

Over 4.5-mn IPO mandates created via UPI in May

UPI IPO MANDATES (In mn)

	Created	Executed
June '21	1.94	0.33
July	7.66	0.53
August	5.86	1.32
September	3.04	0.39
October	1.14	0.32
November	7.6	1.24
December	7.32	0.79
January '22	1.18	87,194
February	99,842	3,78,159
March	4,37,281	969
April	1.05	2,38,178
May	4.50	2.40

SUBRATA PANDA
Mumbai, 9 June

Mandate creation for initial public offerings (IPOs) through the Unified Payments Interface (UPI) hit a 2022 high of 4.5 million in May, data released by the National Payments Corporations of India (NPCI) showed.

In May, 4.5 million IPO mandates were created through UPI and a record 2.4 million mandates got executed, data shows.

Last month, eight companies, including Life Insurance Corporation of India (LIC), mobilised a cumulative ₹29,500 crore through IPOs. This was the second-highest mop-up in a month after November 2021, when nine firms, including Paytm, had

mobilised ₹35,664 crore, according to Prime Database, a primary market tracking firm.

Mandates are created when customers block an amount in their bank accounts for IPO application. Mandate execution refers to a transaction where the customer has applied for an IPO and has been successfully allotted shares after which funds are debited from the applicant's account.

LIC's IPO saw a record 7.3 million retail applications, the highest ever for a domestic IPO, topping the previous record set by Reliance Power's IPO in 2008, when 4.8 million applications were made.

The other public offerings in May were of logistics major Delhivery, specialty chemicals manufacturer Aether Industries, eMudhra, Paradeep Phosphates,

Venue Pipes & Tubes, and Prudent Corporate Advisory.

Despite LIC's IPO seeing record retail applications, the IPO mandates created through UPI in the month fell way short of the number recorded last July, when food delivery company Zomato had launched its maiden share sale. A record 7.66 million IPO mandates were created through UPI in that month, but only 530,000 were executed.

Similarly, the IPO mandates in May also fell short of the number recorded last November and December.

In November, fintech major Paytm had hit the market with its ₹18,300-crore IPO and Nykaa with its ₹5,300-crore share sale. In December, as many as 12 companies came out with public offerings and

mopped up a cumulative ₹16,783 crore.

Since December, there has been a lull in the IPO market, which has weighed on mandate creation through the UPI route. The spike in market volatility in the wake of the Russia-Ukraine war and monetary tightening by the US Federal Reserve has stalled many companies' IPO plans.

In May, the country's largest lender State Bank of India (SBI) received the maximum mandate creation requests of around 1.24 million, followed by HDFC Bank at 726,223, ICICI Bank at 518,390, and Axis Bank at 313,970. Also, decline rates have been more or less stable, with private sector lenders and public sector lenders seeing similar rates, data released by the NPCI showed.

Note: Figures in bold are not in million
Source: NPCI