



PR No.386/2009

ASBA facility to be extended to HNIs and corporate investors

SEBI had introduced a new mode of payment in public and rights issues called Application Supported by Blocked Amount (ASBA), wherein the application money remains blocked in the bank account till allotment. The application forms for this payment mode are to be submitted to banks whose names appear in the list of SCSBs on the SEBI website. Since the introduction of ASBA, it has been implemented in more than twenty issues. Given the inherent benefits of ASBA to the investors, issuers and the market per-se, it has been decided to expand the reach of ASBA to other investor categories also like High Networth Individuals, corporate investors etc.

The reach of ASBA will be now extended to investor categories like High Networth Individuals (HNIs), corporate investors etc. (referred as ASBA Phase II).? Thus all investors, except Qualified Institutional Buyers (QIBs) will be eligible to apply for public / rights issues using ASBA facility. The restrictions placed on investors under ASBA Phase- I viz. that only retail investors can apply and that too only at cut-off, that there shall be not more than one bid, that bids cannot be revised etc. will no longer be there under ASBA Phase II. ASBA Phase II shall be made applicable to all the issues opening on or after January 01, 2010. All intermediaries viz. BSE, NSE, Registrars and Self Certified Syndicate Banks (SCSBs) have already been advised to undertake the necessary modifications in their system and certify to SEBI about their readiness by December 25, 2009.

It is also informed that after January 1, 2010, electronic interface provided by BSE and NSE will not be able to accept any application from the SCSBs who have failed to modify the system for ASBA Phase II. Thus such SCSBs shall not be eligible to accept ASBA application in any issue w.e.f. January 1, 2010, till they modify their systems and certify to SEBI. SEBI would be displaying names and other relevant details of SCSBs which will be authorized to accept the applications under ASBA w.e.f. January 1, 2010, on the website: www.sebi.gov.in

Mumbai

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