

Chapter 9: Applications Supported by Blocked Amount (ASBA) Facility

SEBI, in its continuing endeavor to provide an efficient mechanism for raising funds, has been continuously striving to streamline the process and methodologies associated with public issue and rights issue fund raising process. Towards this end, SEBI introduced Application Supported by Blocked Amount (ASBA) facility on September 01, 2008¹⁴.

- 1. Definition of ASBA¹⁵:** ASBA means ‘Application Supported by Blocked Amount’ as defined in clause (d) of sub-regulation (1) of regulation 2 of the ICDR Regulations 2018 i.e.

“application supported by blocked amount (ASBA) means an application for subscribing to a public issue or rights issue, along with an authorisation to self-certified syndicate bank to block the application money in a bank account”

- 2. Applicability of ASBA¹⁶:** ASBA process is applicable in case of both Public Issue and Rights Issue. All investors (Retail, QIBs, NIIs etc.) / shareholders are eligible to apply through ASBA. All the investors / shareholders making application in public issue / rights issue shall use ASBA facility for making payment i.e. mention their bank account number and authorise the bank to make payment in case of allotment by signing the application forms, thus obviating the need of writing the cheques. In this regard, disclosures shall be made in the offer document such as in issue procedure section as part of payment instructions.

3. SCSBs in ASBA¹⁷

- 3.1. Definition:** SCSB has the same meaning as given to it in clause (aaa) of sub-regulation (1) of regulation 2 of the ICDR Regulations 2018, i.e.

“Self-certified syndicate bank” means a banker to an issue registered with the Board, which offers the facility of ASBA”

- 3.2. Eligibility for SCSBs:** Banks who are registered with SEBI as Bankers to an Issue in terms of Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and are desirous of participating as Self Certificate Syndicate Bank (SCSB) in ASBA are advised to –

¹⁴ SEBI Circular no. [SEBI/CFD/MB/IS/3/2008/29/08](#) dated August 29, 2008; SEBI Circular no. [SEBI/CFD/DIL/DIP/31/2008/30/7](#) dated July 30, 2008

¹⁵ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

¹⁶ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009; SEBI Circular no. [SEBI/CFD/DIL/2/2010](#) April 6, 2010; SEBI Circular no. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

¹⁷ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009; SEBI Circular no. [CIR/CFD/DIL/12/2012](#) dated September 13, 2012; SEBI Circular no. [CIR/CFD/DIL/1/2013](#) dated January 02, 2013



- 3.2.1. undertake the necessary modifications in their system as per the instructions of the Stock Exchanges providing electronic interface for ASBA,
- 3.2.2. complete the mock trial run of their systems with such Stock Exchanges as well as with specified Registrars, and
- 3.2.3. certify to SEBI about their readiness to implement ASBA as per the format in [Annexure VII](#)¹⁸.
- 3.3. SCSBs are advised to ensure that for ASBA application, 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.¹⁹
- 3.4. SCSBs are also advised to ensure that for making application by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other 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.²⁰
- 3.5. An SCSB shall identify its Designated Branches (DBs) at which an investor shall submit ASBA and shall also identify the Controlling Branch (CB) which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and Merchant Bankers. The SCSB, its DBs and CB shall continue to act as such, for all public and rights issues to which ASBA facility is applicable. The SCSB shall communicate the following details to Stock Exchanges for making it available on their respective websites. These details shall also be made available by the SCSB on its website.²¹
 - 3.5.1. Name and address of the SCSB;
 - 3.5.2. Addresses of DBs and CB and other details such as telephone number, fax number and email ids;
 - 3.5.3. Name and contact details of a nodal officer at a senior level from the CB.
- 3.6. SEBI displays the names and other relevant details of SCSBs which will be authorized to accept the applications under ASBA on the website: www.sebi.gov.in.²²
- 3.7. On inclusion in the list of SCSBs, a bank shall commence its activities as a SCSB for ASBA. It shall then be deemed to have entered into an agreement with the issuer and shall be required to offer the ASBA facility to all its account holders for all issues to which ASBA facility is applicable. By virtue of the said deemed agreement issuer,

¹⁸ SEBI Circular no. [SEBI/HO/CFD/DIL2/CIR/P/2018/138](#) dated November 01, 2018

¹⁹ SEBI Circular no. [CIR/CFD/DIL/12/2012](#) dated September 13, 2012

²⁰ SEBI Circular no. [CIR/CFD/DIL/12/2012](#) dated September 13, 2012; SEBI Circular no. [CIR/CFD/DIL/1/2013](#) dated January 02, 2013

²¹ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

²² SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009



shall be deemed to have agreed to pay the commissions to SCSBs, within a reasonable time.²³

4. Entities Eligible for Accepting ASBA Application²⁴:

4.1. The following entities shall accept a completed Application-Cum-Bid form from investors intending to subscribe to a Public Issue:²⁵

4.1.1. an SCSB, with whom the bank account to be blocked, is maintained,

4.1.2. a syndicate member (or sub-syndicate member),

4.1.3. a stock broker registered with a recognised stock exchange (and whose name is maintained on the website of the stock exchange as eligible for this activity) ('broker'). The details of submission of ASBA through a stock broker are specified at [Annexures VIII](#)²⁶.

4.1.4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity),

4.1.5. a register to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity);

4.2. Retails investors submitting application with any of the entities at 4.1.2 to 4.1.5 above (hereinafter referred as 'Intermediaries'), have to use UPI and shall also mention their UPI ID in the Application-cum-bid form.²⁷

4.3. The RTAs and DPs shall provide their contact details, where the application forms shall be collected by them, to the recognized stock exchange as per the format specified at [Annexure IX](#) and the same shall be disclosed by the stock exchanges on their websites. RTAs and DPs shall regularly update the said details by furnishing current information to the Stock Exchanges which shall be disclosed by the Stock Exchanges.²⁸

4.4. To facilitate Intermediaries to accept ASBA forms from investors, all the SCSBs, having a branch in the location of broker centers of Stock Exchanges, are required to name at least one branch where Intermediaries can submit the ASBA forms. The Stock Exchanges shall ensure that the details of the locations of their broker centers are disclosed on their websites and regularly updated.²⁹

²³ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

²⁴ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009; SEBI Circular no. [CIR/CFD/DIL/8/2010](#) dated October 12, 2010; SEBI Circular no. [CIR/CFD/14/2012](#) dated October 04, 2012; SEBI Circular no. [CIR/CFD/DIL/4/2013](#) dated January 23, 2013; SEBI Circular no. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

²⁵ SEBI Circular no. [SEBI/HO/CFD/DCR2/CIR/P/2019/133](#) dated November 08, 2019 (See indicative timeline table)

²⁶ SEBI Circular no. [CIR/CFD/14/2012](#) dated October 04, 2012

²⁷ SEBI Circular no. [SEBI/HO/CFD/DCR2/CIR/P/2019/133](#) dated November 08, 2019

²⁸ SEBI Circular No. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

²⁹ SEBI Circular no. [CIR/CFD/DIL/4/2013](#) dated January 23, 2013



5. ASBA Process in Public Issue and Rights Issue³⁰

- 5.1. **In Public Issue:** An investor shall submit an ASBA physically or electronically to the SCSB (with whom the bank account to be blocked is maintained) or intermediaries mentioned above. The ASBA application in Public Issues shall be processed only after the application monies are blocked in the investor's account.³¹
- 5.2. **Processing of Applications by Intermediaries:** Intermediaries accepting the application forms shall be responsible for uploading the bid along with other relevant details in application forms on the electronic bidding system of Stock Exchanges and submitting the form, wherever applicable, to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the intermediary/SCSBs at the time of receipt.³²
- 5.3. **Processing of Applications by SCSBs:** In case an ASBA application is directly submitted to SCSBs then SCSBs shall block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till finalisation of the basis of allotment of the issue or till withdrawal/ failure of the issue or till withdrawal / rejection of the application, as the case may be. The application data shall thereafter be uploaded by the SCSBs in the electronic bidding system through a web-enabled interface provided by the Stock Exchanges.³³
- 5.4. Stock Exchange(s) may validate the electronic bid details with depository's records for DP ID, Client ID and PAN, at periodic intervals throughout the bidding day during the bidding period and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange.³⁴
- 5.5. Once the basis of allotment is finalized, the Registrar to the Issue shall send an appropriate request to the CB of SCSB for unblocking the relevant bank accounts and for transferring the requisite amount to the issuer's account designated for this purpose. In case of withdrawal/ failure of the issue, the amount shall be unblocked by

³⁰SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009; SEBI Circular No. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015; SEBI Circular no. [SEBI/HO/CFD/CIR/P/2016/26](#) dated January 21, 2016; SEBI Circular no. [SEBI/HO/CFD/DIL2/P/CIR/2022/75](#) dated May 30, 2022

³¹ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009; SEBI Circular no. [SEBI/HO/CFD/DIL2/P/CIR/2022/75](#) dated May 30, 2022

³² SEBI Circular No. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

³³ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

³⁴ SEBI Circular no. [SEBI/HO/CFD/CIR/P/2016/26](#) dated January 21, 2016



the SCSB on receipt of information from the pre-issue merchant bankers through the concerned Registrar to the Issue.³⁵

5.6. In Rights Issue: ASBA facility in rights issue enables an investor / shareholder to apply through ASBA mode. ASBA process from the time of submission of application by the applicants till transfer of shares in the depository account of the investors, as specified for public issues, shall be followed in the case of rights issues also to the extent relevant for rights issue. The role and responsibilities of SCSBs, Stock Exchanges and RTAs ^[**]³⁶ for public issues, shall be applicable mutatis mutandis to rights issue also.

6. Application-cum-Bidding Form and Manner of Disclosure³⁷

6.1. There shall be a single standardized Application-Cum-Bidding-Form for investors. The full text of data fields required in Application-Cum-Bidding-Form is given at [Annexure X](#)³⁸ and an illustrative format for Application-Cum-Bidding-Form is given at [Annexure XI](#)³⁹. A gist of major changes is given below:⁴⁰

- 6.1.1. the placement of the data fields has been done keeping in mind the ease of reference to investors/intermediaries for identification of name of the issue.
- 6.1.2. company specific information is now included in abridged prospectus.
- 6.1.3. information / instruction(s) which are required to fill the form have been placed overleaf of the Application Form. Remaining information / instruction(s) which are generic in nature have been incorporated in General Information Document
- 6.1.4. the pre-printing of prefix number in the Application Form has been done away with to reduce errors caused in data entry. All forms shall henceforth carry eight digit application numbers which shall be serially numbered. Serial number may be system generated or stamped with automatic numbering machine and the forms should be date and time stamped at the bidding centers. In order to ensure correct categorization of bids, special series shall be used for employees (where employee reservation is applicable).

³⁵SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

³⁶ Omitted vide SEBI Circular no. [SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31](#) dated March 11, 2025. Before omission it read as “SCSBs, Stock Exchanges, RTAs and Merchant Bankers”

³⁷ SEB Circular no. [CIR/CFD/DIL/1/2016](#) dated January 01, 2016; SEBI Circular no. [CIR/CFD/DIL/4/2011](#) dated September 27, 2011; SEBI Circular no. [CIR/CFD/14/2012](#) dated October 04, 2012; SEBI Circular no. [CIR/CFD/DIL/7/2010](#) dated July 13, 2010

³⁸ SEB Circular no. [CIR/CFD/DIL/1/2016](#) dated January 01, 2016

³⁹ SEBI Circular no. [SEBI/HO/CFD/DIL2/CIR/P/2018/138](#) dated November 1, 2018.

⁴⁰ SEBI Circular no. [CIR/CFD/DIL/4/2011](#) dated September 27, 2011



- 6.1.5. new data fields viz. discount, net price etc. have been introduced to help investors to pay the correct amount along with the Application-cum-Bid-Form in issues where discount is offered.
- 6.1.6. signature of only the first bidder would be required. First bidder would be deemed to have signed on behalf of joint holders and would give requisite confirmation(s) to that effect.⁴¹
- 6.2. Stock Exchanges shall provide for download of application forms on their website/Broker terminals so that any investor or stock broker can download/print the form directly.⁴²
- 6.3. Application-Cum-Bidding-Forms shall be available for download and printing from websites of the Stock Exchanges which provide electronic interface for ASBA facility. The ASBA forms so downloaded shall have a unique application number and can be used for making ASBA applications in public issues.⁴³
- 6.4. In order that Stock Exchanges fill up essential details of an issue, the Merchant Banker to the issue shall ensure that the following details are provided to the Stock Exchanges at least two days before opening of the public issue:⁴⁴
- 6.4.1. Company Name
 - 6.4.2. Type of issue
 - 6.4.3. Issue opening date
 - 6.4.4. Issue closing date
 - 6.4.5. Price/ price band
 - 6.4.6. Bid lot
 - 6.4.7. Other relevant details
 - 6.4.8. Soft copy of prospectus / abridged prospectus
- 6.5. The Stock Exchanges shall ensure the following:⁴⁵
- 6.5.1. The details furnished by the Merchant Banker to the issue are duly filled in the ASBA form for a specific public issue, before making the same available on websites.
 - 6.5.2. The ASBA form for a specific public issue is made available on the websites of the Stock Exchanges at least one day before opening of the public issue.
 - 6.5.3. A unique application number for an issue is generated for every ASBA form downloaded and printed from the websites.

⁴¹ SEBI Circular no. [CIR/CFD/DIL/4/2011](#) dated September 27, 2011

⁴² SEBI Circular no. [CIR/CFD/14/2012](#) dated October 04, 2012

⁴³ SEBI Circular no. [CIR/CFD/DIL/7/2010](#) dated July 13, 2010

⁴⁴ SEBI Circular no. [CIR/CFD/DIL/7/2010](#) dated July 13, 2010

⁴⁵ SEBI Circular no. [CIR/CFD/DIL/7/2010](#) dated July 13, 2010



- 6.5.4. Investors have online access to soft copy of the prospectus / abridged prospectus of the public issue.
- 6.5.5. For revisions of bids, investors can take print of a bid revision form.
- 6.6. Merchant Bankers and SCSBs shall provide a hyperlink to BSE or NSE websites for this facility on their websites.

7. Role and Responsibilities of Intermediaries in ASBA Facility⁴⁶

- 7.1. The details of the role and responsibilities of Intermediaries such as SCSBs, Registrars, Merchant Bankers and Stock Exchanges in the ASBA facility are given in [Annexure XII](#), for due compliance by the respective intermediary.

8. Payment of Commission and Processing Fee

- 8.1. In Public Issues, Intermediaries are entitled for selling commission for ASBA forms procured by them. SCSBs shall be entitled for per form processing fee for ASBA forms procured by Intermediaries and submitted with SCSBs. For ASBA forms procured directly by SCSBs, they would be entitled for selling commission only and no processing fee shall be paid to them.⁴⁷
- 8.2. Amount of commission payable to Intermediaries shall be determined on the basis of application which have been considered eligible for the purpose of allotment. In order to determine to which Intermediary the commission is payable to, the terminal from which the bid has been uploaded will be taken into account.⁴⁸
- 8.3. The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document and this shall be implemented strictly.⁴⁹
- 8.4. Merchant Bankers shall ensure that an appropriate disclosure is made in the offer document specifying the range of fee that SCSBs would be entitled to for processing such ASBA forms procured by Intermediaries and submitted to SCSBs.⁵⁰
- 8.5. **Payment of Processing Fee to SCSBs⁵¹:** To claim the processing fee, SCSBs shall make an application to the Merchant Bankers in the format prescribed in [Annexure XIII](#) with a copy to the Registrar to the Issue, subject to the following conditions:
- 8.5.1. The application shall be made no later than 30 days from the finalization of basis of allotment by Registrar to the Issue.
- 8.5.2. The SCSBs shall make the application only after (i) unblocking of application amounts for each application received by such SCSB has been fully

⁴⁶ SEBI Circular no. [SEBI/CFD/DIL/ASBA/1/2009/30/12](#) dated December 30, 2009

⁴⁷ SEBI Circular no. [CIR/CFD/DIL/8/2010](#) dated October 12, 2010

⁴⁸ SEBI Circular no. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

⁴⁹ SEBI Circular no. [CIR/CFD/POLICYCELL/11/2015](#) dated November 10, 2015

⁵⁰ SEBI Circular no. [CIR/CFD/DIL/8/2010](#) dated October 12, 2010

⁵¹ SEBI Circular no. [SEBI/HO/CFD/DIL2/CIR/P/2022/51](#) dated April 20, 2022;



completed; (ii) applicable compensation relating to investor complaints has been paid by such SCSB.

8.6. The SCSBs shall continue to be responsible to provide information requested by the Merchant Bankers / Registrar to the Issue / Issuer and also remain liable to pay compensation for delays in unblocking of application amounts after the processing fee has been claimed by SCSBs.

9. Additional Payment Mechanism (i.e. ASBA, etc.) for Payment of Balance Money in Calls for partly paid specified securities issued by the listed entity⁵²

9.1. Additional payment mechanism (i.e. ASBA, etc.) for making subscription and/or payment of calls in respect of partly paid specified securities through SCSBs and intermediaries such as Trading Members / Brokers - having three in one type account and Registrar and Transfer agents (RTA) has been introduced.

9.2. Additional Channels for making subscription and/or paying call money⁵³

9.2.1. For the purpose of making payment of balance money for calls in respect of partly paid specified securities, the additional channels are tabulated below:

Additional Channels for making subscription and/or paying call money		
Channel I	Channel II	Channel III
Online ASBA: Through an online portal of the SCSB. The SCSBs shall send the application to RTA and block funds in shareholders account.	Physical ASBA: Physically at the branch of a SCSB. The SCSBs shall send the application to RTA and block funds in shareholders account.	<u>Additional Online mode:</u> Using the facility of linked online trading, demat and bank account (3-in-1 type accounts), provided by some of the brokers.

9.3. **Period of subscription:** The payment period for payment of balance money in calls shall be kept open for fifteen days.

9.4. **Disclosures in the Letter of Offer:** The intermediaries including the issuer company and its RTA shall provide necessary guidance to the specified security holders in use of ASBA mechanism while making payment of calls.

⁵² SEBI Circular no. [SEBI/HO/CFGD/DIL1/CIR/238/2020](#) dated December 08, 2020

⁵³ SEBI Circular no. [SEBI/HO/CFGD/DIL1/CIR/238/2020](#) dated December 08, 2020