**LETTER BY AN UNDERWRITER TO THE COMPANY FOR UNDERWRITING SHARES**

The Secretary,

A B Co. Ltd.,

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Dear Sirs,

**Sub: Underwriting of shares offered by A B Co Ltd for public subscription**

We understand that your company proposes to issue..........................equity shares of Rs …………….. Each and offer the same for public subscription at Rs . ……………..per share. We offer our services for underwriting these shares, provided that the shares are offered to the public in accordance with the conditions laid down in prospectus settled by you in consultation with us and the rate of our commission is disclosed therein.

2. We will put the application for allotment of such shares, which remain unsubscribed on the closing of the list under the prospectus, for subscription of those shares. If the shares offered for public subscription are subscribed by the public on or before the day of closing list, our liability will cease but if smaller number of such shares is so allotted, we will stand for the remaining shares and shares may be allotted on our application and we shall pay all application and allotment money in respect thereof in accordance with the prospectus.

3. We authorise you to put in an application for such of the shares as the company is authorised by para 2 above to allot to us on the Application Form and to appoint any person to sign such application on our behalf and to conclude an agreement for an allotment to us pursuant thereto.

4. You shall pay us commission at the rate of ……………..% in cash on the whole nominal value, within……………..days after the date of allotment of the shares. However, you may withhold the payment of commission, until the application and allotment money payable in respect of the shares allotted to us in accordance with our undertaking, is not paid by us.

5. Please intimate to us about the acceptance of our application at an early date.

 Yours faithfully,

 M/s…….……..

 Managing Partner