

Minimum Fee Structure for listed debentures/bonds

In order to secure the interests of investors of listed debt securities, enhance transparency and to enable Debenture Trustees (DTs) to perform their duties effectively and promptly, SEBI vide its circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/68 dated 27th May 2019 directed DTs to disclose the nature of compensation arrangement with its clients on their websites, including the minimum fee to be charged (in absolute terms or as a percentage of the issue size) and factors determining the same.

The pricing is calculated objectively by considering various aspects like secured/unsecured debt securities, work hours spent for the activities, the obligations of Debenture Trustee etc. Activities are - one -time activities and recurring activities. Acceptance Fees is charged for undertaking due diligence and the Annual Fees for undertaking monitoring and recurring activities including regulatory reporting and obligations of DT on a periodic basis during the tenor of the transaction.

The minimum fees structure for debenture trusteeship of listed debentures / bonds, w.e.f. October 19, 2022 is as under:

For NON PSU Issuers							
Nature	Issue Size (Rs. In Crore)	Acceptance Fees (Rs.)	Annual Fee (Rs.)	Nature	Issue Size (Rs. In Crore)	Acceptance Fees (Rs.)	Annual Fee (Rs.)
Secured Listed (Private placement and Public Issues)	Upto 25	50,000	65,000	Un-secured Listed (Private placement and Public Issues)	Upto 25	33,000	60,000
	25-100	60,000	85,000		25-100	43,000	55,000
	100-1500	0.007%	0.009%		100-1500	0.004%	0.0045%
	Above 1500	9,00,000	12,50,000		Above 1500	4,25,000	6,00,000
For PSU Issuers							
Nature	Issue Size (Rs. In Crore)	Acceptance Fees (Rs.)	Annual Fee (Rs.)	Nature	Issue Size (Rs. In Crore)	Acceptance Fees (Rs.)	Annual Fee (Rs.)
Secured Listed (Private placement and Public Issues)	Upto 500	45,000	58,500	Un-secured Listed (Private placement and Public Issues)	Upto 500	29,700	54,000
	500-1500	0.0042%	0.0054%		500-1500	0.0024%	0.0027%
	Above 1500	5,40,000	7,50,000		Above 1500	2,55,000	3,60,000

Separate enforcement fee shall be charged in case of default/enforcement of security and shall be decided on a case-to-case basis. The above minimum fee structure is generic and the fees chargeable for a specific transaction/issuer and the terms and conditions thereof may vary subject to various issuance parameters like tenor, rating, complexity of transaction, security, etc. In case of multiple securities or securities located across states, complex /structured covenant monitoring etc., additional fee would be levied. Expenses relating to valuation, search, inspection, etc. arranged through external agencies shall be payable on actual basis over and above the afore mentioned fees. The above schedule of fees will be excluding applicable taxes and out of pocket expenses. The above indicative minimum fees may vary in case of PSU issuers The above fee is subject to review from time to time.

MITCON Credentia Trusteeship Services Limited (MCTSL)

Formerly known as MITCON Trusteeship Services Limited | A subsidiary of MITCON Consultancy & Engineering Services Limited | CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | +91-22-22828200/ 240 | contact@mitconcredentia.in

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RATIONALE FOR FEE DETERMINATION

The fees are determined on the basis of factors as stated above and the activities and responsibility of the Debenture Trustee in terms of applicable SEBI regulations including but not limited to Debenture Trustee Regulations, SEBI NCS Regulations and SEBI LODR Regulations and various guidelines and circulars issued from time to time especially Circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 as also the risk associated with cost and activities that are required to be performed in case of defaults, if any, by the DT. While determining the fees, following factors are considered:

- a. Coordination with third-party consultants like lawyer, company secretary, valuer etc. and the issuer entities for carrying out due diligence and monitoring
- b. Obtaining and reviewing and/or preparing due diligence reports, certificates etc from external agencies/internally.
- c. Obtaining required NOCs from existing charge holders, coordination with issuer company for the same and communicating with the existing charge holders as may be required.
- d. Issuance of Annexure A and Annexure B after collating the required reports, certificates, approvals etc.
- e. Co-ordination with the stock exchanges in relation to the listing of instruments, reporting,
- f. Co-ordination with Legal Counsel for drafting of documents including security documents, creation of security etc.
- g. Filing of charges with NESL, MCA and CERSAI.
- h. Periodical monitoring of covenants as stipulated by SEBI including monitoring of interest/ repayment, asset cover, valuation, encumbrances on security and other covenants, rating revision etc.
- i. Communication with rating agency, exchanges, SEBI, issuers and debenture holders on a case-to-case basis and as required under the applicable regulations.
- j. Various one time and periodical reporting activities, reviewing quarterly reports, monitoring debt servicing etc.
- k. Day to day operations including but not limited to issuance of pari-passu/NOCs, release of security, escrow account operations, amendment to terms and conditions of the underlying instrument etc.,

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