


MINIMUM FEE STRUCTURE

With reference to SEBI circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/68 dated 27th May 2019, in order to secure the interests of investors in listed debt securities and to ensure transparency and to enable Debenture Trustees (DTs) to perform their duties, Debenture Trustee is required to disclose on their websites, the minimum fee to be charged to the Issuer by the Debenture Trustee.

The pricing is calculated methodically by considering the amount of work for the debenture trustee activities and obligations with respect to Debenture Trustee Services. The activities are segregated as one-time activities and recurring activities.

The minimum fees structure for debenture trusteeship of listed debentures / bonds, w.e.f. 1st April, 2021

A. Non Public Sector Undertaking Issuers (Non PSU)

Issue Size (in Rs)	Initial Fee*		Annual Fee*	
	Secured	Unsecured	Secured	Unsecured
≤25 crs	Rs. 75,000	Rs. 60,000	Rs. 100,000	Rs. 100,000
>25 crs - ≤100 crs	Rs. 100,000	Rs. 75,000	Rs. 150,000	Rs. 100,000
> 100 crs - ≤ 1500 crs	0.01% of the issue size	0.005% of the issue size	0.015% of the issue size	0.0075% of the issue size
>1500 crs	Rs.15,00,000	Rs.750,000	Rs.22,50,000	Rs.11,25,000

B. Public Sector Undertaking Issuers (PSU)

Issue Size (in Rs)	Initial Fee*		Annual Fee*	
	Secured	Unsecured	Secured	Unsecured
≤ 500 crs	Rs. 75,000	Rs. 60,000	Rs. 1,15,000	Rs. 75,000
> 500 crs - ≤ 1500 crs	0.0075% of the issue size	0.0035% of the issue size	0.010% of the issue size	0.0055% of the issue size
> 1500 crs	Rs.11,00,000	Rs. 5,50,000	Rs.15,00,000	Rs.7,50,000

* Additional Fees over and above the minimum fees is charged in case of multiple securities or securities located across states, complex /structured covenant monitoring etc., Expenses relating to valuation, search, inspection, etc. arranged through external agencies shall be payable on actual basis over and above the aforementioned fees.



RATIONALE FOR FEE DETERMINATION FOR LISTED DEBT SECURITIES

The basis of determining the fees are derived from the increase in the roles and responsibilities of the Debenture Trustee falling the amendments in SEBI regulations relating to Debenture Trustee Regulations, SEBI ILDS Regulations (now SEBI NCS Regulations) and SEBI LODR Regulations respectively and the introduction of the DLT system and various other SEBI Circulars, guidelines issued from time to time. The Debenture Trustees are required to undertake independent due diligence of assets offered as security, periodic monitoring and compliance of security created or assets on which charges are created with covenants or terms of the issue of listed debt securities incorporated in the debenture trust deed.

Debenture Trustees mandated to carry out compliances viz, Annual compliances, Quarterly compliances, Monthly compliances and various other compliances with reference to SEBI Circulars, guidelines etc. Additionally, on the occurrence of default that may lead to enforcement cost and activities required to be perform by the Debenture Trustee to protect the interest of the investors. Further, ERP system is required to maintain to undertake periodic monitoring, issuance of reminders to the issuers, compliance of security created with covenants, independent assessment of assets and to provide trainings to the employees of the Debenture Trustees to operate ERP system effectively and efficiently.

The fee structures are based on the following factors:

- a. Coordination with the appointed advisors/professionals/agencies/consultants on a real time basis in connection with due diligence and periodical monitoring.
- b. Developing and upgrading the ERP system to record and facilitate in monitoring the breach in covenants, delay/default in payment/security creation; alerts to stock exchange, issuers, rating agencies etc.
- c. Upgrading the skill sets of the existing workforce and additional resources to discharge the increasing role, responsibilities, obligations of the Debenture Trustee by providing adequate trainings.
- d. Obtaining of required NOCs from existing charge holders.
- e. Cost and other expenses involved in case of defaults requiring prompt enforcement of security.