



**CIRCULAR**

CIR/CFD/DIL/13/2012

September 25, 2012

To

**All Registered Bankers to an Issue**

Dear Sir/Madam,

**Sub: Application Supported by Blocked Amount (ASBA)**

1. ASBA facility was introduced by SEBI in July 2008, as an alternative mode of payment in the public/rights issue processes. In its continuing endeavour to make the facility more efficient, SEBI reviewed the facility on a continuous basis and following reforms were introduced:

Sr. No	Circular	Reform
1.	May 16, 2011	Discount at the time of application
2.	April 29, 2011	Defined process for Syndicate ASBA, QIBs & NII mandated to use ASBA facility
3.	October 12, 2010	Syndicate ASBA enabled
4.	July 13, 2010	ASBA forms made available online
5.	April 06, 2010	ASBA facility extended to QIBs

2. The Hon'ble Finance Minister, while presenting Union Budget 2012-13 announced, inter alia, his intention of simplifying the process of Initial Public Offers (IPOs), lowering capital raising cost and helping companies reach more retail investors in small towns.
3. Based on the analysis of the current presence of ASBA facility, it is felt that there is substantial scope for increasing the reach of ASBA facility to make the application process more convenient for investors.
4. Towards this end, consultations were held with Reserve Bank of India, Indian Banks' Association and other market participants, to explore the possibility of providing ASBA facility at all branches of Self Certified Syndicate Banks (SCSBs).



5. Based on the feedback received in this regard, it has been decided to increase the number of branches designated for ASBA, in a phased manner as under:
  - a. **First phase**  
**Fifty percent (50) of the total branches as designated branches for ASBA:** Each SCSB is advised to designate 50% of its total branches as 'Designated Branches' for ASBA by October 31, 2012.
  - b. **Second Phase**  
**All the branches as designated branches for ASBA:** Each SCSB is advised to designate all of its branches as 'Designated Branches' for ASBA by December 31, 2012.
6. All SCSBs shall submit a status report for each phase of the circular in the format prescribed at Annexure I, within 15 days from the due date of the phase respectively.
7. 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.
8. 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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**Annexure I**

Please follow the following format for providing the details of Designated Branch Details for ASBA within 15 days from the due date of Phase I and Phase II respectively.

Designated Branches							
Sl. No	State	City	Branch Address	Contact Person	Contact Number	Fax	Email
1.	xxx	xxx	xxx	xxx	xxx	xxx	xxx