



CIRCULAR

CIR/CFD/DIL/8/2010

October 12, 2010

To All Stock Exchanges
To All Registered Merchant Bankers
To All Registered Registrars to an Issue
To All Registered Bankers to an Issue

Dear Sirs,

Sub.: Applications Supported by Blocked Amount (ASBA) facility in public issues

1. On review of progress of ASBA facility and with a view to enhance the role of ASBA in public issues, it has been decided that syndicate / sub-syndicate members may procure ASBA forms from the investors and submit it to Self Certified Syndicate Banks (SCSBs).
2. Syndicate / sub-syndicate members would be required to upload the bid and other relevant details of such ASBA forms in the bidding platform provided by the stock exchanges and forward the same to the respective SCSBs. SCSBs shall carry out further action for such ASBA forms such as signature verification, blocking of funds etc. and forward these forms to the registrar to the issue.
3. Accordingly, in partial modification of SEBI circular number SEBI/CFD/DIL/MB/IS/5/2009/05/08 dated August 5, 2009, the syndicate / sub-syndicate members shall now be entitled for selling commission for ASBA forms procured by them in the same manner as for non-ASBA forms. SCSBs shall be entitled for per form processing fee for ASBA forms procured by syndicate / sub-syndicate members 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.
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 syndicate members/ sub-syndicate members and submitted to SCSBs.



5. The above would require some modification in existing processes and systems which shall be communicated in due course.
6. All intermediaries are directed to comply with the instructions contained in this circular.
7. This circular shall be applicable with immediate effect for Red Herring Prospectus/Prospectus to be filed with Registrar of Companies on or after the date of this circular.
8. 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.
9. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Sanjay Purao
Deputy General Manager
+91-22-26449612
sanjayp@sebi.gov.in