

BASIS OF FEES DETERMINATION

Due to new SEBI Regulations Debenture Trustee is required to undertake independent assessment of assets being offered as security, periodic monitoring, and compliance of the 'security created' or assets on which charge is created along with any applicable covenants or terms of the issue of listed debt securities incorporated in the debenture trust deed.

Due to new regulations we need to put additional resources to subsume our responsibility as Debenture Trustees which are as follows:

- Up-gradation of the skill sets of the existing identified workforce and hire additional resources to discharge the fiduciary role in line with the changed regulatory guidelines.
- Up-gradation of the automated mail system to record and facilitate monitoring the delay/default in payment; enabling related system generated alerts to issuers, debenture holders, rating agencies, etc.
- Up-gradation of the website for enabling uploading of various disclosures as per SEBI circulars.
- Coordination with the advisors/professionals/agencies/consultants on a real time basis in connection with due diligence and periodical monitoring.
- To meet increased legal and incidental expenses due to increase in defaults in debt securities.

Considering the additional responsibilities and need of additional resources it is not viable to continue with Debenture Trustee operations with the existing fees structure. Therefore pricing structure has been revised.

We submit that the fees for the services extended by us includes –

- **Initial Acceptance Fees** i.e. fees charged for undertaking due diligence to facilitate listing and fund raising
- **Annual Fees** i.e. fees for undertaking monitoring and completing related disclosures on a periodic basis till the life of the transaction