**SEBI'S Model Underwriting Agreement**

To,

The Board of Directors..................Ltd

.................................................

.................................................

Dear sir,

Re: Forthcoming public issue of shares/debentures of Rs..... each for cash as part/premium aggregating to Rs...... (Public issue)

1.     We hereby record that we (hereinafter referred to as the underwriter) have agreed to underwrite/procure subscription to shares/debentures of Rs...... each for cash at par/premium aggregating to Rs..... (Rupees.... only) (hereinafter referred to as the underwriting obligation) for the captioned public issue by.... Ltd. (hereinafter referred to as "the Company" on the following terms and conditions.

2.     Opening of the subscription list: The subscription list for the public issue shall open not later than three months from the date of this agreement or such extended period(s) as the underwriter may agree to in writing. The subscription list shall, unless the issue is fully subscribed, be kept open by the company for a maximum period of 10 calendar days failing which the underwriter shall not be bound to discharge the underwriting obligations under this agreement.

3.     To make available final copy of the prospectus: The company shall before delivering to the Registrar of Companies (hereinafter referred to as "ROC") make available to the underwriter a copy of the prospectus, which shall be as modified in the light of the observations made by SEBI while issuing the acknowledgment card. The underwriter shall before executing this agreement satisfy himself with the terms of the issue and other information and disclosures contained therein.

4.     Delivery of prospectus to the Registrar of Companies: The prospectus in respect of the public issue shall be delivered by the company to the ROC for registration in accordance with the provisions of the Companies Act, 1956 not later that 30 days from the date of this Agreement or such extended period(s) as the under writer may approve in writing, the time being the essence of this Agreement.

5.     Material disclosures after filing of prospectus: The company agrees that, if after filing of the prospectus with the ROC any additional disclosures are required to be made in the interest of the investors in regard to any matter relevant to the issue, the company shall with such requirements as may be stipulated by SEBI or the lead manager and compliance of such requirements shall be binding on the underwriter; provided that such disclosures shall not give a right to the underwriter to avoid underwriting obligations unless such subsequent disclosures are certified by SEBI as being material in nature and essential for the contract of underwriting; the question whether or not such subsequent disclosures are material in nature, the decision of SEBI shall be final and binding on both the parties.

6.     Making available copies of prospectus and application form, etc. The company shall make available to the underwriter a minimum of...... (No. of application forms forming part of abridged prospectus) and....... (number of copies of the prospectus) for every lakh of ruppes of underwriting accepted by the underwriter. If the underwriter desires to have more application forms and prospectus than specified he must state his requirements which would then be considered as condition for acceptance of this underwriting Agreement. Thereafter, it is responsibility of the company to deliver to the underwriter the accepted quantity of application forms and prospectus as soon as the prospectus is filed with the ROC but in any case not later than 21 days prior to the date of opening of the public issue, proof of which, should be retained by the company.

7.     Warranty as to statutory and other approvals. The company warrants that all consents, sanctions, clearances, approvals, permissions, licences, etc., in connection with the public issue as detailed in the prospectus or required for completing the prospectus have been obtained or will be obtained and the same shall remain effective and in force until the allotment of all the shares/debentures are completed.

8.     Sub-underwriting arrangements: The underwriter shall be entitled to arrange for sub-underwriting of its underwriting obligation on his own account with any person or persons on terms to be agreed upon between them. Notwithstanding such arrangement, the underwriter shall be primarily responsible for sub-underwriting and any failure or default on the part of the sub-underwriters to discharge their respective sub-underwriting obligations, shall not exempt or discharge the underwriter of his underwriting obligation under this agreement.

9.     Treatment of applications made with underwriters/sub-underwriters stamp for the purpose of allotment. The application bearing the stamp of the underwriter or as the case may be the sub-underwriter whether made on their own behalf or otherwise shall be treated in the same manner as the applications received directly from the members of the public and, in the event of the issue being oversubscribed, such applications shall be treated on par with those received from the public and under no circumstances, the applications bearing the stamp of the underwriter or the sub-underwriter shall be given any preference or priority in the matter of allotment of shares/debentures.

10.  Computation of underwriter's obligation:

1.     If the issue is undersubscribed, the underwriting obligation, shall be determined in the manner set out hereunder; provided that under no circumstances, the underwriter's obligation to subscribe/procure subscription to shares/ debentures shall exceed the amount mentioned in clause 1 above.

2.     The following applications for shares/debentures shall be treated pro tanto in or towards satisfaction of the underwriter's obligations under this Agreement, namely -

a.     applications which have been accepted excluding those withdrawn before allotment; and

b.    applications received from the underwriter or any of his sub-underwriters including those applications which bear the stamp of the underwriter or any of the sub-underwriters,

3.     After making adjustments as provided in sub-clause (2) above the underwriting obligation of the underwriter and other underwriters shall be, subject to following further adjustments.

a.     The application received from the public independently i.e. those applications not covered under sub-clause (2) above shall be apportioned amongst all the underwriters. Where underwriting obligations have not. been fully satisfied after adjustments under sub-clause (2) above in proportion to their respective underwriting obligations and to that extent their respective underwriting obligation shall stand reduced.

b.    If, after the adjustments made under sub-clauses (2) and (3)(a) above, it is found that the shares/debentures available for adjustment are in excess of the shares/debentures required to be subscribed in fulfillment of the underwriting obligations of one or more individual underwriters, then such excess amount required to meet the underwriting obligations of any underwriter shall be further apportioned amongst such other underwriters, whose underwriting obligations have not been fully discharged, in proportion to their respective underwriting obligations.

11.  Procedure for effecting/discharge of underwriting obligations: The underwriting obligations as determined under clause 10 shall be discharged in the manner mentioned below:

a.     the company shall within 30 days after the date of closure of subscription list communicate in writing to the underwriter, the total number of shares/debentures remaining unsubscribed, the number of shares/debentures required to be taken up by the underwriter or subscription to be procured therefor by the underwriter.

b.    (b)the company shall make available to the underwriter, the manner of computation of underwriting obligation and also furnish a certificate in support of such computation from the company's auditors.

c.     the underwriter on being satisfied about the extent of devolvement of the underwriting obligation, shall immediately and in any case not later than 30 days after receipt of the communication under sub-clause (a) above, make or procure the applications to subscribe to the shares/debentures and submit the same together with the application moneys to the company.

d.    in the event of failure of the underwriter to make the application to subscribe to the shares as required under clause (c) above, the company shall be free to make arrangements(s) with one or more persons to subscribe to such shares without prejudice to the rights of the company to take such measures and proceedings as may be available to it against the underwriter including the right to claim damages for any loss suffered by the company by reason of failure on the part of the underwriter to subscribe to the shares as aforesaid.

Note - The Company is free to quantify the damages being a multiple of the value of the shares/debentures not subscribed by the underwriter.

12.  Right to receive underwriting commission/brokerage. Subject to the underwriter fulfilling his underrating obligations, he shall be entitled to receive commission in respect of the underwriting obligation undertaken by him and brokerage in respect of the shares/debentures procured by him at the rates set out in clause 13 hereunder. The underwriting commission shall be payable only if his underwriting commitment is fully subscribed.

13.  Underwriting commission: (1) In consideration of the underwriter agreeing to underwrite the shares/debentures as mentioned in clause 1 above, the company shall pay to the underwriter a commission at the following rates;

Note:

1.     The rates as mutually negotiated between the company and the underwriter may be inserted. Needless to say that the rates so agreed upon shall be subject to the provisions of section 76 of the Companies Act, 1956.

2.     (2) The underwriting commission shall be payable by the company within 15 days from the date of finalisation of allotment and proof of such payment within the specified time should be available with the company. The obligation to pay underwriting commission shall arise only upon the underwriter fulfilling his underwriting obligation and duly subscribing to the shares/debentures, if any devolved on him.

14.  Obligations of the company

1.     The company shall immediately after the closure of the subscription list, take expeditious steps for processing the applications and complete the allotment within the time limit prescribed under the Companies Act, 1956 and also comply with other listing requirements.

2.     If the company fails to receive 90% of the issue amount including the amount received from the underwriters towards devolvement, within 60 days from the date of closure of subscription list, the company shall refund the amount paid by the underwriter in fulfilment of his underwriting obligations. The obligation to refund the moneys shall be without prejudice to the disputes if any in regard to the underwriting obligation to the underwriter.

15.  Time is the essence of the agreement: All obligations of the company and the underwriter, are subject to the condition that time wherever stipulated, shall be of the essence of the agreement. Consequently any failure on the part of the company or the underwriter to adhere to the time limits shall unless otherwise agreed to between the company and the underwriter, discharge the underwriter or company of his/their obligations under the underwriting agreement.

16.  Right of termination under special circumstances. Notwithstanding anything contained herein, the underwriter shall have the option to be exercised by him at any time prior to the opening of the issue as notified in the prospectus of terminating this agreement under any or all of the following circumstances -

                      i.                if any representations/statements made by the company to the underwriter and/or in the application forms, negotiations, correspondence, the prospectus or in this letter are or are found to be incorrect;

                     ii.                a complete breakdown or dislocation of business in the major financial markets, affecting the cities of Calcutta, Bombay, Madras or New Delhi;

                    iii.                declaration of war or occurrence of insurrection, civil commotion or any other serious or sustained financial, political or industrial emergency or disturbance affecting the major financial markets of Calcutta, Bombay, Madras or New Delhi.

17.  Notice of termination to the company: Notwithstanding anything contained in clause 16 above, in the event of the company failing to perform all or any of the covenants within time limits specified wherever applicable under this letter of underwriting, the underwriter shall inform the company with adequate documentary evidence of the breach/non-performance by Registered post/Speed post and acknowledgment obtained therefore, whereupon the underwriter shall be released from all or any of the obligations required to be performed by him.

18.  Net worth of the underwriter. The underwriter, hereby declares that he satisfies the net worth/capital adequacy requirements specified under the SEBI (Underwrites) Rules and Regulations, 1993 or the bye-laws of the stock exchange of which the underwriter is a member and that he is competent to undertake the underwriting obligations mentioned in clause 1 hereinabove.

19.  Registration with the SEBI: The underwriter hereby declares that SEBI has granted to him a certificate of registration to act as an underwriter in accordance with the SEBI (Underwriters) Rules and Regulations, 1993 or, he has applied for registration to SEBI within the time stipulated under sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 and is entitled to carry on the business as an underwriter under the SEBI Act.

20.  Reference to arbitration - Any dispute arising out of this agreement between the underwriter and the company shall be referred to the Arbitration Committee constituted by the Regional Stock Exchange in which the shares/debentures are to be listed and the decision of the Arbitration Committee shall be final and binding on both the parties.

Yours faithfully.

for..........

(Signature of the underwriter)

We, the company.................. Ltd. the above named do hereby accept your offer for undewriting on the above mentioned terms and conditions.

Authorised Signatory...............

For............... Ltd.

Designation..............

Authorised by a resolution passed at the meeting of the Board of Directors held on the....... day of.............. 19.....