

**ATSL/CO/23-24/11607**  
**March 11<sup>th</sup>, 2024**

To  
**National Stock Exchange**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051

**Kind Attn: Mr. Harshad Dharod**

Dear Sir/Madam,

**Sub: Confirmation on creation of Recovery Expense Fund in terms of clause 4.1 of SEBI Master Circular for Debenture Trustee(s) dated March 31, 2023**

We Axis Trustee Services Limited (ATSL) a Securities Exchange Board of India (SEBI) registered Debenture Trustee, undertake various trusteeship, agency & administrative activities including Debenture Trustee, AIF Trustee, REIT / InvIT Trustee etc. We undertake diverse trusteeship services across sectors and geographies.

SEBI vide its circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 ("**SEBI REF Circular**") introduced provisions pertaining to creation of Recovery Expense Fund (REF) by the Issuer. SEBI mandated that issuer(s) proposing to issue listed debt securities shall mandatorily deposit an amount equal to 0.01% of the issue size subject to maximum of Rs.25 lakhs per issuer towards REF with the 'Designated Stock Exchange'. The objective behind introduction of provisions pertaining to REF is to enable the Debenture Trustee(s) to take prompt action for enforcement/legal proceedings in case of 'default' in listed debt securities.

Pursuant to above, SEBI issued master circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 ("**DT Master Circular**") wherein the above provisions pertaining to SEBI REF Circular were superseded by DT Master Circular. Vide the DT Master Circular, SEBI introduced additional provisions pertaining to verification of creation of REF. According to clause 4.1 of Chp. IV of DT Master Circular, Debenture Trustee shall take confirmation from Designated Stock Exchange in writing regarding the creation of REF by the issuer and shall not rely solely upon the communication by the issuer. This was mandated by SEBI in order to ensure independent verification by a Debenture Trustee regarding creation of REF by issuer.

We are writing this letter to inform you that some of the issuers proposing to issue listed debt securities (where ATSL is acting as debenture trustee) have failed / are not able to submit confirmation from your good office w.r.t creation of REF. The reason cited for such failure is that Stock Exchange Team is not providing response to such issuers even after multiple follow-ups on confirmation w.r.t creation of REF. Please note that we have to ensure compliance with the provisions of the DT Master Circular, accordingly such non-viability of Stock Exchange confirmation may lead to observation from SEBI during SEBI inspection(s).

In light of the above provisions, we request you to kindly co-operate in issuing confirmation to the issuers vide email or written letters w.r.t creation of REF as required in terms of clause 4.1 of the DT Master Circular, failing which we will be constrained to inform such instances to SEBI on regular intervals. We request you to kindly acknowledge the contents of this letter.



**Registered Office:**  
Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli Mumbai - 400 025

**Corporate Office:**  
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400 028  
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**Corporate Identify Number:** U74999MH2008PLC182264 | **MSME Registered UAN:** MH190046029



**AXIS TRUSTEE**

We shall be pleased to provide any clarification that you may require in this regard.

Thanking you,

Yours Faithfully



**Dhruba J. Bora**  
**Chief Compliance officer**  
**Axis Trustee Services Limited**



**ACCEPTED/ACKNOWLEDGED BY:**

**For: National Stock Exchange**

**CC: SEBI [DDHS]**