

**SECURITIES AND EXCHANGE BOARD OF INDIA
(REGISTRARS TO AN ISSUE AND SHARE TRANSFER AGENTS)
REGULATIONS, 1993**

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SECURITIES AND EXCHANGE BOARD OF INDIA (REGISTRARS TO AN ISSUE AND SHARE TRANSFER AGENTS) REGULATIONS, 1993

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby, with the previous approval of the Central Government hereby makes the following regulations namely :-

CHAPTER 1

PRELIMINARY

1. Short title and commencement :-

(1) These regulations may be called the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

(2) They shall come into force on the date of their publication in the Official Gazette.'

2. Definitions :-

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

In these regulations, unless the context otherwise requires-

2(aa) "activity" means activities which a registrar to an issue or a share transfer agent may carry **3**"under clauses (f) and (g) of

Regulation 2" ;

(b) "enquiry officer" means any officer of the Board, or any other person, having experience in dealing with the problems relating to the securities market, who is appointed by the Board under Chapter V:

⁴(b) "body corporate" shall have the meaning assigned to it in or under clause (7) of Sec. 2 of the Companies Act, 1956 (1 of 1956);

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

(bb) "change of status or constitution" in relation to a registrar to an issue or a share transfer agent means any change in its status or constitution of whatsoever nature and includes

(i) in case of body corporate

(A) amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of Sec. 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;

(be) "change in control", in relation to a registrar to an issue or a share transfer agent 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 percent of voting rights in the body corporate;"

(c) "form" means a form specified in Schedule 1:

(d) "inspecting authority" means one or more persons appointed by the Board to exercise powers conferred under Chapter IV:

5" (da) "issue" mean an offer of sale or purchase of securities by any body corporate or by any other person or group of persons on his or its or their behalf, as the case may be, to or from the public, or the holders of securities of such body corporate or person or group of persons;"

(e) "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, body corporate; or

(iii) any person connected with the management or administration of the firm, association or body or the body corporate upon whom the Board has served a notice of its intention of treating him as the principal officer thereof ; 1.31-5-1993.

6(f) "registrar to an issue" means the person appointed by a body corporate or any person or group of persons to carry on the following activities on its or his or their behalf:

(i) collecting applications from investors in respect of an issue;

(ii) keeping a proper record of applications and monies received from investors or paid to the seller of the securities; and

(iii) assisting body corporate or person or group of persons in:

(a) determining the basis of allotment of securities in consultation with stock exchange;

(b) finalising list of persons entitled to allotment;

(c) processing and dispatching allotment letters, refund orders or certificate and other related documents in respect of an issue;

(g) "share transfer agent" means

(i) any person, who on behalf of any body corporate, maintains the records of holders of securities issued by such body corporate and deals with all matters connected with the transfer and redemption of its securities;

(ii) a department or division, by whatever name called, of a body corporate, performing the activities referred in sub-clause (i) if at any time the total number of the holders of its securities issued exceed one lakh;

7" (ga) "stock exchange" means a stock exchange which is for the time being recognised by the Central Government or by the Board under Sec. 4 of the Securities Contracts (Regulation) Act; 1956 (42 of 1956);"

(h) all other words and expressions used in these regulations but not defined, and defined in the Act **8**[* * *] shall have the same meanings respectively assigned to them in the Act or the rules, **9** [* * *].

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, before the clause so renumbered, the following clauses shall be inserted, namely: " (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);" by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, clause (a) shall be renumbered as clause (aa), by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, in clause (aa) so renumbered, for the words "under clauses (e) and (g) of Rule 2" occurring at the end, the words "under clauses (f) and (g) of Regulation 2" shall be substituted, by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, after clause (aa), the following clauses shall be inserted, namely: "(b) "body corporate" shall have the meaning assigned to it in or under clause (7) of Sec. 2 of the Companies Act, 1956 (1 of 1956); (ba) "certificate" means a certificate of registration granted or renewed by the Board under these regulations; (bb) "change of status or constitution" in relation to a registrar to an issue or a share transfer agent means any change in its status or constitution

of whatsoever nature and includes (i) in case of body corporate (A) amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of Sec. 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; (be) "change in control", in relation to a registrar to an issue or a share transfer agent 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 percent of voting rights in the body corporate;" by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ,in Regulation 2, after clause (d), the following clause shall be inserted, namely: "(da) "issue" mean an offer of sale or purchase of securities by any body corporate or by any other person or group of persons on his or its or their behalf, as the case may be, to or from the public, or the holders of securities of such body corporate or person or group of persons;" by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ,in Regulation 2, clauses (f) and clauses (g) shall be substituted in place of :- "(f) "regulations" means Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;" (g) "rules" means Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Rules, 1993;" by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ,in Regulation 2, after clause (g), the following clause shall be inserted, namely: "(ga) "stock exchange" means a stock exchange which is for the time being recognised by the Central Government or by the Board under Sec. 4 of the Securities Contracts (Regulation) Act; 1956 (42 of 1956);" by the Securities and Exchange Board of India

(Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, in clause (h), words "and the rules" occurring after the words "defined in the Act" shall be omitted, by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 2, in clause (h), words "or the rules, as the case may be" occurring at the end shall be omitted, by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

CHAPTER 2

REGISTRATION OF REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENT

3. Application for grant of certificate :-

(1) An application by- a registrar to an issue or a share transfer agent for grant of a certificate shall be made to the Board in Form A.

10 (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) The application under sub-regulation (1) may be made for any of the following categories, namely -

(a) Category I: to carry on the activities as a registrar to an issue and share transfer agent;

(b) Category II: to carry on the activity either as a registrar to an issue or as a share transfer agent.

(3) Notwithstanding anything contained in sub-regulation (1), any application made by a registrar to an issue or a share transfer agent prior to coming into force of these regulations containing such particulars 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.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 3, after sub-regulation (1), the following sub-regulation shall be inserted, namely: "(1A) An application for registration made under sub-regulation (1) shall be accompanied by a non-

refundable application fee as specified in Schedule II." by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

4. To furnish information, clarification, etc :-

(1) The Board may require the applicant to furnish further information or clarifications regarding activities and matters connected thereto to consider the application for grant of a certificate.

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

5. Application to conform to the requirements :-

Subject to the provisions of sub-regulation (2) of regulation 3, 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 the time specified such objections as may be indicated by the Board.

6. Consideration of application :-

The Board shall take into account for considering the grant of a certificate all matters which are relevant to the activities and in particular the following, namely, whether the applicant-

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

(b) has any past experience in the activities;

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

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

(e) is subjected to any disciplinary proceedings under the Act;

(f) 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.

(g) is a fit and proper person.

7. Capital adequacy requirement :-

(1) The capital adequacy requirement referred to in clause (d) of

regulation 6 shall not be less than the net worth of the applicant specified in sub-regulation (2).

(2) For the purposes of sub-regulation (1), the net worth of the applicant shall be as follows, namely:-

(a) Category 1: specified in clause (a) of sub-regulation (2) of regulation 3-Rs. 6,00,000:

(b) Category II-. specified in clause (b) of sub-regulation (2) of regulation 3-Rs. 3,00,000; ¹ ["Provided that the capital adequacy requirement shall not be applicable for a department or division of a body corporate performing activities referred to in sub-clause (i) of clause (g) of Regulation 2.".]

(3) In sub-regulation (2) the "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.

1. Inserted vide " SECURITIES AND EXCHANGBOARD OF INDIA (REGISTRARS TO AN ISSUE AND SHARE TRANSFER AGENTS) REGULATIONS, 1993" Dt.17.11.99 Published in [Noti. No. F. No. SEBI/LE/21137/99,S.O. 1120(E) dt. 17.11.99-Gaz. of India, Exty., Pt. II-Sec. 3(ii), No. 685,dt. 17.11.99, p. 2.]

8. Procedure for registration :-

The Board, on being satisfied that the applicant is eligible, shall send an intimation to the applicant mentioning the category for which the applicant has been found eligible for the grant of certificate and grant a certificate in Form B subject to payment of fees specified in regulation 12.

9. Renewal of certificate :-

(1) The registrar to an issue or share transfer agent 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.

¹² (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 within the same manner as if it were an application for the grant of a certificate under regulation 3.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Regulation 9, after sub-regulation (1), the following sub-regulation shall be inserted, namely: "(1A) An application for renewal made under sub-regulation (1) shall be accompanied by a non-refundable application fee as specified in Schedule II." by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

10. Procedure where registration not granted :-

(1) Where an application for grant of a certificate under regulation 3 or of renewal under regulation 9, does not fulfil the requirements mentioned in regulation 6, the Board may reject the application after giving a reasonable opportunity of being heard.

(2) The refusal to grant or renew the certificate shall be communicated by the Board within thirty days of such refusal to the applicant 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. Effect of refusal to grant or renew certificate :-

Any registrar to an issue or a share transfer agent 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 carry on any activity as registrar to an issue or share transfer agent.

12. Payment of fees and the consequences of failure to pay fees :-

(1) Every applicant eligible for grant or renewal of a certificate shall pay such fees in such manner and within the period specified in Schedule II: Provided that the Board may on sufficient cause being shown permit the registrar to an issue or share transfer agent to pay such fees at any time before the expiry of six months from the date on which such fees become due.

(2) Where a registrar to an issue or share transfer agent fails to pay the fees as provided in sub-regulation (1), the Board may suspend the certificate, whereupon the registrar to an issue or share transfer agent shall cease to carry on any of his activity as a registrar to an issue or share transfer agent, as the case may be.

CHAPTER 3

GENERAL OBLIGATIONS AND RESPONSIBILITIES

13. To abide by Code of Conduct :-

Every registrar to an issue and share transfer agent holding a certificate shall at all times abide by the Code of Conduct as specified in Schedule III.

13A. Registrar to an issue not to act as such for an associate :-

No Registrar to an issue shall act as such Registrar for any issue of securities in case he or it is an associate of the body corporate issuing the securities. Explanation.-For the purposes of this regulation, a Registrar to an issue or the body corporate, as the case may be, shall be deemed to be an associate of the other where :- (a) he or it controls directly or indirectly not less than 10 per cent of the voting power of the body corporate or of the Registrar to an issue, as the case may be : or (b) he or any of his relative is a director of the body corporate or of the Registrar to an issue, as the case may be. The term "relative" shall have the same meaning as is assigned to it under Section 6 of the Companies Act, 1956

14. To maintain proper books of account, and records, etc :-

(1) Even, - registrar to an issue and share transfer agent being a body corporate shall keep and maintain the following books of account and documents in respect of three preceding financial years, namely :-

(a) in relation to registrar to an issue and share transfer agent being a body corporate-

(i) a copy of balance sheet and profit and loss account as specified in sections 211 and Section 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),

(iii) a statement of capital adequacy requirements for each quarter;

(b) in relation to registrar to an issue and share transfer agent not being a body corporate-

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

(ii) their assets and liabilities; and

(iii) a statement of capital adequacy requirements for each quarter.

(2) Every registrar to an issue shall also maintain the following records with respect to:-

(a) all the applications received from investors in respect of an issue:

(b) all applications of investors rejected and reasons therefor:

(c) basis of allotment of securities to the investors as finalised in consultation with the stock exchange;

(d) terms and conditions of purchase of securities:

(e) allotment of securities:

(f) list of names of allottees and non-allottees of the securities;

(g) refund orders despatched to investors in respect of application monies received from them in response to an issue;

(h) such other records as may be specified by the Board for carrying on the activities as registrars to an issue.

(3) Every share transfer agent shall maintain the following records in respect of a body corporate on whose behalf he is carrying on the activities as share transfer agent, namely:-

(a) list of holders of securities of such body corporate;

(b) the names of transferor and transferee and the dates of transfer of securities;

(c) such other records as may be specified by the Board for carrying out the activities as share transfer agents.

(4) Every registrar to an issue or share transfer agent shall intimate the Board the place where the books of account, records and documents are maintained.

(5) Without prejudice to sub-regulation (1), every registrar to an issue and share transfer agent 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 14.

15. Maintenance of records :-

Subject to provisions of any other law, the registrar to an issue or share transfer agent shall preserve the books of account- and other records and documents maintained under regulation 14 for a minimum period of three years.

15A. Appointment of Compliance Officer :-

1

(1) Every registrar to an issue and share transfer agents 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."

1. Inserted by "The Securities and Exchange Board of India (Investment Advice by Intermediaries)(Amendment)Regulations, 2001

CHAPTER 4

PROCEDURE FOR INSPECTION

16. Boards right to Inspect :-

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

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

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

(b) that the provisions of the Act, rules, regulations and the provisions of Securities Contracts (Regulation) Act, 1956 and the rules made thereunder are being complied with;

(c) to investigate into the complaints received from investors, other registrars to an issue or share transfer agents or any other intermediaries in the securities market on any matter having a bearing on the activities of the registrar to an issue or share transfer agent:

(d) to investigate suo motu in the interest of securities market or investors interest into the affairs of the registrar to an issue or share transfer agent.

17. Procedure for In_pction :-

(1) Before undertaking an inspection under regulation 16, the Board shall give a reasonable notice to the registrar to an issue or share transfer agent 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 public interest no such notice should be given, it may by an order in writing direct that the inspection of the affairs of the registrar to an issue and share transfer agent be taken up without such notice.

(3) On being empowered by the Board, the inspecting authority shall undertake the inspection and the registrar to an issue or share transfer agent against whom an inspection is being carried out shall be bound to discharge his obligations as provided under regulation 18.

18. Obligations of registrar to an Issue and share transfer agent on Inspection by the Board :-

(1) It shall be the duty of every director, proprietor, partner, officer and employee of the registrar to an issue or share transfer agent, 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 the transactions in securities market within such time as the said officer may require.

(2) The registrar to an issue or share transfer agent shall allow the inspecting authority to have reasonable access to the premises occupied by them or by any other person on their behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the registrar to an issue or share transfer agent or any other person on their behalf and also provide copies of documents or other materials which, in the opinion of the inspecting authority are relevant.

(3) The inspecting authority, in the course of inspection, shall be entitled to examine or record statements of any member, director, partner, proprietor and employee of the registrar to an issue or share transfer agent.

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

19. Submission of Report to the Board :-

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

20. Communication of findings, etc :-

(1) The Board shall after consideration of the inspection report communicate the findings to the registrar to an issue or share transfer agent 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 registrar to an issue or share transfer agent, the Board may call upon them to take such measures as the Board may deem fit in the interest of the securities market and for due compliance with the provisions of the Act, rules and regulations.

21. Appointment of Auditor :-

Notwithstanding anything contained above, the Board may appoint an auditor who is qualified to be appointed as such for a company

under Section 226 of the Companies Act, 1956 (1 of 1956), to investigate into the books of account or the affairs of the registrar to an issue and share transfer agent: Provided that the auditor so appointed shall have the same powers of the inspecting authority as mentioned in regulation 16 and the obligations of the registrar to an issue and share transfer agent in regulation 18 shall be applicable to the investigation under this regulation.

CHAPTER 5

PROCEDURE FOR ACTION IN CASE OF DEFAULT

22. Liability for action in case of default :-

(1) A registrar to an issue or share transfer agent, who-

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

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

(c) contravenes the provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) of the rules made thereunder;

(d) contravenes the rules, regulations or bye-laws of the stock exchange; shall be liable to any of the penalties specified in sub-regulation (2).

(2) The penalties referred to in sub-regulation (1) may be either:-

(a) suspension of registration, after the inquiry, for a specified period; or

(b) cancellation of registration.

23. Suspension, cancellation of certificate :-

(1) A penalty of suspension of certificate granted to a registrar to an issue or share transfer agent may, be imposed, if they-

(i) violate the provisions of the Act, rules and regulations;

(ii) do not follow the code of conduct specified at Schedule III;

(iii)

(a) fail to furnish any information related to their activities or transactions in securities as required by the Board:

(b) furnish wrong or false information;

- (c) do not submit periodical returns as required by the Board;
- (d) do not co-operate in any enquiry conducted by the Board;
- (iv) fail to resolve the complaints of the investors or fail to give a satisfactory reply to the Board in this behalf;
- (v) indulge in manipulating or price rigging or cornering activities;
- (vi) are guilty of misconduct, improper, unbusinesslike or unprofessional conduct;
- (vii) fail to maintain the capital adequacy requirement specified in regulation 7;
- (viii) fail to pay the fees as specified in regulation 12;
- (ix) violate the conditions of registration: Provided that the Board for reasons to be recorded in writing may, in case of repeated defaults of the type mentioned above, impose a penalty of cancellation of certificate on the registrar to an issue of share transfer agent.

(2) A penalty of cancellation of certificate granted to a registrar to an issue or share transfer agent may be imposed, if they-

- (i) indulge in deliberate manipulation or price rigging or cornering activities affecting the securities market and the investors interest;
- (ii) violate the provisions of the Act, rules and regulations;
- (iii) violate any provisions of insider trading regulations or take-over regulations: and
- (iv) are guilty of fraud, or convicted of a criminal offence.

24. Manner of order of suspension and cancellation of certificate :-

No order of penalty of suspension or cancellation shall be imposed except after holding an enquiry in accordance with the procedure specified in regulation 25.

25. Manner of holding enquiry :-

- (1) For the purpose of holding an enquiry under regulation 24, the Board may appoint an enquiry officer.
- (2) The enquiry officer shall issue to the registrar to an issue or share transfer agent a notice at the registered office or the principal

place of business of the registrar to an issue or share transfer agent.

(3) The registrar to an issue or share transfer agent may, within thirty days from the date of receipt of such notice, furnish to the enquiry officer a reply together with copies of documentary or other evidence relied on by them or sought by the Board from them.

(4) The enquiry officer shall, give a reasonable opportunity of hearing to the registrar to an issue or share transfer agent to enable them to make submissions in support of their reply made under sub-regulation (3).

(5) Before the enquiry officer, the registrar to an issue or share transfer agent may either appear in person or through any person duly authorised on their behalf: Provided that no lawyer or advocate shall be permitted to represent the registrar to an issue or share transfer agent at the enquiry: Provided further that where a lawyer or an advocate has been appointed by the Board as a presenting officer under sub-regulation (6), it shall be lawful for the registrar to an issue or share transfer agent to present their case through a lawyer or advocate.

(6) If it is considered necessary, the enquiry officer may require the Board to appoint a presenting officer to present its case.

(7) The enquiry officer shall, after taking into account all relevant facts and submissions made by the registrar to an issue or share transfer agent, submit a report to the Board and recommend the penalty to be awarded as also on the justification of the penalty proposed.

26. Show-cause notice and order :-

(1) On receipt of the report from the enquiry officer, the Board shall consider the same and issue a show-cause notice as to why the penalty as it considers appropriate should not be imposed.

(2) The registrar to an issue or share transfer agent shall within twenty-one days of the date of the receipt of the show-cause notice send a reply to the Board.

(3) The Board after considering the reply to the show-cause notice, if received, shall as soon as possible but not later than thirty days from the receipt of the reply, if any, pass such order as it deems fit.

(4) Every order passed under sub-regulation (3) shall be self-contained and give reasons for the conclusions stated therein including justification of the penalty imposed by that order.

(5) The Board shall send a copy of the order under sub-regulation (3) to the registrar to an issue or share transfer agent.

27. Effect of suspension and cancellation of certificate granted to registrar to an Issue or share transfer agent :-

(1) On and from the date of the suspension of the certificate, the registrar to an issue or share transfer agent, as the case may be, shall cease to carry on any activity with immediate effect, during the period of suspension.

(2) On and from the date of cancellation of the certificate the registrar to an issue or share transfer agent shall with immediate effect cease to carry on any activity.

28. Publication of order of suspension :-

The order of suspension or cancellation of certificate passed in regulation 27 shall be published in at least two daily newspapers by the Board.

29. Appeal to the Central Government :-

¹ Any person aggrieved by an order of the Board made, on and after the commencement of the Securities Laws (Second Amendment) Act, 1999, (i.e. after 16th December 1999), under these regulations may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter"

1. Substituted for regulation 29 "Any person aggrieved by an order of the Board under the regulations may prefer an appeal to the Central Government in the prescribed manner." by the Securities and Exchange Board of India (Appeal to the Securities Appellate Tribunal) (Amendment) Regulations, 2000

SCHEDULE 1

SCHEDULE

SCHEDULE 2

Fees

1. . :-

Every registrar to an issue and share transfer agent shall pay registration fees as specified below :--

(a) A registrar to an issue and share transfer agent falling under

Category I as specified in sub-regulation (2) of Regulation 3, shall pay a sum of Rs 50,000 at the time of the grant of certificate by the Board and pay renewal fee of Rs 40,000 every three years from the fourth year from the date of initial registration.

(b) A registrar to an issue and share transfer agent falling under Category II as specified in sub-regulation (2) of Regulation 3 shall pay a sum of Rs 30,000 at the time of grant of certificate by the Board and pay renewal fee of Rs 25,000 from the fourth year from the date of initial registration.

2. . :-

(a) The initial registration fee referred to in Paragraph I shall be paid by the registrar to an issue and share transfer agent within fifteen days from the date of receipt of intimation from the Board.

(b) The renewal fee referred to in Paragraph I shall be paid within fifteen days of receipt of intimation of the Board disposing of the application for renewal made under sub-regulation (1) of Regulation 9.

2A. . :-

21 The non-refundable fee payable along with an application for registration under sub-regulation (1A) of Regulation 3 or an application for renewal of registration under sub-regulation (1A) of Regulation 9 shall be a sum of ten thousand rupees.

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Schedule II, in paragraph I, after paragraph 2, the following paragraph shall be inserted, namely: "2-A. The non-refundable fee payable along with an application for registration under sub-regulation (1A) of Regulation 3 or an application for renewal of registration under sub-regulation (1A) of Regulation 9 shall be a sum of ten thousand rupees." by the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006.

3. . :-

The fees specified in Paragraph I shall be payable by the registrar to an issue and share transfer agent by a demand draft in favour of 'Securities and Exchange Board of India' payable at Mumbai or at the respective regional office.

SCHEDULE 3

CODE OF CONDUCT

Schedule III

Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

[Regulation 13]

CODE OF CONDUCT

1. A Registrar to an Issue and Share Transfer Agent shall maintain high standards of integrity in the conduct of its business.
2. A Registrar to an Issue and Share Transfer Agent shall fulfill its obligations in a prompt, ethical and professional manner.
3. A Registrar to an Issue and Share Transfer Agent shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment.
4. A Registrar to an Issue and Share Transfer Agent shall exercise adequate care, caution and due diligence before dematerialisation of securities by confirming and verifying that the securities to be dematerialized have been granted listing permission by the stock exchange/s.
5. A Registrar to an Issue and Share Transfer Agent shall always endeavor to ensure that

- a. inquiries from investors are adequately dealt with;
- b. grievances of investors are redressed without any delay;
- c. transfer of securities held in physical form and confirmation of dematerialisation/rematerialisation requests and distribution of corporate benefits and allotment of securities is done within the time specified under any law.

1. A Registrar to an Issue and Share Transfer Agent shall make reasonable efforts to avoid misrepresentation and ensure that the information provided to the investors is not misleading.
2. A Registrar to an Issue and Share Transfer Agent shall not reject the Dematerialisation/Rematerialisation requests on flimsy grounds. Such request could be rejected only on valid and proper grounds and supported by relevant documents.
3. A Registrar to an Issue and Share Transfer Agent shall avoid conflict of interest and make adequate disclosure of its interest.
4. A Registrar to an Issue and Share Transfer Agent 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.

10. A Registrar to an Issue and Share Transfer Agent shall make appropriate disclosure to the client of its possible source or potential areas of conflict of duties and interest which would

impair its ability to render fair, objective and unbiased services.

11. A Registrar to an Issue and Share Transfer Agent shall not indulge in any unfair competition, which is likely to harm the interests of other Registrar to the Issue and Share Transfer Agent or investors or is likely to place such other Registrar in a disadvantageous position in relation to the Registrar to issue and Share Transfer Agent while competing for or executing any assignment.
12. A Registrar to an Issue and Share Transfer Agent shall always endeavor to render the best possible advice to the clients having regard to their needs.
13. A Registrar to an Issue and Share Transfer Agent shall not divulge to other clients, press or any other person any confidential information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under any law for the time being in force.
14. A Registrar to an Issue or Share Transfer Agent shall not discriminate amongst its clients, save and except on ethical and commercial considerations.
15. A Registrar to an Issue and Share Transfer Agent shall ensure that any change in registration status/any penal action taken by the Board or any material change in financials which may adversely affect the interests of clients/investors is promptly informed to the clients.
16. A Registrar to an Issue and Share Transfer Agent shall maintain the required level of knowledge and competency and abide by the provisions of the Act, rules, regulations, circulars and directions issued by the Board. The Registrar to an Issue and Share Transfer Agent shall also comply with the award of the Ombudsman passed under Securities and Exchange Board of India (Ombudsman) Relations, 2003.
17. A Registrar to an Issue and Share Transfer Agent shall co-operate with the Board as and when required.
18. A Registrar to an Issue and Share Transfer Agent shall not neglect or fail or refuse to submit to the Board or other agencies with which he is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
19. A Registrar to an Issue and Share Transfer Agent shall ensure that the Board is promptly informed about any action, legal proceeding 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.

20. A Registrar to an Issue and Share Transfer Agent shall take adequate and

necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed.

Further, it

shall ensure that for electronic records and data, up-to-date back up is always

available with it.

21. A Registrar to an Issue and Share Transfer Agent shall endeavour to resolve

all the complaints against it or in respect of the activities carried out by it as

quickly as possible.

22. (a) A Registrar to an Issue and Share Transfer Agent or any of its employees

shall not render, directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or non-realtime,

unless a disclosure of its long or short position in the said security has been made, while rendering such advice.

(b) In case, an employee of a Registrar to an Issue and Share Transfer Agent is rendering such advice, the Registrar to an Issue and Share Transfer Agent shall ensure that it also discloses its own interest, the interests of

his dependent family members and that of the employer including their long or short position in the said security, while rendering such advice.

23. A Registrar to an Issue and Share Transfer Agent shall hand-over all the records/data and all related documents which 'are in its possession in its capacity as a Registrar to an Issue and/or Share Transfer Agent to the respective clients, within one month from the date of termination of agreement

with the respective clients or within one month from the date of expiry/cancellation

of certificate of registration as Registrar to an Issue and/or Share Transfer Agent, whichever is earlier.

24. A Registrar to an Issue and Share Transfer Agent shall not make any exaggerated

statement, whether oral or written, to the clients either about its qualifications or capability to render certain services or about its achievements

in regard to services rendered to other clients.

25. A Registrar to an Issue and Share Transfer Agent shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.

26. A Registrar to an Issue and Share Transfer Agent shall provide adequate freedom and powers to its compliance officer for the effective discharge of its duties.

27. A Registrar to an Issue and Share Transfer Agent 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 carrying out its duties as a Registrar to an Issue and Share Transfer Agent and as a part of the industry. 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.

28. A Registrar to an Issue and Share Transfer Agent shall ensure that good corporate policies and corporate governance are in place.

29. A Registrar to an Issue and Share Transfer Agent 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).

30. A Registrar to an Issue and Share Transfer Agent shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.

31. A Registrar to an Issue and Share Transfer Agent shall not, in respect of any dealings in securities, be party to or instrumental for

- a. creation of false market;
- b. price rigging or manipulation;
- 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.