

FAQs on ASBA for Investors

1. 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.

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

Yes, 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
- b. or additional shares in the issue in dematerialised form;
- c. has not renounced its entitlements in full or in part;
- d. is not a renouncee;
- e. who is applying through blocking of funds in a bank account with the Self Certified Syndicate Bank.

The investor need not pay the application money by cheque rather the investor submits ASBA Form.

3. 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 designed 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.

4. 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.

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

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

6. 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/UPI (if provided by your SCSB).

7. 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 as well as non-ASBA applications.

8. 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.

9. 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

10. 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.

11. 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.

12. 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.

13. 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 the 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.

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

From 01.01.2016, SEBI has made compulsory that Investors applying in a Public Issue shall use only ASBA.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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 have core banking facility and the ASBA form is submitted at a branch which is identified as designated branch by the bank.

21. Is there a better chance of allotment if one applies in IPO through ASBA?

The chance of getting allotment is same for all the applicants whether application is made through ASBA or non-ASBA. ASBA is a simple, easy and smart way of applying in public issues. There are many advantages of applying through ASBA like money does not go out of investors' account, no hassle of refund, investor keep earning interest on the blocked amount as

banks have started paying interest on daily basis w.e.f. April 1, 2010 and it gives better opportunity for utilization of money.

22. 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.