

CHUNK OF DISQUALIFICATIONS DUE TO INCOMPLETE UPI PAYMENT PROCESS

Technical Glitches Rob Many of the Chance to Make IPO Gains

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No Smooth Sailing

(Fig in lakhs)

IPO	Month	Issue Size (₹Cr)	No of Applications	
			Valid	Rejected
Bajaj Housing Finance	Sep-24	6,560	74.47	-14.60
Tata Technologies	Nov-23	3,043	67.60	-5.98
Life Insurance Corp	May-22	20,557	52.88	-20.62
Reliance Power	Jan-08	10,123	46.44	-1.59
Doms Industries	Dec-23	1,200	43.80	-3.51
Inox India	Dec-23	1,459	39.63	-4.14
Premier Energies	Aug-24	2,830	38.62	-1.97
Motisons Jewellers	Dec-23	151	37.85	-9.60
Azad Engineering	Dec-23	740	34.48	-4.92
Glenmark Life Sciences	Jul-21	1,514	34.06	-4.94

* tentative over the total applications received on the last day of bidding

were also reports of technical issues related to UPI systems.

Continued on ► Smart Investing

Tech Glitches Rob Many

►► From ET Markets Page 1

"A significant cause for the rejections has been UPI-related issues, primarily due to failed mandates, either from investor non-approval or technical declines," said Giridhar G, chief business officer, corporate registry, KFIn Technologies, who was the registrar to the IPO. "Additionally, many rejections occurred when UPI mandates initiated by investors were sent to NPCI, but failed either at NPCI or the sponsor's end."

National Payments Corporation of India (NPCI) did not respond to a query.

The Bajaj Housing Finance IPO received 89.07 lakh applications — the highest ever. The allotment document released by the company revealed that 78.91 lakh were deemed complete and valid. After accounting for technical rejections, 74.46 lakh applications were eligible to receive the shares in the issue.

Many investors who applied through broking applications told ET they did not receive the UPI mandate for approval, whereas those who applied directly through banks reported no issues.

A spokesperson for Groww, India's largest broker in terms of the number of clients, said there was a lag at the sponsor bank and a lot of UPI

payment mandates faced delays.

Mohit Mehra, VP, primary market and payments, Zerodha, said due to the heavy volume of applications in the IPOs over the last few days, there were delays in receiving UPI mandates. "The applications were submitted instantly from Zerodha to the exchange, but the banks sending the UPI mandates i.e. the sponsor banks to the issue had some queue," said Mehra. "This delay does not affect the application.



The UPI mandate can be accepted at any time during the IPO window by the investors."

In May 2022, the ₹20,557 crore LIC IPO received 73.50 lakh applications, of which around 20.6 lakh were rejected. In November last year, Tata Technologies received around 73.58 lakh applications, with around 5.98 lakh being rejected.

Market participants said these rejections due to glitches call for a need to fine-tune the system.

"Applications made under the employee or shareholder quota by non-eligible investors also cause issues," said Pranav Haldea, managing director of Prime Database Group. "There should be filters in place at the time of application to validate eligibility and prevent last-minute rejections."