

## **SECURITIES AND EXCHANGE BOARD OF INDIA (DEBENTURE TRUSTEES) RULES, 1993**

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## **SECURITIES AND EXCHANGE BOARD OF INDIA (DEBENTURE TRUSTEES) 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 (Debenture Trustees) 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 ;
- (c) "certificate" means a certificate of registration granted or renewed by the Board 'under the regulations:
- (d) "debenture" means a debenture, as defined in clause (12) of Section 2 of the Companies Act, 1956 ;
- (e) "debenture trustee" means a trustee of a trust deed for securing any issue of debentures of a body corporate <sup>1</sup> [or any private placement of debentures made by a listed company, which

are proposed to be listed]:

(f) 'issue" means an offer of sale or purchase of securities by any body corporate or by any other person or group of persons on its 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;

(g) "regulations" means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

(h) 'rules" means the Securities and Exchange Board of India (Debenture Trustees) Rules, 1993;

(i) 'Trust deed" means a deed executed by the body corporate in favour of the trustees named therein for the benefit of the debenture holders.

1. in clause (e) of Rule 2, after the words "a body corporate;", the words "or any private placement of debentures made by a listed company, which are proposed to be listed;" shall be inserted, by the Exchange Board of India (Debenture Trustee) (Amendment) Rules, 2004.

### **3. Not to act as debenture trustee without obtaining certificate :-**

<sup>1</sup>[(1)] No person shall act as debenture trustee unless he holds a certificate granted by the Board under the regulations : Provided that such person, who was engaged as debenture trustee prior to the coming into force of the Act, may continue to act as debenture trustee if he has made an application for such registration under the proviso to sub-section ( I ) of section 12 of the Act till the disposal of such application.

<sup>1</sup> [(2) The Board shall, within three months of receipt of all the information for considering the application under sub-rule(l), take a decision thereon and send an intimation to the applicant.]

1. Inserted by the Securities and Exchange Board of India (Debenture Trustees) Amendment Rules, 1997. w.e.f. 16-9-1997.

### **4. Conditions of grant or renewal of certificate :-**

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

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

(b) he pays the amount of fees of registration or renewal, as the case may be, in the manner provided in the regulations:

(c) he shall abide by the rules and regulations;

(d) he shall take adequate steps for redressal of grievances of the investors within one month of the date of the receipt of the complaints and he shall keep the Board informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.

**5. Period of validity of the certificate :-**

The certificate 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 debenture trustee.