

First IPO issue with mandatory UPI based ASBA option on Monday, 29th July, 2019

UPI based ASBA option for IPO made mandatory for retail investors

Secure, simple and seamless process of investing in IPOs

Mumbai: National Payments Corporation of India (NPCI) today said the first initial public offering (IPO) through mandatory Unified Payments Interface (UPI) based ASBA for retail investors applying through brokers, DPs and RTAs, is on Monday, 29th July, 2019.

UPI is an immediate real time payment system that helps instantly transfer funds between two bank accounts through mobile phones. UPI is now mandatory in ASBA for retail investors applying through brokers, DPs and RTAs

The phase wise implementation of UPI as a payment option started on Jan 1st 2019. In Phase I, the UPI mechanism was made available to retail investors but the existing process of submitting physical applications from intermediaries to banks also continued.

In the subsequent phase from July 1st, 2019, UPI payment for IPO has been made mandatory for retail investors applying through brokers, DPs and RTAs. The existing timeline of T+6 days post issue closure will continue till the final phase is implemented.

“The new process shall increase efficiency, eliminate the need for manual intervention and logistics at various stages. The UPI 2.0 mandate feature of one time blocking shall ensure that the amount remains blocked (and not debited) in the customer’s account till allotment is done, as currently happening in the ASBA process,” said Ms. Praveena Rai, COO, NPCI.

In the final stage, Phase III, the gap between IPO closing and listing will be reduced to three days.

UPI as an option shall eliminate the need for segregation of bid-cum-application forms basis the investor banks and sending it to the respective bank locations.

Manual verification of the customer’s signature on the application form is done away with as the same is substitutes by the customer authorizing the block by entering his UPI PIN on receiving the block collect request from the exchanges.

The Registrar in this process shall co-ordinate with a single entity, the Sponsor Bank, for collating the details of the total block details and execution of allotment.

“The retail investors can enjoy the instant fund transfer experience of UPI while subscribing for IPO. The instant mandate creation ensures real time application submission,” Ms. Rai added.

Retail investors also have the options to submit the applications directly to the ASBA Banks (SCSBs) or to use the facility linked online trading, demat and bank account.

About NPCI

National Payments Corporation of India (NPCI) was incorporated in 2008 as an umbrella organization for operating retail payments and settlement systems in India. An initiative of RBI and IBA under the provisions of the Payment and Settlement Systems Act, 2007, NPCI was initiated for creating a robust payment and settlement infrastructure in the country. It has changed the way payments are made in India through a bouquet of retail payment products such as [RuPay card](#), [Immediate Payment Service \(IMPS\)](#), [Unified Payments Interface \(UPI\)](#), [Bharat Interface for Money \(BHIM\)](#), [BHIM Aadhaar](#), [National Electronic Toll Collection \(NETC\)](#) and [Bharat BillPay](#). NPCI also launched UPI 2.0 to offer a more secure and comprehensive services to consumers and merchants.

NPCI is focused on bringing innovations in the retail payment systems through use of technology and is relentlessly working to transform India into a digital economy. It is facilitating secure payments solutions with nationwide accessibility at minimal cost in furtherance of India’s aspiration to be a fully digital society.

For more information, visit: <https://www.npci.org.in/>

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