

Frequently Asked Questions (FAQs) – Application for registration with SEBI as a Merchant Banker

FAQs

1. What is the procedure of obtaining registration as a Merchant Banker from SEBI?

- 1.1. An online registration mechanism has been operationalized vide SEBI Circular [SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38](#) dated May 02, 2017. In terms of Para 6 of the Circular, all applications for registration / surrender / other requests are required to be made through the SEBI Intermediary (SI) Portal only.
- 1.2. Applicant has to visit SI Portal (<https://siportal.sebi.gov.in>) to file application for grant of registration as a Merchant Banker. As the first step, the applicant is required to register on the SI Portal by using 'Self registration' tab for creation of Login ID. Please refer to the User Manual available on the Homepage of SI Portal and Self Registration FAQs (https://www.sebi.gov.in/sebi_data/faqfiles/nov-020/1606287029028.pdf) on SEBI Website for details.
- 1.3. Applicant is required to pay a non-refundable application fee of Rs. 50,000/- + applicable GST at this stage.
- 1.4. Post creation of Login ID, the Applicant may login using its password and start the application process by filling-up all the required details mentioned in the Application Form. Applicant is also required to upload the documents indicated in the Application Form and documents mentioned in this FAQ document.
- 1.5. Once the applicant submits the online application, the same is received by SEBI. The status of the application can be tracked by the applicant using the application number allotted after the final submission.
- 1.6. As required under SEBI circular no. [SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38](#) dated May 02, 2017, the applicant is separately required to submit, Application (Form A), along with all the documents/ information uploaded on SI Portal, including documents mentioned at [Appendix – I, in physical form](#), to SEBI at the below mentioned address.

**Corporation Finance Department (Division of Issues and Listing – 3),
Securities and Exchange Board of India (SEBI),
SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.**

- 1.7. For registration as a Merchant Banker, a registration fee of Rs. 20,00,000/- + applicable GST is to be paid. A link for payment of fee will be generated post processing of the application to the satisfaction of SEBI. Certificate of

Registration (CoR) will be generated post receipt of registration fee from the applicant.

2. There are two tabs namely Registration Login and Self-Registration Login on the SI portal. What is the difference between them?

2.1. An entity which is intending to get registered as a Merchant Banker has to use the Self-Registration tab first to enter basic information and pay the application fees of rupees fifty thousand plus applicable GST.

2.2. Once the payment is confirmed, the applicant will get login ID and password. Then, the applicant may login through 'Registration login' tab using the credentials and start filling up the required details mentioned in the application form.

3. Is there any user guide for understanding the basic interface of SI portal?

Applicant may refer to following documents:

3.1. 'User Manual' available on the Homepage of SI portal.



3.2. Self-Registration FAQs available on SEBI website.

(https://www.sebi.gov.in/sebi_data/faqfiles/nov-2020/1606287029028.pdf)

4. What is the list of required documents to be submitted along with Application for Registration?

4.1. Indicative list of required documents is mentioned at [Appendix – I](#).

4.2. Applicant shall ensure that all pages of documents, that are submitted as part of the Application, are duly signed by Director / Compliance Officer (as indicated) and bear the stamp of the Applicant.

5. What are the fees to be paid by the Merchant Banker?

- 5.1. An applicant seeking registration as a Merchant Banker needs to pay a sum of Rupees Fifty Thousand + applicable GST as application fee.
- 5.2. A sum of Rupees Twenty lakhs + applicable GST is to be paid as registration fee at the time of grant of certificate of registration. Post period of 5 years from the date of grant of registration, every Merchant Banker is required to pay a sum of Rupees Nine Lakhs + applicable GST as renewal fee for every subsequent block of 3 years.
- 5.3. Brief details of fees are given below.

S. No	Type of Fee	Amount (excluding GST)
1	Application fee	Rs. 50,000/-
2	Registration fee (for the block of 5 years from date of grant of registration)	Rs. 20,00,000/-
3	Renewal fee (for each subsequent block of 3 years)	Rs. 9,00,000/-

Note: No fee is refundable under any circumstances.

6. Is there any TDS applicable on any of the fees to be paid during the process of registration?

- 6.1. No. The Securities and Exchange Board of India (SEBI), established under an Act of Parliament, has been exempted from Income Tax, under the provisions of Section 25 of the Securities and Exchange Board of India Act, 1992.

- 6.2. The Section reads as under:

“25. Exemption from tax on wealth and income—Notwithstanding anything contained in the Wealth-tax Act, 1957 (27 of 1957), the Income-tax Act, 1961 (43 of 1961), or any other enactment for the time being in force relating to tax on wealth, income, profits or gains—

(a) the Board;

(b) the existing Securities and Exchange Board from the date of its constitution to the date of establishment of the Board, shall not be liable to pay wealth-tax, income-tax or any other tax in respect of their wealth income, profits or gains derived.”

- 6.3. Accordingly, deduction of TDS on the income accruing to the account of the Securities and Exchange Board of India, as per the Income Tax Act does not arise. In view of the same, certificate of exemption of income tax may be dispensed with.

7. Is GST applicable on application fee / registration fee to be paid in the process of registration?

- 7.1. Yes. Please note that the GST Council in its meeting held on June 28 and June 29, 2022, inter alia, recommended to withdraw the exemption granted to services by SEBI and the same has been notified vide Notification No.4/2022 dated 13th July, 2022.
- 7.2. Accordingly, vide SEBI Circular no. [SEBI/HO/GSD/TAD/CIR/P/2022/0097](#) dated July 18, 2022, it was informed that the fees and other charges payable to SEBI shall be subject to GST at the rate of 18% with effect from July 18, 2022.

8. What is the capital adequacy requirement of a Merchant Banker?

- 8.1. In terms of Regulation 7 of SEBI (Merchant Bankers) Regulation 1992, a Merchant Banker is required to have a minimum net worth of not less than Rs. Five crores at **all times**.
- 8.2. For the purpose of this regulation, Net worth means the sum of paid-up capital and free reserves of the applicant at the time of making application.

9. I am a sole proprietor. Am I eligible to be a Merchant Banker?

No, as per Section 6(a) of SEBI (Merchant Bankers) Regulations, 1992 a Merchant Banker should be a body corporate as defined in Section 2(11) of the Companies Act, 2013. Applicants which are LLPs are also considered as Body Corporates, and hence are eligible to make an application as Merchant Banker.

10. Will there be a site visit at my location?

- 10.1. Yes, as part of the evaluation process of the application, a pre-registration site visit shall be conducted prior to the grant of registration at the principal place of business to assess the infrastructure and experience of Key Managerial Personnel (KMP).
- 10.2. However, if the applicant's principal place of business is different from its registered office address, pre-registration site visit shall be conducted at both the places.
- 10.3. The applicant should appoint KMPs before making application to SEBI. The KMPs and Directors should be present at the time of site visit.

11. What infrastructure is checked by SEBI before granting registration?

- 11.1. Following is an indicative list of requirements that the Applicant should meet at the time of making application (and on a continuous basis post receipt of registration):

- 11.1.1. A functional office with adequate space, access control & security, necessary functionality to cater to handle the merchant banking activities.
- 11.1.2. The Office should have adequate computer systems, printers, telephone, internet connection and adequate storage cabinets.
- 11.1.3. The premises should be fire compliant and have adequate insurance cover to the risk with premises.
- 11.1.4. The server room should have a separate and restricted access with appropriate audit trail. In case the applicant has opted for a cloud server, the details of the same should be provided along with an undertaking stating that the entity does not have a physical server on location. Appropriate Business Continuity and Disaster Recovery systems and process should be put-in place, in particular, to avoid data loss. Applicant may also consider to have Cyber security / IT insurance cover its risks.
- 11.1.5. Appropriate Chinese walls procedures and processes to handle confidential or sensitive information / data.
- 11.2. Further, if any other SEBI registered activities are carried out from the same premises, the area earmarked for specific activity for which registration is sought should be clearly demarcated and segregated with restricted access.

12. What is the definition of Key Managerial Personnel (KMP)?

- 12.1. KMPs are referred to as persons who shall be responsible for managing the merchant banking activities / business and those who have requisite experience and expertise in the field.
- 12.2. Director, Principal Officer or Compliance Officer can be designated as a KMP
- 12.3. Also, applicant shall ensure compliance with Regulation 6(b) of SEBI (Merchant Bankers) Regulations, 1992, in this regard.

13. I have identified one KMP. Can I apply for registration?

- 13.1. No, Applicant needs to have minimum two persons designated as KMPs.
- 13.2. The KMPs have to be full time employees of the Applicant.

14. Do I need to send physical documents that I have uploaded as scanned copies on the Portal?

- 14.1. Processing of the application shall start based on the scanned copies of documents (signed and bearing stamp of the Applicant on every page) uploaded with the application on SI portal.

14.2. As required under SEBI circular no. [SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38](#) dated May 02, 2017, the applicant is separately required to submit all the documents (signed and bearing stamp of the Applicant on every page), in physical form, to SEBI

14.3. Applicant should ensure that all required documents have been uploaded on the SI Portal as part of the online application. Any physical document sent without the same being uploaded on the SI Portal shall not be considered as a valid submission.

15. Due to unforeseen circumstances, I do not wish to pursue the registration application. What is the procedure for withdrawal?

SI Portal provides an option to withdraw registration application. It may be noted that application fees shall not be refunded.

16. The KMPs and Compliance Officer have not taken the requisite NISM Certifications. Can I still apply for registration?

16.1. Yes, you may apply for SEBI registration. But, you need to provide an undertaking that the minimum 2 KMPs and Compliance Officer shall clear the relevant NISM exam within 1 year from the date of grant of SEBI registration.

16.2. It would be preferred that KMPs and Compliance Officer have the required NISM certification prior to starting the business.

16.3. Kindly refer to SEBI notification No. [LAD-NRO/GN/2013-14/6319](#) dated August 2, 2013 pertaining to NISM Series-IX: Merchant Banking Certification Examination and SEBI notification No. [LAD-NRO/GN/202-13/1103](#) dated March 11, 2013 pertaining to NISM Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination.

17. Is there any prescribed timeline for submitting the documents to SEBI, once the application is submitted on the SI portal?

17.1. The documents mentioned on the SI Portal Application and the documents mentioned at [Appendix-I](#) are required to be submitted at the time of submitting application on SI Portal. As mentioned above, scanned copy of all documents (signed and bearing stamp of the Applicant) are to be uploaded on SI Portal as part of the application. Further, physical submission of all such documents and Form A (all documents signed and bearing stamp of the Applicant) is also required.

17.2. Additional documents / clarifications may be sought from the applicant, preferably within 5 working days of receipt of the application. The applicant shall be given 30 days to submit those additional documents / clarifications.

17.3. SEBI shall be entitled to return the application, if the applicant fails to submit the required documents / clarifications within 30 days from the date of

communication received from SEBI. However, upon request of the Applicant, SEBI may grant an extension of up to 15 days to the applicant. In case the application is returned, the application fee paid will not be returned.

- 17.4. If required, SEBI may seek further clarification / information / documents from the applicant.

Note: This timeline is applicable only for applications submitted for new registration.

18. How much time does it take to receive certificate of registration once an application has been made?

SEBI follows a transparent procedure for granting registration. By and large, application shall be processed/ clarifications may be sought within a period of 30 days. Once the requirements are complied with, Certificate of Registration is issued.

19. Where can I see the status of my application?

Applicant can check the status of its registration application post login on SI Portal or on SEBI website (www.sebi.gov.in) under the head 'Home > Intermediaries > Processing Application Status', which is updated on monthly basis.

20. Post successful submission of application or replying to queries, the status of the application shows 'In-Progress'? What does it mean?

The status 'In-Progress' post submission of application or replying to queries means that the application has been successfully submitted and is under review of SEBI.

Other related FAQs

21. My current block is getting over in next month. When should I pay the renewal fee?

Renewal fee (valid for a block of 3 years) along with GST is to be paid directly through SEBI Intermediary (SI) portal, prior to at least 30 days from the expiry of existing block.

22. Is a Merchant Banker required to take SEBI's prior approval for change in control?

Yes. As per regulation 9A registrations granted under regulation 8 & regulation 8A of SEBI (Merchant Bankers) Regulations, 1992 shall be subject to the condition that where the merchant banker proposes change in control, it shall obtain prior approval of SEBI for continuing to act as such after the change.

23. The prior approval granted by SEBI is valid for how many days?

As per SEBI circular CIR/MIRSD/14/2011 dated August 02, 2011, the prior approval granted by SEBI shall be valid for a period of 180 days from the date of communication.

24. Is a Merchant Banker required to obtain fresh registration after change in control?

Yes. As per regulation 9A of SEBI (Merchant Bankers) Regulations, 1992, change in control shall affect the obligation to obtain a fresh registration under section 12 of the SEBI Act, 1992. Further, a Merchant Banker is required to obtain fresh certificate of registration within a period of six months.

25. Is a Merchant Banker required to submit a periodic report to SEBI?

Yes. Merchant Banker shall submit half yearly report and other reports as may be prescribed by the Board from time to time on SI portal.

Disclaimer:

- **This document is strictly meant for the purpose of provide guidance to applicants regarding the process of application for registration as Merchant Banker. This document only contains broad guidelines and the same may change / may get updated from time to time.**
- **This document should not be construed as legal document. Applicant are advised to refer to relevant provisions of SEBI (Merchant Bankers) Regulations, 1992 and relevant circulars issued by SEBI.**

List of required documents

1. Form A
2. Certificate of Incorporation (COI)
3. Memorandum of Association (MOA) and Article of Association (AOA) of the Applicant
4. Details of Directors / Promoters & shareholding pattern of the applicant and indicate with whom the controlling interest lies.
5. Details of Key Managerial Personnel (KMP)
6. Documents in respect of KMPs and Compliance officer
7. Certified true copy of PAN of Applicant and its constituents
8. Certified true copy of Resolution of the Board for the appointment of Compliance Officer/ Directors
9. NISM certifications
10. Details of infrastructure facilities
11. Details of office premises
12. Brief write up on the following:
 - 12.1. Mandate acceptance criteria
 - 12.2. Investor complaints redressal mechanism
 - 12.3. Employees' investment policies
 - 12.4. Code of ethics
 - 12.5. Data backup, storage and security
 - 12.6. Chinese wall in relation to the business activities employed by the applicant company, if any.
13. Designated email ID for investor complaints
14. Designated email ID for regulatory communication.
15. Details regarding registration as NBFC
16. Financial Accounts of the applicant
17. Net worth certificate
18. Report from principal bankers

19. Details of Principal Officer in terms of Regulation 2(d) of SEBI (Merchant Bankers) Regulations 1992
20. Details of Contact Person in terms AML Guidelines
21. Details of associated registered intermediaries
22. Conduct certificate from stock exchange (in cases where applicant is also a registered stock broker)
23. Indicate any adverse comments received from SEBI regarding the business carried out by the applicant company as Merchant Bankers during the last three years (For cases where application is being submitted post 'change in control')
24. Details of enforcement actions, if any, against the applicant company/ associate company.
25. Details of any corrective steps taken by the applicant pursuant to the disciplinary proceedings initiated by SEBI, if any.
26. Details of registration of applicant with other regulators
27. Website details of the applicant
28. Undertakings
29. Undertaking pertaining to being 'fit and proper person'
30. Declaration by at least two directors (signed and stamped on the letter head of the company)

- **This document provides a detailed guide on how to submit the aforementioned documents.** Applicant is advised to read the instructions/details mentioned in the SI Portal Application and this document before submitting the details.
- Applicant is also advised to note that furnishing of incomplete information would delay the processing of the application. Hence it would be in the interest of applicant to ensure that details are given as per the requirements.
- Applicant should ensure that every page of the document submitted is properly stamped and signed by the authorised signatories.

Details / documents to be submitted as per the list mentioned above

1. Form A

Submit duly filled Form A and documents indicated therein, signed by at least two directors and bearing the stamp of applicant (on all pages)

2. Certificate of Incorporation

Submit copy of Certificate of Incorporation (COI) of the entity issued by MCA. Also, if there was any change in name in the past, intimation form submitted to ROC along with new Certificate of Incorporation need to be submitted.

3. Memorandum of Association (MOA) and Article of Association (AOA) of the Applicant

Ensure and furnish reference of object clause of Memorandum of Association and Article of Association of the company which permits the activities specified in SEBI (Merchant bankers) Rules and Regulations.

4. Details of Directors / Promoters & shareholding pattern of the applicant and indicate with whom the controlling interest lies

Name of the Director / Promoter	PAN	DIN (Director Identification Number), if applicable	Percentage (%) shareholding in Applicant company	Promoter / Director in any other Company	Percentage (%) shareholding in other companies

If any of the Directors / Employees of the Applicant, its subsidiary/ associate/ group company under the same management, are members of recognised stock exchanges / depositories, details of the membership may be given as under:

Type of Intermediary (Stock broker / Depository participant)	Registration number	Name of Stock Exchange / Depository	Details regarding payment of fees to SEBI	Conduct Certificate from Stock Exchanges / Depositories	Whether the member is facing any charges / disciplinary action or if in past any such action was taken by the Stock Exchange / Depository

5. Details of Key Managerial Personnel

- 5.1. Provide the organisational chart of Merchant Banking Division EXCLUSIVELY giving different levels (names and designations) indicating the number of people employed, for all the offices where the Merchant Banking activities shall be carried out.
- 5.2. Merchant Banking/ Issue Management experience and experience in other areas of security market of each of the key managerial personnel (whole-time-directors/ permanent employees) may be given as under:

Name of the personnel, qualification and designation	Area of work	Number of years of experience in Merchant Banking activities	Nature of work	Name of the organisation where worked.

- 5.3. Provide a declaration from the HR department of the applicant company that the personnel mentioned above are currently employed with the organisation.
- 5.4. Also submit an undertaking by the Key Managerial Personnel concerned that the details provided by them are true to the best of their knowledge & belief.

6. Documents in respect of KMPs and Compliance officer

Following documents in respect of KMPs and Compliance officer are to be submitted.

- 6.1. Resume, Appointment letter, Qualification certificate, Experience certificate, latest salary slips, PAN copy
- 6.2. Declaration from HRD of the applicant company that the personnel mentioned are currently employed with the organisation
- 6.3. An undertaking by the KMP / Compliance officer of the applicant company that the details provided by them in application form are true to the best of their knowledge and belief.

7. Certified true copy of PAN of Applicant and its constituents

Submit certified true copies of PAN card of Applicant, Directors, Promoters, KMPs, Compliance officer, and Principal officer.

8. **Certified True Copy of Resolution of the Applicant's Board for the appointment of Compliance Officer / Directors** to be submitted.

9. NISM certifications

Compliance with Notifications under Regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007: (Copy of NISM certificate also need to be submitted)

- 9.1. Confirm, along with documentary evidence, compliance with SEBI notification No. LAD-NRO/GN/202-13/1103 dated March 11, 2013 which requires obtaining certification from the National Institute of Securities Markets (NISM) by passing the NISM Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination, in the following format:

S. No	Name of the employee *	Designation	Email ID	Mobile no.	Date of passing NISM Series-III A: Securities Intermediaries	Remarks

*** One of the employees should be the Compliance officer.**

- 9.2. Confirm, along with documentary evidence, compliance with SEBI notification No. LAD-NRO/GN/2013-14/6319 dated August 2, 2013 which requires obtaining certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-IX: Merchant Banking Certification Examination, by minimum two KMPs, in the following format.

S. No	Name of the employee	Designation	Email ID	Mobile no.	Date of passing NISM Series-IX: Merchant Banking	Remarks

- 9.3. If the above is not complied as on date, provide an undertaking to that the same will be submitted within one year from the date of grant of registration.

10. Details of infrastructure facilities

Quantitative details with regard to establishment available as on date EXCLUSIVELY for carrying on Merchant Banking activities should be provided as given below, for all the offices where the Merchant Banking activities shall be carried out:

10.1. Office space (in square ft.)

10.2. Communication facilities available.

10.3. Systems support available (both hardware and software)

- 10.4. If any of the above is rented/ shared/ provided free of cost, forward a copy of the agreement. Confirm whether it is owned by you. Forward copy of relevant documentary evidence along with an additional address proof (electricity bill, telephone bill etc.)
- 10.5. Details of insurance policy taken covering various types of risks (e.g.: property, furniture and fixtures, IT hardware, cyber insurance, etc.)

11. Details of office premises

Status of the premises occupied by the applicant company from where MB activities are to be conducted (owned by it or taken on lease) and certified true copies of the documentary evidence thereof. (lease agreement/ sale agreement). In addition to that, one more proof of address (Electricity bill, telephone bill etc.) shall also be provided.

12. Brief write up on the following:

- 12.1. Mandate acceptance criteria,
- 12.2. Investor complaints redressal mechanism,
- 12.3. Employees' investment policies,
- 12.4. Code of ethics,
- 12.5. Data backup, storage and security,
- 12.6. Chinese wall in relation to the business activities employed by the applicant company.

13. Designated email ID for Investor complaints

Confirm compliance with SEBI circular dated January 22, 2007, which requires every merchant banker to designate an e-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors.

14. Designated email ID for regulatory communication

Confirm compliance with SEBI circular dated July 7, 2008, which requires every merchant banker to designate an email ID for regulatory communications. This email-id shall be an exclusive email id only for the above purpose and should not be a person centric email id.

15. Details regarding registration as NBFC

State whether your company is registered as Non-Banking Finance company with RBI. If yes, give the following details:

- 15.1. Place where it is registered
- 15.2. Registration number

15.3. Details about any action/ adverse comments of RBI in the last three Financial Years.

15.4. And also submit an undertaking that you are not carrying on any activities other than that in the securities market.

16. Financial Accounts of the Applicant

Copy of Audited annual accounts for the last 3 financial years and accounts for the ongoing financial year (including auditor's report, schedules and breakup of the investments, Loans & Advances) may be submitted.

17. Net worth certificate

Latest net worth certificate (in original) of the applicant company based on the audited financial statements, in accordance with the method of computation prescribed in Regulation 7 of SEBI (Merchant Bankers) Regulations, 1992, certified by the statutory auditors mentioned in your application. (Net worth mentioned in the certificate should not be more than 6 months old)

18. Report from Principal Banker

Request your principal bankers named in your application to send their comments, in the format given below, regarding the performance of your accounts with them in a sealed envelope directly to SEBI.

* Minimum details to be submitted is given in the Principal Banker Report Format enclosed as [Annexure-5](#).

19. Details of Principal Officer in terms of Regulation 2(d) of SEBI (Merchant Bankers) Regulations 1992

Name	
Designation	
PAN	
Qualification	
Date of Appointment	
% shareholding in the Applicant	
Correspondence Address	
Mobile	
E-mail	

20. Details of Contact Person in terms AML Guidelines

Details of Contact person under Anti Money Laundering (AML) Guidelines along with a copy of acknowledgment letter from FIU in this regard.

21. Details of Associated registered intermediaries

Whether the applicant and/ or any of its Director/ Employee / Subsidiary/ Associate/ Group company is registered with SEBI as any intermediary or any other regulatory body. Please provide the following information w.r.t. above

Name of the entity	Type of Intermediary	Registration Number and validity period	Relation with applicant	Details of Action taken in the past, if any	Registered With / as

22. Conduct certificate from Stock Exchange (in cases where applicant is also a registered stock broker)

22.1. If registered as a stock broker, should submit an undertaking regarding compliance with Rule 8(1)(f) of SCRR, 1957 and

22.2. Conduct certificate from the respective stock exchanges with respect to the applicant and/ or concerned associate entities and also

22.3. Confirm no fee is dues from the Applicant to SEBI.

23. Indicate any adverse comments received from SEBI regarding the business carried out by the applicant company as Merchant Bankers during the last three years. (For cases where application is being submitted post 'change in control')

24. Details of enforcement actions, if any, against the applicant company/ associate companies.

25. Details of any corrective steps taken by the applicant pursuant to the disciplinary proceedings initiated by SEBI, if any.

26. Details of registration of applicant with other regulators

27. Website details of the applicant

Details of the website maintained by the applicant pertaining to merchant banking activities along with its web link is to be given.

28. **Undertakings** (to submitted on the letter head of the company, with each page signed by all the directors, KMPs and compliance officer along with stamp of applicant company)

28.1. An undertaking as to whether as on date, any disciplinary proceedings including enquiry/ adjudication/ prosecution or any other action (suspension, debarment etc.)/ adverse comments (warning/ caution) is/ was, at any point of time, initiated/ pending against the applicant company/ group entities/ associate(s) and/ or any of the Directors/ key managerial personnel/ promoters of the applicant company, from SEBI or any other regulatory body, in India or abroad.

If so, details of the same may be furnished.

28.2. An undertaking as to whether any complaints/ litigations including investor grievances are pending against the applicant company and/ or any of the Directors/ key managerial personnel of the applicant company as on date.

If so, details of the same may be furnished.

28.3. An undertaking as to whether any person directly or indirectly connected with the applicant (as associate, subsidiary, inter-connected or group company of the applicant being a body corporate) has been refused registration by the SEBI under the SEBI Act, 1992.

28.4. An undertaking as to whether the applicant company has adequate Infrastructure like adequate office space, equipment, manpower and adequate investor grievance redressal system in place to effectively discharge its activity as Merchant Bankers.

28.5. An undertaking regarding the non-involvement of the applicant company in any activities other than that in the securities market.

28.6. An undertaking as to whether the director(s) or principal officer(s) is/are involved in any litigation connected with the securities market which has an adverse bearing on the business of the applicant company.

28.7. An undertaking as to whether the director(s) or principal officer(s) is/are at any time been convicted for any offence involving moral turpitude or has been found guilty of any economic offence.

28.8. An undertaking as to whether any of the directors of the applicant company, is/ was, at any point of time, broker/ sub broker of any recognized stock exchange.

If so, details of the same may be furnished.

28.9. An undertaking as to whether the applicant company is registered with RBI in the capacity of NBFC/ Primary Dealer/Satellite Dealer.

28.10. An undertaking as to whether there are any instances of violation or non-adherence to any securities market related regulations by the applicant or its

associate(s)/ group companies in India or abroad and any action has been taken by a regulatory agency in this regard.

If yes, the applicant may be advised to provide the following additional information:

28.10.1. Top 10 monetary penalties in case of foreign entities and all monetary penalties in case of Indian entities, imposed against the applicant or any associate of the applicant (for irregularities/ violations in the financial services sector or for defaults in respect of shareholders/ debenture holders and depositors, by any financial regulatory body or government authority or settlement arrived with any financial regulatory body during the last five years and details thereof). Penalties awarded for economic offences may be disclosed only in case of the applicant.

28.10.2. Details of all cases of suspensions and cancellation of certificate of registration (for irregularities/ violations in financial services sector or for defaults in respect of shareholders, debenture holders and depositors) of the applicant or any associate of the applicant shall be disclosed for the last 10 years. (All disclosures on penalties and action taken as per (a) and (b) above against foreign entities may be limited to the jurisdiction of the country where the principal activities (in terms of income/ revenue) of the applicant/ associate companies are carried out or where the headquarters is situated.)

28.11. An undertaking as to whether any type of fee is due from the applicant/ associates to SEBI.

If so, details of the same may be furnished.

- **Format for the above undertakings is given in [Annexure 1](#)**
- ***If any of the above undertakings is not applicable, the applicant may mention the specific instance/s at the relevant para and a letter explaining such instance/s in detail may be given as an annexure to the letter of undertaking.***

For example, if there is any complaint pending the applicant, the applicant may mention it at para 28.2 as:

"We hereby declare and undertake that there is a complaint pending against the applicant, details of which are given in the annexure"

(and an annexure containing details follows.)

29. **Declaration by at least two directors (signed and stamped on the letter head of the company)**

"We hereby declare and undertake that:

- 29.1. The applicant company, its group companies, its promoter/s, director/s, partner/s or employee/s was/ were/ has not at any time been convicted by court for any offence involving moral turpitude or fraud or has been found guilty of any economic offence and sentenced in respect thereof to imprisonment for a period not less than six months.
- 29.2. The applicant company its promoter/s, director/s, partner/s or employee/s, or its group companies, are not involved in any litigation connected with the securities market and there are no charges against them as on date.
- 29.3. The applicant, its director/s, partner/s and/ or its group companies are not facing any charges/ disciplinary action from any stock exchange.
- 29.4. The applicant company, its associate/s, its director/s, partner/s or principal officer is not involved in the securities scam and are not named in the Janakiraman Committee Report/ J P C Report. (If involved, detailed comments may be forwarded).
- 29.5. All investments indicated in the certified annual accounts are held in the name of the company only.
If not, details of such holdings may be forwarded.
- 29.6. None of the promoter/s, director/s of the applicant or its group companies is/was associated with a Merchant Banker registered with SEBI.
If yes, state whether the certificate of registration of that Merchant Banker was suspended or cancelled.
- 29.7. None of the promoter/s and/ or director/s was associated with an applicant whose application for Merchant Banking certificate was rejected by SEBI.
- 29.8. No winding up orders have been passed against the applicant.
- 29.9. No orders under the Insolvency Act have been passed against the applicant or any of its director/s or person/s in management in the past five years.
- 29.10. No order suspending or debarring the applicant from carrying on activities in the financial sector has been passed by any regulatory authority.
- 29.11. No order, withdrawing or refusing to grant any licence/ approval to the applicant which has a bearing on the capital market has been passed by any regulatory authority in the past five years.

- **Format for the above declarations is given in [Annexure 3](#)**
- ***If any of the above declarations is not applicable, the applicant may mention the specific instance/s at the relevant para and a letter explaining such instance/s in detail may be given as an annexure to the letter of declaration.***

For example, if the applicant is facing any charges from any of the stock exchange, the applicant may mention it at para 29.3 as:

“We hereby declare and undertake that the company is facing certain charges from a stock exchange, details of which are given in the annexure.”

(and an annexure containing details follows.)

30. **Fit and Proper Undertaking** (Addressed to SEBI duly stamped and signed by the authorised signatories on the letter head of the applicant)

- **Format for the Fit and Proper undertakings is given in Annexure 4**

ANNEXURE-1

Date:

To

Securities and Exchange Board of India

Plot no. C4-A, 'G' Block

Bandra Kurla Complex, Bandra (east)

Mumbai

Maharashtra

400051

Sub: Undertaking

1. We hereby declare and undertake that no enquiry/ adjudication/ prosecution or any other action (suspension, debarment etc.)/ adverse comments (warning/ caution) is/ was, at any point of time, initiated/ pending against the applicant company/ group entities/ associate(s) and/ or any of the Directors/ key personnel/ promoters of the applicant company, from SEBI or any other regulatory body, in India or abroad.
2. We hereby declare and undertake that no compliant/ litigation including investor grievances is pending against the applicant company and/ or any of the directors/ key personnel of the applicant company as on date.
3. We hereby declare and undertake that no person directly or indirectly connected with the applicant (as associate, subsidiary, inter-connected or group company of the applicant being a body corporate) has been refused registration by the SEBI under SEBI Act, 1992.
4. We hereby declare and undertake that no fees are due from the applicant/ associates to SEBI.
5. We hereby declare and undertake that the applicant company has adequate infrastructure like office space, equipment, manpower and investor grievance redressal system in place to effectively discharge its activity as Merchant Bankers/ Bankers to an Issue.
6. We hereby declare and undertake that the applicant company is not involved in any activities other than that in the securities market.
7. We hereby declare and undertake that none of the directors/ principal officer is/ are involved in any litigation connected with the securities market which has an adverse bearing on the business of the company.
8. We hereby declare and undertake that no director(s) or principal officer(s) has at any time been convicted for any offence involving moral turpitude or has been found guilty of any economic offence.

ANNEXURE-1

9. We hereby declare and undertake that none of the directors of the applicant company is/ was, at any point of time, broker/ sub broker of any recognized stock exchange.
10. We hereby declare and undertake that the applicant company is not registered with RBI in the capacity of NBFC/ Primary Dealer/ Satellite Dealer.
11. We hereby declare and undertake that there have been no instances of violation or non-adherence to any securities market related regulations by the applicant or its associate(s)/ group companies in India or abroad and any action has been taken by a regulatory agency in this regard.

For and on behalf of _____

ANNEXURE-2

Date:

To

Securities and Exchange Board of India

Plot no. C4-A, 'G' Block

Bandra Kurla Complex, Bandra (east)

Mumbai

Maharashtra

400051

Sub: Declaration

1. 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.
2. 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.
3. I /We understand that misleading or attempting to mislead the Board shall render the applicant liable to disciplinary proceedings.
4. I/We certify that the above information and information supplied in the application form is true, complete and correct.

For and on behalf of _____

ANNEXURE-3

Date:

To

Securities and Exchange Board of India

Plot no. C4-A, 'G' Block

Bandra Kurla Complex, Bandra (east)

Mumbai

Maharashtra

400051

Sub: Declaration

1. We hereby declare and undertake that the applicant company, its group companies, its promoter/s, director/s, partner/s or employee/s was/ were/ has not at any time been convicted by court for any offence involving moral turpitude or fraud or has been found guilty of any economic offence and sentenced in respect thereof to imprisonment for a period not less than six months.
2. We hereby declare and undertake that the applicant company its promoter/s, director/s, partner/s or employee/s, or its group companies, are not involved in any litigation connected with the securities market and there are no charges against them as on date.
3. We hereby declare and undertake that the applicant, its director/s, partner/s and/ or its group companies are not facing any charges/ disciplinary action from any stock exchange.
4. We hereby declare and undertake that the applicant company, its associate/s, its director/s, partner/s or principal officer is not involved in the securities scam and are not named in the Janakiraman Committee Report/ J P C Report.
5. We hereby declare and undertake that all the investments indicated in the certified annual accounts are held in the name of the company only.
6. We hereby declare and undertake that the none of the promoter/s, director/s of the applicant or its group companies is/ was associated with a Merchant Banker registered with SEBI.
7. We hereby declare and undertake that the none of the promoter/s and/ or director/s was/ is associated with an applicant whose application for Merchant Banking certificate was rejected by SEBI.
8. We hereby declare and undertake that the no winding up orders have been passed against the applicant company.

ANNEXURE-3

9. We hereby declare and undertake that no orders under the Insolvency Act have been passed against the applicant or any of its director/s or person/s in management in the past five years.
10. We hereby declare and undertake that no order suspending or debarring the applicant from carrying on activities in the financial sector has been passed by any regulatory authority.
11. We hereby declare and undertake that no order, withdrawing or refusing to grant any licence/ approval to the applicant which has a bearing on the capital market has been passed by any regulatory authority in the past five years.

For and on behalf of _____

ANNEXURE-4

Date:

To

Securities and Exchange Board of India

Plot no. C4-A, 'G' Block

Bandra Kurla Complex, Bandra (east)

Mumbai

Maharashtra

400051

Sub: Declaration with respect to fit and proper criteria

We hereby declare and undertake that:

1. The applicant and following persons as referred in Clause 2 of Schedule II of SEBI (Intermediaries) Regulations, 2008 are fit and proper person as per requirement laid in the aforesaid schedule:
 - (a) The applicant;
 - (b) The principal officer, the directors or managing partners, the compliance officer and the key management persons of the applicant by whatever name called; and
 - (c) The promoters or persons holding controlling interest or persons exercising control over the applicant, directly or indirectly:

(Provided that in case of an unlisted applicant or intermediary, any person holding twenty percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfil the 'fit and proper person' criteria)

Explanation– For the purpose of this sub-clause, the expressions “controlling interest” and “control” in case of an applicant or intermediary, shall be construed with reference to the respective regulations applicable to the applicant or intermediary.
2. The applicant and persons referred in point 1 above bear integrity, honesty, ethical behaviour, reputation, fairness and character of the person;
3. The applicant and persons referred in point 1 above are not incurring following disqualifications mentioned in Clause 3(b) of Schedule II of SEBI (Intermediaries) Regulations, 2008:
 - (i) criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending;
 - (ii) charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending;

ANNEXURE-4

- (iii) an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force;
 - (iv) recovery proceedings have been initiated by the Board against such person and are pending;
 - (v) an order of conviction has been passed against such person by a court for any offence involving moral turpitude;
 - (vi) any winding up proceedings have been initiated or an order for winding up has been passed against such person;
 - (vii) such person has been declared insolvent and not discharged;
 - (viii) such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
 - (ix) such person has been categorized as a wilful defaulter;
 - (x) such person has been declared a fugitive economic offender
4. The applicant or any other person mentioned in point 1 above have not been declared as not 'fit and proper person' by an order of the Board.
5. No notice to show cause has been issued for proceedings under SEBI(Intermediaries) Regulations, 2008 or under section 11(4) or section 11B of the SEBI Act during last one year against the applicant or any other persons referred in point 1 above.
6. There is no adverse finding against applicant, its promoters, directors, Principal Officer, Compliance Officer and KMPs as per following database:
- a. RBI CIBIL database for suit filed accounts – Wilful Defaulters Rs 25 Lakh & above
 - b. RBI CIBIL database for suit filed accounts -- Defaulters Rs. 1 Crore & above
 - c. IOSCO Investor Alert Portal Database.
 - d. United Nation Sanction List
 - e. SEBI Prosecution database available on SEBI website for Prosecution cases launched for violation w.r.t. Collective Investment Schemes cases and other than Collective Investment Schemes cases.
 - f. SEBI debarred entities
 - g. Vanishing Companies database as available on MCA website
7. No proceeding has been initiated against Applicant and its promoters/ directors/ KMPs/ Principal Officer/ Compliance Officer for declaring them wilful defaulter.
8. No enquiry/ adjudication/ prosecution or any other action (suspension, debarment etc.)/ adverse comments (warning/ caution) is/ was, at any point of time, initiated/ pending against the applicant company/ group entities/ associate(s) and/ or any of the Directors/ key personnel/ promoters of the applicant company, from SEBI or any other regulatory body, in India or abroad.

For and on behalf of _____

ANNEXURE-5

Principal Banker Report

Date:

To

Securities and Exchange Board of India

Plot no. C4-A, 'G' Block

Bandra Kurla Complex, Bandra (east)

Mumbai

Maharashtra

400051

This is to certify that <**Applicant name**> having its registered office at <**Applicant's registered officer address**> is maintaining an account with us since <**Date of account opened**> with satisfactory track record. Details of the account are given as under:

Sl. No.	Particulars	Comments of the Bank
1.	Bank Name	
2.	Branch address (of the Bank)	
3.	Country (of the Bank)	
4.	Account holder name as per Bank records	
5.	Account number	
6.	IFSC	
7.	Constitution of account	Individual/Partnership/Private Ltd/ Public Ltd/others If Others, specify _____
8.	Account type	
9.	Authorised signatories (of the account)	
10.	PAN of account holder	

ANNEXURE-5

11.	Instances of Suspicious transactions in the account, if any	
12.	Instances of money laundering activities through the account, if any	
13.	Any other observations found in initial/ credit assessment of the account holder done by the bank	
14.	Any other details	

Bank's Authorised signatory

Name of the Bank officer:

Designation:

Employee number:

Bank Seal _____