



CIRCULAR

CIR/CFD/DIL/12/2012

September 13, 2012

To

**All Registered Bankers to an Issue**

Dear Sir/Madam,

**Sub: Application Supported by Blocked Amount (ASBA) facility in public/ rights issue**

1. This has reference to SEBI Circular No. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, on the captioned subject.
2. It has come to our notice that some banks while making applications on own account using ASBA facility are doing so without having clear demarcated funds and that some banks are marking lien against credit limits / overdraft facility of their account holders' for ASBA applications.
3. Self Certified Syndicate Banks (SCSBs) are hereby advised to ensure that for applications made by any investor using ASBA facility, the SCSBs shall block the application amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA applications.
4. SCSBs are also advised to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any of the SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.
5. This circular shall come into force with immediate effect.
6. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

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