid on the exchange platform. This shall result in delay in releasing the funds blocked in the bank account.

46. What happens if revoking of a block request fails due to technical error?

In such a case, the investors would need to re-initiate the revoke request. Such re-initiation can be done through the intermediary with whom the application was submitted. Further, the bank shall unblock the funds in the bank account in the offline mechanism.

Investors should not approve a mandate block request post cancelling the bid on the exchange platform. This shall result in delay in releasing the funds blocked in the bank account.

47. How do I know if my block request is revoked successfully?

Once the revoke request is submitted successfully, the UPI mobile application will indicate so through a success notification. SMS/notification towards unblocking of funds from the bank account shall be sent by the bank as well.

48. Do I need UPI PIN for revoking a block / mandate request?

No, the investors will not need UPI PIN to revoke the request.

49. What happens if a block / mandate is revoked after the successful block?

On revoking the mandate request, the funds blocked in the bank account as per the bid shall be unblocked online.

50. In what scenarios will my funds be unblocked?

The money in the investors account will be unblocked in case the allotted shares are less than the bid quantity, or in case of an unsuccessful application or in case of revocation of a block request. Further, in case of cancellation of the bid post successful mandate block is created, the funds shall be released online.

Scenario 4 – Execution of a block request (mandate)

51. What happens if I do not get any shares under the public issue process for applications made using UPI for payment?

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

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

In case of partial allotment, money will be debited for the allotment value and the balance amount will be unblocked in the investors account.

53. What happens if I do not get any shares but my money remains blocked?

In case no shares have not been allotted to the investor and money is not unblocked / reinstated in the account, the investor may raise a complaint through the UPI App or

approach the Merchant Banker/ SCSB / RTA with whom the application was submitted.

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

In case no shares have been allotted and money is debited from the investors account, you may raise a complaint along with the application details, either from the UPI App or approach the bank / RTA / Merchant Banker / the intermediary with whom the application was submitted.

55. When will the allotment of shares be done after I have approved the block request?

Allotment of the share will be done as per the timelines prescribed in SEBI Circular dated November 01, 2018 available at <https://www.sebi.gov.in/legal/circulars>.

56. Will I be notified when the shares are allotted?

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

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

The investors money shall be unblocked/reinstated to the account with the expiry of the mandate period in case shares are not allotted to the investor.

58. What if more money is debited than the allocated shares?

In case amount more than allotment value is debited, the investor may raise a complaint with the Lead Manager / bank / RTA / from the UPI App / through any other mode along with Unique Mandate Number and application details.

59. What happens if I change my default account before execution i.e. settlement of the block request?

Execution of the 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.

60. Are Karta/HUF and Minor account holders are eligible to access UPI in ASBA facility?

SEBI circular only specifies that applications made by retail individual investors using third party UPI id or by any category of investors using a third party bank account are liable for rejection.

SEBI has not restricted any retail investor from accessing UPI in ASBA facility based on mode of operation of investors account.

While some banks allow to create UPI Id for Karta/HUF and minor accounts, it is within the bank's discretion to decide whether Karta/HUF/minors will be allowed to create the UPI id. However, SEBI has facilitated that the IPO applications including those from Karta/HUF and Minor accounts can be submitted directly to the ASBA banks.

61. Where can I get more details about UPI in IPOs process?

The investor may refer to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 available on SEBI website at www.sebi.gov.in under the categories "Legal" and "Circulars". The link of the same is as under:

https://www.sebi.gov.in/legal/circulars/nov-2018/streamlining-the-process-of-public-issue-of-equity-shares-and-convertibles_40923.html

63. Can I apply on the first day of an IPO using UPI and decline on the last day?

Yes. The investor can decline the mandate transaction on the last day provided he/she have not accepted the UPI mandate successfully. In case mandate is successfully accepted, the investor can withdraw/delete/cancel the application by approaching the intermediary through which the original application was submitted. Alternately, the investors can choose to not act on the mandate which expires automatically on T+1 (T: Issue Closure Date) at 12:00 PM.

64. What happens if I change my UPI ID after my amount is blocked / modification of mandate / before execution of block request for IPO?

Execution of the mandate request / block request is independent of the UPI ID and will be executed against the same account which was used at the time of creating the mandate irrespective of the fact that the UPI id was changed at a later stage.
