

ASBA- FREQUENTLY ASKED QUESTIONS

FAQs on ASBA for Investors

1. What is “ASBA”?

ASBA means “Application Supported by Blocked Amount”. ASBA is an application by an investor containing an authorization to Self-Certified Syndicate Bank (SCSB) to block the application money in the bank account, for subscribing to an issue. If an investor is applying through ASBA, his application money shall be debited from the bank account only if his/her application is selected for allotment after the basis of allotment is finalized.

2. What is Self-certified Syndicate Bank (SCSB)?

SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear in the list available on the website of SEBI. At the following link: <http://www.sebi.gov.in/pmd/scsb.pdf>

3. Detailed procedure of applying in IPO through ASBA.

Under ASBA facility, investors can apply in any public/ rights issues by using their bank account. Investors submit the ASBA form (available at the designated branches of the banks acting as SCSB) after filling the details like name of the applicant, PAN number, demata account number, bid quantity, bid price and other relevant details, to the bank branch by giving an instruction to block the amount in their account. In turn, the bank will upload the details of the application in the bidding platform. Investors shall ensure that the details that are filled in the ASBA form are correct otherwise the form is liable to be rejected.

4. Can I make application through ASBA facility in all issues?

Yes, you can make application through ASBA facility in all the issues i.e. public and rights.

5. Who can apply through ASBA facility?

SEBI has been specifying the investors who can apply through ASBA. In public issues w.e.f. May 1, 2010 all the investors can apply through ASBA.

In rights issues, all shareholders of the company as on record date are permitted to use ASBA for making applications provided he/she/it:

- a. is holding shares in dematerialized form and has applied for entitlements or additional shares in the issue in dematerialized form;
- b. has not renounced its entitlements in full or in part;
- c. is not a renouncee;
- d. Who is applying through blocking of funds in a bank account with the Self Certified Syndicate Bank

6. What is the advantage to an investor if he applies through ASBA vis-à-vis applying through an application with a cheque?

Applying through ASBA facility has the following advantages:

- (i) The investor need not pay the application money by cheque rather the investor submits ASBA which accompanies an authorization to block the bank account to the extent of the application money.
- (ii) The investor does not have to bother about refunds, as in ASBA only that much money to the extent required for allotment of securities, is deducted from the bank account only when his application is selected for allotment after the basis of allotment is finalized.
- (iii) The investor continues to earn interest on the application money as the same remains in the bank account, which is not the case in other modes of payment.
- (iv) The investor deals with the known intermediary i.e. its own bank.

7. Is it mandatory for retail investors to apply through ASBA only?

It is mandatory. A retail investor and non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, have to mandatorily make use of ASBA facility for making application in public/ rights issue.

8. Where should I submit my Application Supported by Blocked Amount (ASBA)? How shall I know which bank and which branch of that bank is the

designated branch for accepting ASBA applications?

List of Self Certified Syndicate Banks (SCSBs) and their designated branches i.e. branches where ASBA application form can be submitted, is available on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and on the website of SEBI (www.sebi.gov.in). The list of SCSB would also be given in the ASBA application form.

9. Can I submit ASBA in any of the banks specified in the list of SCSBs?

No, ASBA can be submitted to the SCSB with which the investor is holding the bank account.

10. How many applications can be made from a bank account?

Five (5) applications can be made from a bank account per issue.

11. Am I required to submit ASBA only physically?

No, you can either fill up the physical ASBA form available with SCSB and submit the same to the SCSB or apply electronically/online through the internet banking facility.

12. Can I use the existing application form for public issues for applying through ASBA?

Since November 01, 2011, SEBI has prescribed a single form for ASBA.

13. Can I withdraw my ASBA bids? If yes, how?

Retail individual investors can withdraw ASBA bids. During the bidding period you can approach the same bank to which you had submitted the ASBA and request for withdrawal through a duly signed letter citing your application number, TRS number, if any.

After the bid closure period, you may send withdrawal request to the Registrar to the issue before the finalization of basis of allotment, who will cancel the bid and instruct SCSB to unblock the application money in the bank account after the finalization of basis of allotment.

However, Non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors are not eligible to withdraw their bids at any time.

14. Whom should I approach if I find that I had given all correct details in the application form, but application has been rejected stating wrong data?

You have to approach the concerned SCSB for any complaints regarding your ASBA applications. SCSB is required to give reply within 15 days. In case, you are not satisfied, you may lodge your complaint with SEBI on <http://scores.gov.in/>. Alternately, you may write to SEBI at the following address:

Investor Grievance Cell, Office of Investor Assistance and Education,
Securities and Exchange Board of India
Plot No.C4-A,'G' Block, Bandra Kurla Complex,
Bandra (East),
Mumbai: 400051

15. Whether my bank account will be blocked or only the amount to the extent of application money is blocked?

No, the entire bank account will not be blocked. Only the amount to the extent of application money authorized in the ASBA will be blocked in the bank account. The balance money, if any, in the account can still be used for other purposes.

16. If I withdraw my bid made through ASBA, will the bank account be unblocked immediately?

If the withdrawal is made during the bidding period, the SCSB deletes the bid and unblocks the application money in the bank account. If the withdrawal is made after the bid closure date, the SCSB will unblock the application money only after getting appropriate instruction from the Registrar, which is after the finalization of basis of allotment in the issue.

17. Do I necessarily need to have a DP account with the SCSB where I intend to submit the ASBA application?

No. It is not necessary to have a DP account with the SCSB, where you are submitting the ASBA.

18. Can I submit my ASBA to a broker as is being done in the present issue process applying through cheque?

Yes, you can submit ASBA with a registered broker of the stock exchange where these securities are proposed to be listed. However, the brokers would only upload the bid and other relevant details of such ASBA forms in the bidding platform provided by the stock exchanges and forward the ASBA forms to the respective SCSBs for blocking the funds.

19. Can I apply in an issue through ASBA facility and through “normal existing system of payment through cheque” in an issue?

An investor can apply only through ASBA.

20. Are the bids submitted through ASBA and uploaded in the electronic bidding system of the stock exchange, in case of public issue through book building, reflect in the demand graphs displayed in the website of stock exchanges?

Yes. The bids received through ASBA mode will also be reflected in the demand graphs displayed in the website of stock exchanges.

21. Who is responsible for errors in the data uploaded in the electronic bidding system in case of public issue?

In case there is an error in the data furnished in the application form submitted by investor, the investor shall be responsible. In case there is an error by SCSB/ Syndicate Member / Registered Broker in entering the data in the electronic bidding system of the stock exchanges, the respective entity shall be responsible.

22. Will I get the acknowledgement of receipt for applications submitted through ASBA from the SCSB?

Yes. The SCSB shall give a counterfoil as an acknowledgement at the time of submission of ASBA and also the order number, generated at the time of uploading the application details, if sought by the investors in case of need.

23. What happens when the issue fails/is withdrawn?

In case the issue fails/withdrawn the SCSB shall unblock the application money from the bank accounts upon receiving instructions from the Registrar.

24. In case of any complaints regarding ASBA application whom can I approach?

In case of any complaints the investor shall approach the bank, where the application form was submitted or the Registrar to the issue.

25. In case a person is having bank account with a branch, for example, at Kolkata can he submit IPO application through ASBA at a branch of the bank in Guwahati.

Yes, this can be done provided that your bank has core banking facility and the ASBA form is submitted at a branch which is identified as designated branch by the bank.

26. What if the SCSB is not the applicant's banker?

In case investor does not have an account with any of the SCSBs, then he cannot make use of the ASBA facility.