



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/25/2011

December 19, 2011

All Debenture Trustees registered with SEBI

Sir / Madam,

Sub: Review of Regulatory Compliance, Periodic Reporting and Contents of Trust Deed

A. Regulatory Compliance

1. Debenture Trustees (DTs) are required to furnish quarterly report in electronic form in the prescribed format in terms of SEBI Circulars No. 1(98-99) dated September 01, 1998, DT Circular No. 2(1999-2000) dated April 19, 1999, MIRSD/DPS-2/DT/Cir-2/2004 dated March 09, 2004 and Cir No. MIRSD/DPS-2/DT/Cir-14/2008 dated May 06, 2008.
2. In order to strengthen the monitoring mechanism through periodic reporting, it has been decided to review the reporting format. The revised format as given in the [Annexure](#) includes the status of regulatory compliance and investor grievances redressal.
3. The board of directors of DT shall, henceforth, review the report and record its observations on (i) the deficiencies and non-compliances, and (ii) corrective measures initiated to avoid such instances in future.
4. Accordingly, in supercession of the circulars mentioned in Para 1, with effect from half year ending March 2012, the Compliance Officer of the DT shall send the report in the revised format to SEBI at dt@sebi.gov.in on half yearly basis within three months of the expiry of the half year.
5. Further, according to Circular no. MIRSD/DT/10/2011 dated June 20, 2011, DTs are required to report the changes in their status or constitution. The same information has now been incorporated in the revised format.

B. Contents of Trust Deed

6. SEBI (Debenture Trustee) Regulations, 1993, allow DTs to incorporate additional clauses in the trust deed provided that these clauses do not dilute or contravene the provisions of the clauses specified in the Schedule-IV of the said Regulations. However, it has been observed during inspections that certain clauses are included in the trust deed that limit or extinguish the obligations of DTs in relation to any rights or interests of investors or are in conflict with the provisions of the Regulations. It may be noted that such clauses in the existing or new trust deeds shall not be applicable and shall stand null and void.

This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

The circular is available on SEBI website (www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".

Yours faithfully,

Ruchi Chojer
Deputy General Manager
Phone No. 022-26449310
Email id: ruchic@sebi.gov.in

Encl: Annexure