SECURITIES AND EXCHANGE BOARD OF INDIA (UNDERWRITERS) REGULATIONS, 1993

CHAPTER I: PRELIMINARY

1. Short title and commencement.
2. Definitions.

CHAPTER II: REGISTRATION OF UNDERWRITERS

3. Registration as underwriter.
3A. Application for grant of certificate of initial registration.
4. Furnishing of further information, clarification, etc.
5. Application to conform to the requirements.
6. Consideration of application.
6A. Criteria for fit and proper person.
7. Capital adequacy requirement.
8. Grant of certificate of initial registration.
8A. Grant of certificate of permanent registration.
9. Omitted by SEBI(Underwriters)(Amdt.)Regulations, 2011,w.e.f. 5-7-2011.
9A. Conditions of registration.
9B. Omitted by SEBI(Underwriters)(Amdt.)Regulations, 2011,w.e.f. 5-7-2011.
10. Procedure where registration is not granted.
11. Effect of refusal to grant certificate of permanent registration.
12. Payment of fees, and the consequences of failure to pay fees.

CHAPTER III: GENERAL OBLIGATIONS AND RESPONSIBILITIES

13. To abide by the code of conduct.
14. Agreement with clients.
15. General responsibilities of an underwriter.
16. To maintain proper books of account and records, etc.
17. Period of maintenance of books of account, records and other documents.
17A. Appointment of compliance officer.
18. Power to call for information.

CHAPTER IV: INSPECTION AND DISCIPLINARY PROCEEDINGS

19. Board’s right to inspect.
20. Procedure for inspection.
21. Obligations of underwriter on inspection by the board.
22. Submission of report to the board.
23. Action on inspection or investigation report.
24. Appointment of auditor.

CHAPTER V: PROCEDURE FOR ACTION IN CASE OF DEFAULT

25. Liability for action in case of default.

26. to 32. Omitted by the SEBI(Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002.

FORM A: APPLICATION FOR GRANT OF INITIAL/PERMANENT REGISTRATION

SCHEDULE III: CODE OF CONDUCT FOR UNDERWRITERS

THE GAZETTE OF INDIA EXTRAORDINARY
PART II - SECTION 3 - SUB-SECTION (ii)
PUBLISHED BY AUTHORITY
NOTIFICATION
THE 8TH DAY OF OCTOBER 1993
BOMBAY

SECURITIES AND EXCHANGE BOARD OF INDIA (UNDERWRITERS) REGULATIONS, 1993

No.LE/10/93.- In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board with the previous approval of the Central Government, hereby makes the following regulations, namely:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Underwriters) Regulations, 1993.

Definitions.

2. In these regulations, unless the context otherwise requires—

[1][(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(aa) "body corporate" shall have the meaning assigned to it in or under clause (7) of section 2 of the Companies Act, 1956 (1 of 1956);

(ab) "certificate" means a certificate of [2][***] registration issued by the Board;

(ac) [3][***]

1 Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

2 The words "initial or permanent" omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this, the words "initial or permanent" were inserted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

3 Omitted by the SEBI(Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011, w.e.f. 19-4-2011. Prior to omission, it read as under:

[4][(ad) "(ad) "change in control" –

(i) in case of a body corporate –

(A) if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act;

(B) in any other case, shall be construed as change in the controlling interest in the body corporate;

Explanation: For the purpose of para (B) of this sub-clause, the expression "controlling interest" means an interest, whether direct or indirect, to the extent of at least fifty-one percent of voting rights in the body corporate;

(ii) in a case other than that of a body corporate, shall be construed as any change in its legal formation or ownership.**]**

5**[**(ca) 'issue' means an offer of sale of securities by any body corporate or by any other person or group of persons on its or his or their behalf, as the case may be, to the public, or, the holders of securities of such body corporate or person or group of persons;**]**

"change of status or constitution" in relation to an underwriter means any change in its status or constitution of whatsoever nature and includes—

(i) in case of a body corporate—

(A) amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force;

(B) change in its managing director or whole-time director; and

(C) any change in control over the body corporate;

(ii) any change between the following legal forms - individual, partnership firm, Hindu undivided family, private company, public company, unlimited company or statutory corporation and other similar changes;

(iii) in case of a partnership firm any change in partners not amounting to dissolution of the firm;

4 Substituted by the SEBI(Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011, w.e.f. 19-4-2011. Prior to substitution, it read as under:
"change in control", in relation to an underwriter being a body corporate, means :—

(i) if its shares are listed on any recognised stock exchange, change in control within the meaning of regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

(ii) in any other case, change in the controlling interest in the body corporate.

Explanation: For the purpose of sub-clause (ii), the expression "controlling interest" means an interest, whether direct or indirect, to the extent of at least fifty-one per cent of voting rights in the body corporate;**]**

(b) "form" means a form specified in Schedule I;

(c) "inspecting authority" means one or more person appointed by the Board to exercise powers conferred under Chapter IV;

5 Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

(d) "principal officer" means,—

(i) in relation to a proprietary concern, the proprietor himself;

(ii) in relation to a firm or an association of persons or any body of individuals or a body corporate, a secretary, treasurer, partner, manager or director of the firm, association or body corporate;

(iii) any person connected with the management or administration of the firm, association or the body corporate upon whom the Board has served a notice of its intention of treating him as the principal officer thereof;

(e) "regulations" means the Securities and Exchange Board of India (Underwriters) Regulations, 1993;

6**[**(f) "underwriter" means a person who engages in the business of underwriting of an issue of securities of a body corporate;

(fa) "underwriting" means an agreement with or without conditions to subscribe to the securities of a body corporate when the existing shareholders of such body corporate or the public do not subscribe to the securities offered to them;**]**

(g) all other words and expressions used in these regulations but not defined, and defined in the Act [7]**[***]** shall have the same meanings respectively assigned to them in the Act [8]**[***]**.

CHAPTER II

REGISTRATION OF UNDERWRITERS

[9][Registration as underwriter.

3. (1) No person shall act as underwriter unless he holds a certificate granted by the Board under these regulations.

(2) Notwithstanding anything contained in sub-regulation (1), every stock broker or merchant banker holding a valid certificate of registration under section 12 of the Act, shall be entitled to act as an underwriter without obtaining a separate certificate under these regulations.

(3) A stock broker or merchant banker acting as an underwriter under sub-regulation (2) shall be governed by these regulations in other respects.**]**

Application for grant of certificate [10][of [11][***] registration].

[6] Substituted, *ibid*. Prior to substitution, it read as under:

"(f) "rules" means Securities and Exchange Board of India(Underwriters) Rules. 1993" [7] Words "and the rules" were omitted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

[8] Words "or the rules, as the case may be" were omitted, *ibid*.

[9] Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f.7-9-2006.

[10] Inserted by the (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

[12][3A.] (1) An application by an underwriter for grant of a certificate [13][of [14][***] registration] shall be made to the Board in Form A.

[15][(1A) An application for registration made under sub-regulation (1) shall be accompanied by a non-refundable application fee as specified in Schedule II.**]**

(2) Notwithstanding anything contained in sub-regulation (1), any application made by an underwriter prior to the coming into force of these regulations containing such particulars or as near thereto as mentioned in Form A shall be treated as an application made in pursuance of sub-regulation (1) and dealt with accordingly.

Furnishing of further information, clarification, etc.

4. (1) The Board may require the applicant to furnish further information or clarification regarding matters relevant to underwriting to consider the application for grant of a certificate.

[16]**[**(2) If the Board, on receipt of further information, is of the opinion that the information so furnished is not sufficient to decide on the application and seeking further information through correspondence is likely to delay the matter, it may require the applicant or its principal officer to appear before the Board in order to give an opportunity to the applicant to give further clarifications on the application made under [17]**[**regulation 3A**].]**

Application to conform to the requirements.

5. Subject to the provisions of [18]**[**sub-regulation (2) of regulation 3A**]**, any application, which is not complete in all respects and does not conform to the instructions specified in the form, shall be rejected:

Provided that before rejecting any such application, the applicant shall be given an opportunity to remove within [19]**[**one month**]** such objections as may be indicated by the Board :

[11] The word "initial" was omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

[12] Regulation '3' renumbered as '3A', *ibid.*

[13] Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

[14] The word "initial" was omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

[15] Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

[16] Substituted by SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f. 17-01-1997. Prior to substitution, it read as under:

"The applicant or, its principal officer shall, if so required, appear before the Board for personal representation."

[17] Substituted for the words "Regulation 3" by SEBI (Underwriters)(Amendment) Regulations, 2006, w.e.f. 7-9-2006.

[18] Substituted for the words "sub-regulation (2) of Regulation 3" by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

[19] Substituted for the words "the time specified" by the SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f. 17-01-1997.

[20]**[Provided further** that the Board may, on sufficient reasons being shown, extend the time by another one month in order to enable the applicant to comply with the requirements of the Board.**]**

Consideration of application.

6. The Board shall take into account for considering the grant of a certificate, all matters which are relevant to or relating to underwriting and in particular the following, namely, whether the applicant—

(a) has the necessary infrastructure, like adequate office space, equipments and manpower to effectively discharge his activities;

(b) has any past experience in the underwriting or has in his employment minimum two persons who had the experience in underwriting;

(c) or any person, directly or indirectly connected with the applicant has not been granted registration by the Board under the Act.

[21]**[**Explanation.—For the purposes of this clause the Board shall take into account whether a previous application for a certificate of any person directly or indirectly connected with the applicant has been rejected by the Board or any disciplinary action has been taken against such person under the Act or any of the rules or any of the regulations made under the Act;**]**

(d) fulfils the capital adequacy requirements specified in regulation 7;

(e) or any of its director, partner or principal officer is or has at any time been convicted for any offence involving moral turpitude or has been found guilty of any economic offence;

[22]**[**(f) is a fit and proper person.**]**

[23]**[Criteria for fit and proper person.**

6A. For the purpose of determining whether an applicant or the underwriter is a fit and proper person the Board may take into account the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008**.]**

Capital adequacy requirement.

[20] Inserted, *ibid.*

[21] Inserted, *ibid.*

[22] Inserted by the SEBI (Underwriters) (Amendment) Regulations, 1998, w.e.f. 5-01-1998.

[23] Substituted by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-05-2008. Prior to substitution, Regulation 6A as inserted by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004, w.e.f. 10-03-2004, read as under:

"6A. Applicability of Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004.- The Provisions of the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 shall, as far as may be, apply to all applicants or underwriters under these regulations."

7. (1) The capital adequacy requirement referred to in sub-regulation (d) of regulation 6 shall not be less than the net worth of rupees twenty lakhs.

[24](2) Notwithstanding anything contained in sub-regulation (1), every stock-broker, who acts as an underwriter shall fulfil the capital adequacy requirements specified by the stock exchange of which he is a member.**]**

Explanation: For the purposes of this regulation, "net worth" means,—

(a) in the case of an applicant being a proprietary concern or a firm or an association of persons or any body of individuals, the value of capital contributed to such business by the applicant and the free reserves of any kind belonging to the business of the applicant; and

(b) in the case of a body corporate, the value of the paid-up capital and the free reserves as disclosed in the books of account of the applicant at the time of making the application under sub-regulation (1) of regulation 3.

[25][8. Grant of certificate of [26][***] registration.

(1) The Board, on being satisfied that the applicant is eligible, shall send an intimation to the applicant, within one month of such satisfaction, mentioning that it has been found eligible for grant of certificate of [27][***] registration and grant a certificate in Form B.

(2) [28][The certificate of registration granted under sub-regulation (1) shall be valid unless it is suspended or cancelled by the Board.]

(3) [29][The underwriter who has already been granted certificate of registration by the Board, prior to the commencement of the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries)

[24] Substituted by the SEBI (Underwriters) (Amendment) Regulations, 2002, w.e.f. 10-12-2002.

[25] Substituted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011. Prior to substitution, it read as under:

"Procedure for registration.

8. The Board on being satisfied that the applicant is eligible, shall send an intimation within one month of the such satisfaction to the applicant mentioning that he has been found eligible for the grant of certificate and grant a certificate in Form B subject to payment of fees as specified in regulation 12."

[26] The word "initial" was omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

27 The word "initial" was omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

28 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution sub-regulation (2) read as under:

"(2) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant."

29 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution sub-regulation (3) read as under:

"(3) The underwriter who has already been granted a certificate of registration by the Board, prior to the commencement of the Securities and Exchange Board of India (Underwriters) (Amendment) Regulations 2011, and has not completed a period of three years, shall be deemed to have been granted a certificate of initial registration for a period of five years from the date of its certificate of registration, subject to payment of fee for the remaining period of two years, as prescribed under Schedule II of these regulations."

(Amendment) Regulations, 2016 shall be deemed to have been granted a certificate of registration, in terms of sub-regulation (1).]

(4) The grant of certificate of 30[***] registration shall be subject to payment of fees specified in regulation 12.**]**

8A. 31**[***]**

9. 32**[***]**

33[Conditions of registration.

30 The word "initial" was omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

31 Omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to omission regulation 8 A as inserted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011 read as under: "**8A. Grant of certificate of permanent registration.**

(1) The underwriter who has been granted or deemed to have been granted a certificate of initial registration under regulation 8, may, three months before the expiry of the period of certificate of initial registration, make an application for grant of certificate of permanent registration in Form A**.**

(2) The underwriter who has already been granted a certificate of registration by the Board and has completed a period of five years**,** on the date of commencement of the Securities and Exchange Board of India (Underwriters) (Amendment) Regulations, 2011, may, three months before the expiry of validity of certificate of registration or before, make an application for grant of a certificate of permanent registration in Form A.

(3) An application under sub-regulation (1) or sub-regulation (2) shall be accompanied by a non-refundable application fee as specified in Schedule II of these regulations.

(4) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration or renewal, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.

(5) The application for permanent registration made under sub regulation (1) or (2) shall be dealt with in the same manner as if it were a fresh application for grant of a certificate of initial registration.

(6) The Board, on being satisfied that the applicant is eligible, shall grant a certificate of permanent registration in Form B and shall send an intimation to the applicant.

(7) The grant of certificate of permanent registration shall be subject to payment of fee specified in Schedule II of these regulations."

32 Omitted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011. Prior to omission, it

read as under:

Renewal of certificate.

9. (1) An underwriter may, if he so desires, make an application in Form A for renewal of certificate before three months of the expiry of the period of certificate.

(1A) An application for renewal made under sub-regulation (1) shall be accompanied by a non-refundable application fee as specified in Schedule II.

(2) The application for renewal of certificate under sub-regulation (1) shall be dealt with in the same manner as if it were an application for grant of a certificate made under regulation 3.

33 Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

9A. (1) 34[Registration granted under regulation 8] shall be subject to the following conditions, namely:—

(a) where the underwriter proposes 35[change in control], it shall obtain prior approval of the Board for continuing to act as such after the change;

(b) it shall enter into a valid agreement with the body corporate on whose behalf it is acting as underwriter;

(c) 36[it shall pay the fees for registration, in the manner provided in these regulations;]

(d) it shall maintain capital adequacy requirements specified in regulation 7 at all times during the period of the 37[***];

(e) it shall abide by the regulations made under the Act in respect of the activities carried on by it as underwriter;

38[(f) (f) it shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.]

(2) Nothing contained in clause (a) of sub-regulation (1) shall affect the obligation to obtain a fresh registration under section 12 of the Act in cases where it is applicable.

9B 39[***]

34 Substituted for the words "Any 34[initial registration] granted under regulation 8 or any 34[permanent registration granted under regulation 8A" by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this the words "initial registration" were substituted for the word "registration" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

35 Substituted for the words "to change its status or constitution" by the SEBI(Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011, w.e.f. 19-4-2011.

36 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this clause (c) read as under:
"(c) it shall pay the fees for 36[initial registration or permanent registration], as the case may be, in the manner provided in these regulations;"
Prior to this, the words "initial registration or permanent registration" were substituted for the words ""registration or renewal" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011." 37 The words "initial or permanent" were omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this the words "initial or permanent" were substituted for the words "certificate or renewal thereof" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

38 Inserted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

39 Omitted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011. Prior to omission, Regulation 9B inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006, read as under:

"Period of validity of certificate.

9B. The certificate of registration granted under regulation 8 and its renewal granted under regulation 9, shall be valid for a period of three years from the date of its issue to the applicant."

Procedure where registration is not granted.

10.[40][(1) Where an application for grant of a certificate of registration under regulation 3A does not fulfil the requirements set out in regulation 6, the Board shall reject the application after giving an opportunity of being heard.]

[41]**[**(2) The decision shall be communicated by the Board within thirty days of such decision stating therein the grounds on which the application has been rejected.**]**

(3) Any applicant may, being aggrieved by the decision of the Board under sub-regulation (2), apply within a period of thirty days from the date of receipt of such intimation, to the Board for reconsideration of its decision.

(4) On receipt of the application made under sub-regulation (3), the Board shall reconsider its decision and communicate its findings thereon as soon as possible in writing to the applicant.

11. [42]**[***]**

Payment of fees, and the consequences of failure to pay fees.

[40] Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution sub-regulation (1) read as under:

"(1) Where an application for grant of a certificate [40][of initial registration under regulation 3A or of permanent registration under regulation 8A] does not fulfil the requirements set out in regulation 6, the Board may reject the application, after giving an opportunity of being heard."

Prior to this the words "of initial registration under regulation 3A or of permanent registration under regulation 8A" were substituted for the words and figures "under regulation 3 or of renewal under regulation 9" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

[41] Substituted by the SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f. 17-1-1997. Prior to substitution, it read as under:

"The refusal to grant or renew the certificate shall be communicated by the Board within 30 days of such refusal to the applicant stating therein the grounds on which the application has been rejected."

[42] Omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to omission, regulation 11 as substituted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011 read as under: "**Effect of refusal to grant certificate of permanent registration.**

11. The underwriter whose application for grant of certificate of permanent registration has been refused by the Board, on and from the date of receipt of the communication, shall not carry on any activity as an underwriter:

Provided that the Board may, in the interest of the investors of the securities market, permit to carry on activities undertaken prior to the receipt of the intimation of refusal subject to such condition as the Board may specify."

Earlier regulation 11 as amended by the SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f. 17-01-1997, read as under:

Effect of refusal to grant or renew certificate.

11. Any underwriter whose application for grant or renewal of a certificate has been refused by the Board shall on and from the date of the receipt of the communication under sub-regulation (2) of regulation 10 cease to act as an underwriter:

Provided that if the Board is satisfied that it is in the interest of the investors, it may permit the underwriter to undertake the underwriting commitments already entered into by him during the validity period of the certificate.

12.[43]["(1) Every applicant eligible for grant of registration, shall pay the fees in such manner and within the period specified in Schedule II:]

[44][***]

Provided[45][***] that a stock broker [46][***], who has been granted a certificate under section 12 of the Act and pays fees under the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992 [47][***], shall not be required to pay fees under sub-regulation (1).

(2) Where an underwriter fails to pay the fees as provided in sub-regulation (1), the Board may suspend the certificate, whereupon the underwriter shall forthwith cease to act as an underwriter.

CHAPTER III

GENERAL OBLIGATIONS AND RESPONSIBILITIES

To abide by the Code of Conduct.

13. Every underwriter shall at all times abide by the Code of Conduct as specified in Schedule III.

Agreement with clients.

14. Every underwriter shall enter into an agreement referred to in [48][clause (b) of sub-regulation (1) of regulation 9A] with each body corporate on whose behalf he is acting as underwriter and the said agreement shall, amongst other things, provide for the following, namely :—

(i) the period for which the agreement shall be in force;

[43] Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution, sub-regulation (1) read as under:

"(1) Every applicant eligible for grant [43][of initial or permanent registration, as the case may be,] shall pay fees in such manner and within the period specified in Schedule II:"

Prior to this the words "of initial or permanent registration, as the case may be," were substituted for the words "or renewal of a certificate", by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011

[44] Omitted by the SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f. 17-01-1997. Prior to omission, it read as under:

" Provided that the Board may on sufficient cause being shown permit the underwriter to pay such fees at any time before the expiry of six months from the date on which such fees become due."

[45] Word 'further' omitted, *ibid.*

[46] Words "or a merchant banker" omitted by the SEBI (Underwriters) (Amendment) Regulations, 2002, w.e.f. 10-12-2002.

[47] Words "or the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992" omitted, *ibid.*

[48] Substituted for the words, brackets and figures "clause (b) of rule 4" by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-09-2006.

[49][(ia) the allocation of duties and responsibilities between the underwriter and the client;]

(ii) the amount of underwriting obligations;

(iii) the period, within which the underwriter has to subscribe to the issue after being intimated by or on behalf of such body corporate;

(iv) the amount of commission or brokerage payable to the underwriter;

(v) details of arrangements, if any, made by the underwriter for fulfilling the underwriting obligations.

General responsibilities of an underwriter.

15. (1) The underwriter shall not derive any direct or indirect benefit from underwriting the issue other than the commission or brokerage payable under an agreement for underwriting.

(2) The total underwriting obligations under all the agreements referred to in clause (b) of rule 4 shall not exceed twenty times the net worth referred to in regulation 7.

(3) Every underwriter, in the event of being called upon to subscribe for securities of a body corporate pursuant to an agreement referred to in [50][clause (b) of sub-regulation (1) of regulation 9A] shall subscribe to such securities within 45 days of the receipt of such intimation from such body corporate.

To maintain proper books of account and records, etc.

16. (1) Subject to the provisions of any other law, every underwriter shall keep and maintain the following books of account and documents, namely:—

(a) in relation to underwriter being a body corporate—

(i) a copy of the balance sheet and profit and loss account as specified in sections 211 and 212 of the Companies Act, 1956 (1 of 1956);

(ii) a copy of the auditor's report referred to in section 227 of the Companies Act, 1956 (1 of 1956);

(b) in relation to an underwriter not being a body corporate—

(i) records in respect of all sums of money received and expended by them and the matters in respect of which the receipt and expenditure take place; and

(ii) their assets and liabilities.

(2) Without prejudice to sub-regulation (1), every underwriter shall, after the close of each financial year as soon as possible but not later than six months from the close of the said period furnish to the Board, if so required, copies of the balance sheet, profit and loss account, statement of capital adequacy requirement and such other documents as may be required by the Board under regulation 16.

(3) Every underwriter shall also maintain the following records with respect to—

[49] Inserted, *ibid.*

[50] Substituted for the words, brackets and figures "clause (b) of rule 4" by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f., 7-09-2006.

(i) details of all agreements referred to in [51][clause (b) of sub-regulation (1) of regulation 9A] ;

(ii) total amount of securities of each body corporate subscribed to in pursuance of an agreement referred to in [52][clause (b) of sub-regulation (1) of regulation 9A];

(iii) statement of capital adequacy requirements as specified in regulation 7;

(iv) such other records as may be specified by the Board for underwriting.

(4) Every underwriter shall intimate to the Board, the place where the books of account, records and documents are maintained.

Period of maintenance of books of account, records and other documents.

17. Every underwriter shall preserve the books of account and other records and documents mentioned under this chapter for a minimum period of five years.

[53][Appointment of compliance officer.

17A. (1) Every underwriter shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors' grievances.

(2) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him.**]**

Power to call for information.

18. (1) The Board may at any time call for any information from an underwriter with respect to any matter relating to underwriting business.

(2) Where any information is called for under sub-regulation (1) it shall be the duty of the underwriter to furnish such information.

CHAPTER IV

INSPECTION AND DISCIPLINARY PROCEEDINGS

Board's right to inspect.

19. (1) Where it appears to the Board so to do, it may appoint one or more persons as inspecting authority to undertake the inspection of the books of account, other records and documents of the underwriter for any of the purposes specified in sub-regulation (2).

(2) The purposes referred to in sub-regulation (1) shall be as follows, namely :—

[51] Substituted for the words, brackets and figures "clause (b) of rule 4", *ibid*.

[52]*ibid.*

[53] Inserted by the SEBI (Investment Advice by Intermediaries) (Amendment) Regulations, 2001, w.e.f. 29-05-2001.

(a) to ensure that the books of account and other records and documents are being maintained in the manner required;

(b) that the provisions of the Act, rules and regulations are being complied with;

(c) to investigate into the complaints received from investors, other underwriters or any other person or any matter having a bearing on the activities of the underwriter; and

(d) to investigate suo motu in the interest of securities business or investors' interest into the affairs of the underwriter.

Procedure for inspection.

20. (1) Before undertaking an inspection under regulation 19, the Board shall give a reasonable notice to the underwriter, for that purpose.

(2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfied that in the interest of the investors or in the public interest no such notice should be given, it may by an order in writing direct that the inspection of the affairs of the underwriter be taken up without such notice.

(3) On being empowered by the Board, the inspecting authority shall undertake the inspection and the underwriter against whom an inspection is being carried out shall be bound to discharge his obligations as provided under regulation 21.

Obligations of underwriter on inspection by the Board.

21. (1) It shall be the duty of every director, proprietor, partner, officer and employee of the underwriter who is being inspected to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with the statements and information relating to an underwriter within such time as the inspecting authority may require.

(2) The underwriter shall allow the inspecting authority to have a reasonable access to the premises occupied by such underwriter or by any other person, on his behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the underwriter or any such other person on their behalf and also provide copies of documents or other materials which in the opinion of the inspecting authority are relevant for the purposes of the inspection.

(3) The inspecting authority shall in the course of inspection, be entitled to examine or record statements of any principal officer, director, partner, proprietor and employee.

(4) It shall be the duty of every director, proprietor, partner, officer or employee of the underwriter to give to the inspecting authority all assistance in connection with the inspection which the underwriter may reasonably be expected to give.

Submission of report to the Board.

22. The inspecting authority shall, as soon as may be possible, submit an inspection report to the Board.

[54][Action on inspection or investigation report.

23. The Board or the Chairman shall after consideration of inspection or investigation report take such action as the Board or Chairman may deem fit and appropriate including action under [55][Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.]**]**

Appointment of Auditor.

24. Notwithstanding anything contained above the Board may appoint a qualified auditor to investigate into the books of account or the affairs of the underwriter:

Provided that the auditor so appointed shall have the same powers of the inspecting authority as stated in regulation 19 and the obligation of the underwriter and his employees in regulation 21 shall be applicable to the investigation under this regulation.

Explanation.—For the purposes of this regulation, the expression "qualified auditor" shall have the same meaning as given to it in section 226 of the Companies Act, 1956 (1 of 1956).

CHAPTER V

PROCEDURE FOR ACTION IN CASE OF DEFAULT

[56][Liability for action in case of default.

25. An underwriter who contravenes any of the provisions of the Act, Rules or Regulations framed thereunder shall be liable for one or more actions specified therein including the action under Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.**]**

54 Substituted by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002. Prior to substitution, it read as under:

"**Communication of findings etc. to underwriter**.-(1) The Board shall after consideration of the inspection

report communicate the findings to the underwriter to give him an opportunity of being heard before any action is taken by the Board on the findings of the inspecting authority. (2) On receipt of the explanation, if any, from the underwriter, the Board may call upon the underwriter to take such measures as the Board may deem fit in the interest of the securities market and for the due compliance with the provisions of the Act, rules and regulations."

55 Substituted for the words "the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002" by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-05-2008.

56 Substituted by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-05-2008. Prior to substitution, regulation 25 as substituted by the SEBI((Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002 and amended by SEBI(Underwrites) Amendment) Regulations, 1997, w.e.f.17-1-1997 read as under:

"*Liability for action in case of default*-An underwriter or a stock broker or a merchant banker entitled to carry on business of underwriting who-

(a)fails to comply with any conditions subject to which certificate has been granted;

(b)contravenes any of the provisions of the Act, rules or regulations,

shall be dealt with in the manner provided under the Securities and Exchange Board of India(Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002."

26. to **32.**57**[***]**

FORM A

Securities and Exchange Board of India (Underwriters) Regulations, 1993 [58][Regulation 3A]

[59][Application for Grant of Certificate of Registration]

Name of Applicant and its Status :

(Whether proprietary concern/firm/association of persons/

body of persons/body corporate) :

Name and designation of Principal Officer :

Designation :

Telephone No. :

Instructions:

1. Applicants must submit a completed application form together with supporting documents to the Securities and Exchange Board of India.
2. All columns of the application should be filled in. In case a column is not relevant then 'Not applicable' should be specified.
3. Information which needs to be supplied in more details may be written on separate sheets which should be attached to the application form.
4. Original copy of form duly signed should be submitted for registration.

PART I

GENERAL INFORMATION

1. Applicant's details : :

1.1 Name of the Applicant :

1.2 Address of the Applicant :

---

[57] Omitted by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002. Prior to omission, regulations 29 and 32 were amended by the SEBI (Underwriters) (Amendment) Regulations, 1997, w.e.f.17-1-1997 and SEBI(Appeals to Securities Appellate Tribunal) Regulations, 2000, w.e.f.28-3-2000 respectively.

[58] Substituted for "Regulation 3A/Regulation 8A" by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this the words "Regulation 3A/Regulation 8A" were substituted for the words "Regulation 3" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

[59] Substituted for the words "Application for Grant of Initial/ Permanent Registration" by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to this the words "Application for Grant of Initial/ Permanent Registration" shall be substituted with the words" substituted the words "Application for registration as underwriter", by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

Pin Code: .....

Telephone No. : ..... :

Telex No. : ..... Fax No. : .....

1.3 Address of the applicant for correspondence :

Pin Code: ..... Telephone No. : ..... :

Telex No. : ..... Fax No. : ..... :

1.4 Address of Branch Offices (in India) of the Applicant, if any :

1.5 Whether any other application under Securities and Exchange Board of India Act, 1992 has been made for grant of Certificate, if so, details thereof :

2. Organisation structure : :

2.1 Objects of the organisation of the applicant. :

(Attach extracts from relevant documents like, Partnership deed/Charter/Memorandum of Association/Articles of Association, etc.) in support of objects of the organization :

2.2 Date and place of Incorporation/Establishment of the organization of the applicant Day Month Year Place

2.3 Status of the applicant (specify whether proprietary, partnership, association of persons, body of individuals, limited company - public/private, others. If listed, name the stock exchange and latest share price : high and low) :

2.4 Organisation Chart stating the functional responsibility at various levels :

2.5 Particulars of all Proprietors/Partners/Managers/ Officers/Directors : [Name, Qualification, Experience, Date of Appointment, Other directorship, (Name and Date of Appointment), Previous positions held]. :

2.6 Number of employees :

2.7 Name and activities of associate companies/concerns :

Name, Address/Phone number/Type of activity/Ownership details/Nature and Quantum of Financial Trading. :

2.8 In case the applicant is a body corporate, please give list of major

shareholders (holding 5% or more voting rights)

3. Details of infrastructural facilities :

3.1 Office space (mention the extent of area and ownership details available)

3.2 Office equipment (mention the details of electronic office equipment, typewriters, telecommunication equipment, furniture and fixtures, other communication facilities, etc.)

4. Business plan (for three years) :

4.1 History, major achievements and present activity :

5. Financial information :

5.1 Capital structure (Rs. in lakh) :	Current year	Last year	Previous year	Second year	Third year
(a) Paid-up capital					
(b) Free reserves (excluding revaluation reserves)					
(c) Total (a) + (b)					
(d) Loans (details)					
(e) Net profit:					
(i) General					
(ii) Specific					

Note : In case of partnership or proprietary concerns, please indicate capital minus drawings.

5.2 Deployment of resources :					
(a) Fixed assets					
(b) Plant and machinery and office equipment					
(c) Investments (details should be given separately)					
(d) Others					

5.3 Major source of estimated profit from various sources

(Rs. in lakhs) :	Current year	Last year	Previous year	Second year	Third year

5.4 Please enclose three years of audited annual accounts and where unaudited reports are submitted, give reasons :

5.5 Name and address of the principal bankers

5.6 Name and address of the auditors (internal, external and tax auditor, if any, as applicable) :

6. Other information : :

6.1 Indicate involvement in any offence relating to moral turpitude/economic offences in the last three years :

6.2 Any other information considered relevant to the nature of services rendered by the company :

PART II

7. Business information : :

7.1 Indicate marketing capability for capital issues : :

7.2 Indicate how decision on underwriting is usually taken : :

7.3 Indicate various research and database facilities available : :

7.4 Enclose a copy of typical contract entered into with the issuer for underwriting activity :

8. Experience : :

8.1 Experience in underwriting activities

(Indicate name of the company, particulars of the issue, amount of underwriting done in the last three years) :

8.2 Experience in other financial services rendered (period area and date of commencement of activity)

8.3 Details of all unsettled and pending development/disputes regarding underwriting	Nature of dispute	Name of the party	Pending/ settled

8.4 Indicate underwriting defaulted with any company and reasons for the same

Declaration

THIS DECLARATION MUST BE SIGNED BY THE PRINCIPAL OFFICER/S:

I/We hereby apply for grant of certificate of registration by the Board. I/We warrant that I/we will carry out my/our duties in accordance with the Act, Rules and Regulations.

I/We warrant that I/we have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my/our grant of certificate for registration and I/we will promptly notify the Board of any changes in the information during the period that my/our registration is being considered and if my/our registration is accepted, thereafter.

I/We understand that misleading or attempting to mislead the Board shall render the applicant liable to disciplinary proceedings.

form is true, complete and correct.

For and on behalf of

..... (Name of the Applicant)

..... (Name of the Applicant)

Place : Place :

Date : Date :

FORM B

Securities and Exchange Board of India (Underwriters) Regulations, 1993

[60][Regulation 8 [61][***]]

[62][Certificate of Registration]

I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the underwriters, the Board hereby grant a certificate of registration to.....as an underwriter subject to the conditions in the rules and in accordance with the regulations.

[60] Substituted for "Regulation 8" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

[61] The words "/Regulation 8A" omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. [62] Substituted for the words "Certificate of Initial/ Permanent Registration" by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior this the words "Certificate of Initial/ Permanent Registration" were substituted for the words "Certificate of Registration", by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

II. Registration Code for the underwriter is.....

[63]**[III.** This certificate of registration shall be valid unless it is suspended or cancelled by the Board.**]**

Place :

Date :

By Order

For and on behalf of

the Securities and Exchange Board of India

Authorised signatory

SCHEDULE II

Securities and Exchange Board of India (Underwriters) Regulations, 1993

[Regulation 12]

FEES

64[1. Every underwriter shall pay fee of thirteen lakh thirty three thousand and three hundred rupees at the time of grant of certificate of 65[***] registration.

1A. 66[***]

2. 67[An underwriter who has been granted a certificate of registration, to keep its registration in force, shall pay fee of five lakh rupees every three years from the

63 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution Paragraph III as substituted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011 read as under:
"III. This certificate shall be valid from ….. to …. / for permanent, unless suspended or cancelled by the Board**.**"
Prior substitution by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011 paragraph III read as under:
"III.Unless renewed, the certificate of registration is valid from.....to.....", *ibid.*

64 Substituted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011. Prior to substitution, paragraph 1 and 2 amended by SEBI (Underwriters) (Amendment) Regulations, 1999, w.e.f. 30-09-1999 and by SEBI(Payment of Fees) (Amendment) Regulations, 1995, w.e.f. 28-11-1995 respectively, read as under:
"1. Every underwriter shall pay a sum of ten lakh rupees as registration fees at the time of the grant of certificate by the Board.
2. Every underwriter to keep registration in force shall pay renewal fee of five lakh rupees every three years from the fourth year from the date of initial registration."

65 The word "initial" omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

66 Omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to omission paragraph 1A read as under:
"1A. An underwriter referred to under sub-regulation (3) of regulation 8 shall pay fee for the remaining period of two years on *pro rata* basis to the fee prescribed under paragraph 2."

sixth year from the date of grant of certificate of registration or from the date of grant of certificate of initial registration granted prior to the commencement of the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016, as the case may be.] 68[2A. The fee specified in paragraph 2, shall be paid three months prior to the expiry of the period for which the fees has been paid.]

69[3. (a) The fee referred to in paragraph 1 shall be paid by the underwriter within fifteen days from the date of receipt of intimation from the Board under regulation 8.

70[(aa) The fee referred to in paragraph 1A shall be paid by the underwriter within a period of three months before completion of the period of three years from the date of grant of certificate of 71[***] registration, or within a period of three months from the date of notification of these regulations, as the case may be.]

72[(b)***]

73[3A. The non-refundable fee payable along with an application for registration under sub-regulation (1A) of regulation 3A shall be a sum of twenty-five thousand rupees.**]**

67 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution paragraph 2 read as

under:

"2. An underwriter who has been granted a certificate of registration, to keep its registration in force, shall pay fee of five lakh rupees every three years from the sixth year from the date of grant of certificate of registration or from the date of grant of certificate of initial registration granted prior to the commencement of the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016, as the case may be."

68 Inserted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

69 Substituted by the SEBI (Underwriters) (Amendment) Regulations, 1999, w.e.f. 30-9-1999.

70 Inserted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

71 The words "initial" omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

72 Omitted bye the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to omission paragraph (b) as substituted by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011 read as under: "(b) The fee referred to in paragraph 2 shall be paid by the underwriter, at the time of grant of permanent registration, within fifteen days from the date of receipt of intimation from the Board under sub-regulation (6) of regulation 8A and thereafter the fee shall be paid three months before expiry of the block for which fee has been paid."

Prior to substitution by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011., it read as under:

"(b) The fee referred to in paragraph 2 shall be paid by the underwriter within fifteen days of receipt of intimation from the Board disposing of the application for renewal made under sub-regulation (1) of regulation 9."

73 Substituted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016. Prior to substitution, paragraph 3A as inserted by the SEBI (Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

"3A. The non-refundable fee payable along with an application for registration under sub-regulation (1A) of regulation 3A or an application for 73[permanent registration under sub-regulation (1) or sub-regulation (2) of regulation 8A] shall be a sum of twenty-five thousand rupees."

74[4. The fees specified in 75[paragraphs 76[1, 77[***] 2 and 3A]] shall be payable by the Underwriter 78[by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by a demand draft in favour of 'Securities and Exchange Board of India' payable at Mumbai or at the respective regional office.]

79**[**SCHEDULE III

Securities and Exchange Board of India (Underwriters) Regulations, 1993

[Regulation 13**]**

CODE OF CONDUCT FOR UNDERWRITERS

1. An underwriter shall make all efforts to protect the interests of its clients.

2. An underwriter shall maintain high standards of integrity, dignity and fairness in the conduct of its business.

3. An underwriter shall ensure that it and its personnel will act in an ethical manner in all its dealings with a body corporate making an issue of securities (hereinafter referred to in the Schedule as "the issuer").

4. An underwriter shall endeavour to ensure all professional dealings are effected in a prompt, efficient and effective manner.

5. An underwriter shall, at all times, render high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.

6. An underwriter shall not make any statement, either oral or written, which would misrepresent—

(a) the services that the underwriter is capable of performing for its client, or has rendered to any other issuer company;

(b) his underwriting commitment.

7. An underwriter shall avoid conflict of interest and make adequate disclosure of his interest.

Also, the words "permanent registration under sub-regulation (1) or sub-regulation (2) of regulation 8A" were substituted for the words and figures "renewal of registration under subregulation (1A) of regulation 9" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

74 Substituted by the SEBI (Underwriters) (Amendment) Regulations, 1999, w.e.f. 30-9-1999. Earlier paragraph 4 was substituted by SEBI(Payment of Fess)(Amendment Regulations, 1995, w.e.f.28-11-1995. 75 Substituted for "paragraphs 1 and 2" by the SEBI(Underwriters) (Amendment) Regulations, 2006, w.e.f. 7-9-2006.

76 Substituted for word and figures "1, 2 and 3A" by the SEBI (Underwriters) (Amendment) Regulations, 2011, w.e.f. 5-7-2011.

77 The words "1A," were omitted by the Securities and Exchange Board of India (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations, 2016 w.e.f. 08-12-2016.

78 Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6-3-2017

79 Substituted by SEBI (Underwriters) (Amendment) Regulations, 2003, w.e.f. 01-10-2003. Earlier it was amended by the SEBI(Investment Advice by Intermediaries)(Amendment)Regulations, 2001, w.e.f. 29-5-2001.

8. An underwriter shall put in place a mechanism to resolve any conflict of interest situation that may arise in the conduct of its business or where any conflict of interest arises, shall take reasonable steps to resolve the same in an equitable manner.

9. An underwriter shall make appropriate disclosure to the client of its possible source or potential areas of conflict of duties and interest while acting as underwriter which would impair its ability to render fair, objective and unbiased services.

10. An underwriter shall not divulge to other issuer, press or any party any confidential information about its issuer company, which has come to its knowledge and deal in securities of any issuer company without making disclosure to the Board as required under the Regulations and also to the Board of directors of the issuer company.

11. An underwriter shall not discriminate amongst its clients, save and except on ethical and commercial considerations.

12. An underwriter shall ensure that any change in registration status/any penal action taken by board or any material change in financials which may adversely affect the interests of clients/investors is promptly informed to the clients and any business remaining outstanding is transferred to another registered person in accordance with any instructions of the affected clients/investors.

13. An underwriter shall maintain an appropriate level of knowledge and competency and abide by the provisions of the Act, regulations and circulars and guidelines issued by the Board. The underwriter shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.

14. An underwriter shall ensure that the board is promptly informed about any action, legal proceedings, etc. initiated against it in respect of any material breach or non-compliance by it, of any law, rules, regulations, directions of the board or of any other regulatory body.

15. An underwriter shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.

16. (a) An underwriter or any of his employees shall not render, directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or non-real-time, unless a disclosure of his interest including its long or short position in the said security has been made, while rendering such advice.

(b) In case, an employee of an underwriter is rendering such advice, the underwriter shall ensure that he shall disclose his interest, the interest of his dependent family members and that of the employer including their long or short position in the said security, while rendering such advice.

17. An underwriter or any of its directors, partners or manager having the management of the whole or substantially the whole of affairs of the business, shall not either through its account or their respective accounts or through their associates or family members, relatives or friends indulge in any insider trading.

18. An underwriter shall not indulge in any unfair competition, which is likely to be harmful to the interest of other underwriters carrying on the business of underwriting or likely to place such other underwriters in a dis-advantageous position in relation to the underwriter while competing for, or carrying out any assignment.

19. An underwriter shall have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its clients and other registered entities from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions.

20. An underwriter shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.

21. An underwriter shall develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in the carrying out of their duties. Such a code may extend to the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance of conflict of interests, disclosure of shareholdings and interests, etc.

22. An underwriter shall ensure that good corporate policies and corporate governance is in place.

23. An underwriter shall ensure that any person it employs or appoints to conduct business is fit and proper and otherwise qualified to act in the capacity so employed or appointed (including having relevant professional training or experience).

24. An underwriter shall ensure that it has adequate resources to supervise diligently and does supervise diligently persons employed or appointed by it to conduct business on its behalf.

25. An underwriter shall be responsible for the acts or omissions of its employees and agents in respect to the conduct of its business.

26. An underwriter shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.

27. An underwriter shall not be party to or instrumental for—

(a) creation of false market;

(b) price rigging or manipulation; or

(c) passing of unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange to any person or intermediary**.]**