

**SECURITIES AND EXCHANGE BOARD OF INDIA
(UNDERWRITERS) RULES, 1993**

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**SECURITIES AND EXCHANGE BOARD OF INDIA
(UNDERWRITERS) RULES, 1993**

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 (Underwriters) Rules, 1993.
- (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) "body corporate" means a body corporate as defined in clause (7) of section 2 of the Companies Act, 1956 (1 of 1956);
- (c) "certificate" means a certificate of registration granted or renewed by the Board under the regulations;
- (d) "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;
- (e) "regulations" means the Securities and Exchange Board of India

(Underwriters) Regulations, 1993 ;

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

(g) "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.

3. Not to act as underwriter without certificate :-

(1) No person shall act as underwriter unless he holds a certificate granted by the Board under the regulations: Provided that such person, who was engaged as underwriter prior to the coming into force of the Act, may continue to carry on activity as underwriter 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.

(2) Notwithstanding anything contained in sub-rule (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 for underwriting activities which shall be governed by these rules and regulations.

4. Conditions for grant or renewal of certificate to underwriter :-

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

(a) in case of any change in the status and constitution, the underwriter shall obtain prior permission of the Board to continue to act as underwriter;

(b) without prejudice to the obligations under any other law, the underwriter shall enter into a valid agreement with the body corporate on whose behalf he is acting as underwriter and the said agreement, amongst other things, may define the allocation of duties and responsibilities between him and such body corporate; and

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

(d) he shall abide by the rules and regulations made under the Act in respect of the activities carried on by him as an underwriter.

5. Period of validity of certificate :-

The certificate of registration or its renewal, as the case may be, shall be valid for a period of three years from the date of its issue to the underwriter.