

As part of the primary market reforms, SEBI has introduced a supplementary process of applying in public issues, viz., “Applications Supported by Blocked Amount (ASBA)” process, vide a circular dated July 30, 2008. The ASBA process shall co-exist with the current process, wherein cheque is used as a mode of payment. Under the new process, the money will reside in the investor’s bank a/c and shall be released to Issuer or back to Investor depending on the status of allotment of shares. YES BANK account holders can submit ASBA at any of the branches of the Bank. Please click [here](#) for the list of branches.

What is ASBA?

ASBA is an application containing an authorization to block the application money in the bank account with a Self Certified Syndicate Bank (SCSB), for subscribing to an issue. If an investor is applying through ASBA, his/her 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only if his/her application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed. Under ASBA facility, investors can apply in any public/ rights issues. Investor submits the ASBA form after filling the details like name of the applicant, PAN number, demat account number, bid quantity, bid price and other relevant details, to the 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.

Benefits of ASBA

- (i) The investor need not pay the application money by cheque rather the investor submits ASBA which accompanies an authorization to block the bank account to the extent of the application money.
- (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/her application is selected for allotment after the basis of allotment is finalized.
- (iii) The investor continues to earn interest on the application money as the same remains in the bank account, which is not the case in other modes of payment.
- (iv) The application form is simpler.
- (v) The investor deals with the known intermediary i.e. its own bank.
- (vi) Direct credit of securities to the demat account specified in the ASBA
- (vii) Funds in the savings account blocked for ASBA continue to earn interest and will be used for calculation of Average Quarterly Balance (AQB).
- (viii) The ASBA application can be withdrawn within the issue period by approaching the Bank.

Eligibility

- All public issues (IPO/FPO) and Rights Issues
- All investor categories can invest through ASBA
- The applicant should hold a current/savings account with the bank
- The applicant should have a valid PAN