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Indian Bank launches ASBA Phase II **& Sets up Loan Syndication Desks**

Indian Bank's Application Supported by Blocked Amount (ASBA) Phase II was launched by Shri C B Bhave, Chairman, SEBI, in Mumbai today with the initiative of Shri T M Bhasin, Chairman and Managing Director of the Bank. ASBA functions as an application for subscribing to a public issue or rights issue along with an authorization to a Self Certified Syndicated Bank (SCSB) to block the application money in the bank account maintained with it.

The ASBA Phase II services would be initially launched in 12 branches with Nandanam Branch as the controlling branch as well as a designated branch from 3rd May 2010. The other branches offering the service include Harbour, Mylapore, Ahmedabad Main, Bangalore City, Coimbatore Main, Hyderabad Main, New Delhi Main, South Extension, Mumbai Fort, Nariman Point and Ernakulam branches.

The benefits of ASBA to the account holders include non parting of the application money/bid amount which is only blocked in the account till allotment is finalized and interest earned during the intervening period. ASBA also makes it a safe way of investing as applications are processed by the designated branch and uploaded to the stock exchange bidding system by the controlling branch on the same day. It also eliminates the waiting period for refunds in case of non allotment/ partial allotment.

The ASBA facility would be available for Indian Bank customers who are maintaining an SB account (other than Smart Kids) or Current Account with the bank. On submission of the ASBA form, the designated branch would verify the account holders information key in the data in the ASBA module and authorise the transaction. The controlling branch will upload the data to the stock exchanges through the electronic bidding system.

Once the basis of allotment is finalized, the registrar to the issue will be sending the file for unblocking/transfer of funds to the issuers account by the controlling branch. The application

money will remain blocked in the bank account till finalization of the basis of allotment or withdrawal of the issue or application as the case may be.

Indian Bank also offers through its subsidiary Indian Bank Merchant Banking Services (IBMBS) Stock Broking and Online Trading services to its customers in addition to Demat services.

Speaking on the occasion, Shri C B Bhawe, Chairman, SEBI said, “ASBA is an important mechanism in enabling a fundamental change in the way public issues are handled in terms of processing and clarity in the whole allotment process. I am sure Indian Bank implementing Phase II of ASBA will go a long way in supporting the overall objective as well as improving internal efficiencies, he added.

Shri TM Bhasin, Chairman & Managing Director, Indian Bank said, “The launch of ASBA Phase II is an important step in the direction that Indian Bank is taking towards leveraging technology to impart benefits to the customer and increasing responsiveness and transparency in services. We will aim to improve our non-fee income through the ASBA facility, Bancassurance tie-ups and syndications.”

In the present day scenario with mega projects being order of the day, it is difficult for corporate houses to take up with individual banks to tie up their debt requirements. Loan syndication is a process through which the syndicator takes care of the debt requirements of a Company and arranges the finance from different banks.

A Syndication Cell is already functioning at our Head Office to undertake the Syndication assignments of corporate clients on our own. Number of proposals involving total amount of Rs. 2260 Crores has been syndicated by the Bank so far, while mandate for arranging more than Rs. 2500 Crores is already on hand. In order to have a more focused attention in this area of banking business and to extend the Bank’s reach to the areas closer to the corporate houses and also to speed up the syndication process in tune with their expectation, the Bank is simultaneously setting up Syndication Cells at Mumbai, Delhi, Hyderabad, Bangalooru and Chennai today.