



Minimum Fee Structure for Debenture/Bonds Assignments

Listed / Secured			Listed / Unsecured		
Percentage for fee			Percentage for fee		
Issue Size (In Cr.)	% for Acceptance	% for Service	Issue Size (In Cr.)	% for Acceptance	% for Service
0-100	100000	100000	0-100	75000	75000
100-200	0.0150%	0.0150%	100-200	0.0100%	0.0100%
200-500	0.0100%	0.0100%	200-500	0.0075%	0.0100%
500 - 700	0.0060%	0.0060%	500 - 700	0.0040%	0.0040%
700 - 1000	0.0055%	0.0055%	700 - 1000	0.0035%	0.0035%
1000 -1500	0.0050%	0.0050%	1000 -1500	0.0030%	0.0030%
1500 and above	0.0040%	0.0040%	1500 and above	0.0025%	0.0040%

**The above-mentioned charges may vary depending on the tenure/ nature of security/ transaction structure etc. with prior approval of the Competent Authority*

Notes:

- a) The above schedule of fees will be with prospective effect.
- b) Applicable Taxes extra.
- c) Out of Pocket expenses will be charged on actual basis.
- d) 12% p.a. interest shall be charged for delayed payment over 3 months.
- e) Enforcement Charges: Will be levied separately
- f) The fees may vary subject to scope of work and internal policies of the Company.

Rationale for fee determination for Listed Debt Securities

It would be appreciated that the services rendered by Debenture Trustees are 'Professional Services' and would only partially reflect costs. The services provided are at the expense of Issuers but are for protecting the interests of Investors and at times, interests of Investors and Issuers may diverge. Further, instances of default have the potential to escalate cost significantly that would erode revenue from several issuances. Additionally, recently with SEBI circular dated November 3, 2020 and November 12, 2020, a manifold increase in the role and responsibility of the Debenture Trustee (DT) has been cast on Debenture Trustees. In terms of the amendments in SEBI regulations relating to Debenture Trustee Regulations, SEBI ILDS Regulations (now SEBI NCS Regulations 2021) and SEBI LODR Regulations, it would be imperative to review and upgrade infrastructure and ERP systems to undertake periodic monitoring and compliance of security created with covenants or terms of the issue of listed debt securities and organize independent assessment of assets offered as security.

The following factors are considered to meet the requirement of regulatory framework:

- a. Investment in Technology upgradation (ERP 2.0) an advanced and automated version for better management and monitoring of Debenture issuance, alerts and intimation for compliances under various regulations to Issuer companies, timely updates to various stake holders like Debenture Holders, Rating Agencies etc.
- b. Appointment of third party consultant's i.e. Legal Counsel, Chartered Accountants, Consultants, Valuers, etc. in order to conduct pre and post due diligence.
- c. Addition to work force and sustained skill updation of existing employees to meet the requirements of regulatory framework and conducting regular internal audits.
- d. Anticipation of additional activity expectations that may be introduced by SEBI, as may be assessed from discussion papers.
- e. The trend of increase in defaults requiring expeditious enforcement of collateral in debt securities and consequential expenses.

