

Minimum fee structure for listed Debenture/Bonds assignments
(Ref. SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/68 dated 27th May 2019)

The minimum fees structure for Vistra ITCL (India) Limited of listed debentures / bonds, w.e.f. 1st April 2021, is as below:

The Pricing structure for undertaking trusteeship services for issuers **other than Public Sector Undertakings** are as follows:

Listed Debentures	Secured		Unsecured	
Issue Size	Public/Private - Non -PSU entities			
	Initial Fee	Annual Fee	Initial Fee	Annual Fee
≤25 crs	Rs. 0.75 Lac	Rs. 1 Lac	Rs. 0.60 Lac	Rs. 1 Lac
>25 crs - ≤100 crs	Rs. 1 Lac	Rs. 1.5 Lac	Rs. 0.75 Lac	Rs. 1 Lac
> 100 crs - ≤ 1500 crs	0.01%	0.015%	0.005%	0.0075%
>1500 crs	Rs.15 Lac	Rs.22.50 Lac	Rs.7.50 Lac	Rs.11.25 Lac

- 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 aforementioned fees.

The Pricing structure for undertaking services for issuers categorized as **Public Sector Undertakings** are as follows:-

Listed Debentures	Secured		Unsecured	
Issue Size	Public/Private - PSU entities			
	Initial Fee	Annual Fee	Initial Fee	Annual Fee
≤500 crs	Rs. 0.75 Lac	Rs. 1.15 Lac	Rs. 0.60 Lac	Rs. 0.75 Lac
> 500 crs - ≤ 1500 crs	0.0075%	0.010%	0.0035%	0.0055%
>1500 crs	Rs.11 Lac	Rs.15Lac	Rs.5.50 Lac	Rs.7.5 Lac

- 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 aforementioned fees.

Basis for fee determination for Listed Debt Securities

With a view to secure the interests of investors in 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.

Our basis of fees determination originates from the manifold increase in the responsibility of the DTs following the amendments in SEBI regulations relating to Debenture Trustee Regulations, NCS Regulations and SEBI LODR Regulations respectively. The DTs are mandated to undertake independent assessment 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 debenture trust deed. Enhanced role and responsibilities as prescribed by SEBI vide its circulars dated 27th May 2019, 23rd June 2020, 13th October 2020, 22nd October 2020, 3rd November 2020, 12th November 2020, 30th November 2021, 29th March 2022 etc

The change in regulatory framework has increased obligations of DT to safeguard the interest of investors. To facilitate this transformation, DTs have taken following steps –

- Upgraded the skill sets of the existing identified workforce and hired additional resources to discharge the fiduciary role in line with the changed regulatory guidelines.
- Automation of processes for better monitoring of the transactions' covenants on an ongoing basis coordination with the appointed advisors/professionals/agencies/consultants on a real time basis in connection with due diligence and periodical monitoring.
- Co-ordination with third party consultants, appointed agencies etc.
- Co-ordination required for No objection certificates (NOCs) from existing charge holders/lenders.
- Liaisoning with Legal counsels for drafting of documents related to debenture issuance including Debenture Trustee Agreement, Debenture Trust deed, Security Creation documents etc.
- Ensuring creation of securities by the issuer and holding of security including safe custody of documents.

- Registration of Charges with Ministry of Corporate Affairs and Central Registry of Securitisation Asset Reconstruction and Security Interest of India ('CERSAI') post creation of charges.
- Exercise due diligence to ensure compliance with the provisions of the Companies Act,2013, the SEBI Regulations and the debenture trust deed by the issuer company and issuance of Annexure A, Annexure B and Due diligence certificates to Stock exchanges/ SEBI for the new/tranche issuances pursuant to SEBI circular dated November 12, 2020 and SEBI NCS Regulations.
- Monitoring of Covenants as stipulated by SEBI Regulations including interest/maturity payment, valuation asset cover, valuation, rating revision, recovery expense fund etc. and reporting's thereto to the stock exchange/Credit rating agency/website of DTs.
- Redressal of investor grievances within the specified timelines.
- Day to day operational activities viz. creation/release/invocation of pledge, filings pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, Issuance of NOCs for merger/acquisition/redemption of debentures/issuance of pari-passu etc.
- Upgrading the ERP system to record and facilitate in monitoring the breach in covenants, delay/default in payment/security creation; enabling related system generated alerts to issuers, debenture holders, rating agencies, etc.
- DLT framework by SEBI is for recording and monitoring of asset cover for the benefits of investors to improve the depth of investments. However, the responsibility of updating the required inputs in the DLT framework on a real time basis lies with the DT and DT would be submitting this information following their monitoring exercise in terms of SEBI circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 13, 2020 and SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 38 March 29, 2022.
- Increase in defaults requiring diligent enforcement of securities pledged/hypothecated/mortgaged etc and consequential expenses including conducting meeting of debenture holders and coordination with several stakeholders such as lawyers/debenture holders/valuers/ forensic auditors/appointed firms etc.