

FAQs on ASBA IPO for Investors

1. What is “ASBA”?

ASBA means “**Application Supported by Blocked Amount**”. ASBA is an application containing an authorization 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only if his/her application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed.

2. Detailed procedure of applying in IPO through ASBA.

Under ASBA facility, investors can apply in any public/ rights issues by using their bank account. Investor submits 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, demat account number, bid quantity, bid price and other relevant details, to their banking 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.

3. 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:

- _ is holding shares in dematerialized form and has applied for entitlements or additional shares in the issue in dematerialised form;
- _ has not renounced its entitlements in full or in part;
- _ is not a renouncee;
- _ who is applying through blocking of funds in a bank account with the SCSB

4. Where can the investors get the ASBA forms for any issue?

The investor can generate e-form from NSE website for any issue. The same link is also available on BRLM's (Book running lead manager) website also.

5. What advantage an investor has in applying through ASBA?

Applying through ASBA facility has the following advantages:

- (i) The investor continues to earn interest on the application money as the same remains in the bank account.
- (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 taken from the bank account only when his application is selected for allotment after the basis of allotment is finalized.

6. Is it mandatory to apply through ASBA only?

It is mandatory for all public issues opening on or after January 01, 2016.

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8. Where should I submit my Application Supported by Blocked Amount (ASBA)?

Investor may submit application form to his trading member or to a SCSB. 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 website NSE (URL: http://www.nseindia.com/content/ipo/scsb_list.zip) and on the website of SEBI (www.sebi.gov.in). The list of SCSB would also be given in the ASBA application form.

9. 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 and the same is also available on NSE website.

10. 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.

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

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

12. Am I required to submit ASBA only physically?

No, you can either fill up the physical form and submit the same to the SCSB/Trading member or apply electronically/online through the internet banking facility/online facility (if provided by your SCSB/Trading member).

15. Who should I approach if I find that I had given all correct details in the ASBA 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 write to SEBI thereafter 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

Tel: +91 - 22 - 26449000 / 40459000

Fax: +91 - 22 - 26449016 - 20 / 40459016 - 20

16. 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.

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17. 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.

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

No. Investors need not necessarily have their DP account with the SCSB, where they are submitting the form.

19. Can I submit my ASBA application to a broker?

Yes. You can submit the ASBA application to your broker.

22. 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/Trading member in entering the data in the electronic bidding system of the stock exchanges, the SCSB/Trading member shall be responsible.

23. Will I get the acknowledgement of receipt for applications submitted through ASBA?

Yes. The SCSB/Trading member 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.

25. 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.

26. 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 Registrars to the issue.

27. 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.