

## **SECURITIES AND EXCHANGE BOARD OF INDIA (BANKERS TO AN ISSUE) RULES, 1994**

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## **SECURITIES AND EXCHANGE BOARD OF INDIA (BANKERS TO AN ISSUE) RULES, 1994**

In exercise of the powers conferred by section 29 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Central Government hereby makes the following rules, namely:-

### **1. Short title and commencement :-**

- (1) These rules may be called the Securities and Exchange Board of India (Bankers to an Issue) Rules, 1994.
- (2) They shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions :-**

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) "banker to an issue" means a scheduled bank carrying on all or any of the following activities, namely:-
  - (i) acceptance of application and application monies;
  - (ii) acceptance of allotment or call monies;
  - (ii) refund of application monies;
  - (iv) payment of dividend or interest warrants;
- (c) "body corporate" means a body corporate as defined in clause (7) of Section 2 of the Companies Act, 1956 ;

(d) "certificate" means a certificate of registration granted or renewed by the Board under the regulations;

(e) "issue" means issue as defined in clause (d) of rule 2 of the Securities and Exchange Board of India (Merchant Bankers) Rules, 1992:

(f) "regulations" means the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

(g) "scheduled bank" means a bank included in the Second Schedule of Reserve Bank of India Act, 1934 .

### **3. No person can act as banker to an Issue without registration :-**

(1) No person shall carry on any activity as a banker to an issue unless he holds a certificate granted by the Board under the regulations: Provided that such person may continue to act as a banker to an issue if he has made an application for such registration under the proviso to sub-section (1) of section 12 of the Act till the disposal of such application.

### **4. Conditions for grant of renewal of certificate :-**

The Board may grant or renew a certificate to a banker to an issue subject to the following conditions, namely:-

(a) he shall enter into a legally binding agreement with the body corporate for or on whose behalf he is acting as banker to an issue slating therein the duties and responsibilities between himself and the body corporate for the issue for which he is acting as a banker to an issue;

(b) he shall pay the amount of fees for registration in the manner provided in the regulations;

(c) he shall take adequate steps for redressal of grievances of the investors within one month of the date of the receipt of the complaints and he shall keep the Board informed about the number, -nature and other particulars of the complaints received and the manner in which such complaints have been redressed; and

(d) the certificate granted shall be valid for a period of three years from the date of the grant of the same.

### **5. Conditions of grant of renewal of certificate :-**

The Board may grant the renewal of the certificate to a banker to an issue subject to the conditions mentioned in sub-rules (a) to (d) of rule 4.