



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India
CIRCULAR

CIR/MIRSD/3/2013

March 15, 2013

To

All Debenture Trustees and Credit Rating Agencies registered with SEBI

Sir/ Madam,

Sub: Sharing of information regarding issuer companies between Debenture Trustees and Credit Rating Agencies

1. SEBI (Debenture Trustee) Regulations, 1993 require the Debenture Trustees (DTs) to share information regarding the issuer companies that are their clients, with Credit Rating Agencies (CRAs). The purpose of the Regulations is to enable CRAs to perform their obligations effectively.
2. DTs have also expressed the need to receive relevant information on issuer companies from CRAs.
3. In consultation with DTs and CRAs, it has been decided that registered DTs and CRAs shall share information with each other as specified in the Annexure. DTs and CRAs may share any other information from time to time in respect of issues/issuer companies which would help them in effective discharge of their duties.
4. Further, the DTs and CRAs shall assign designated email addresses for sending and receiving such information and ensure appropriate action, if any, based on the information received.
5. 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.
6. This circular is available on SEBI website (www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".

Yours faithfully,

Ruchi Chojer
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Sharing of information between Debenture Trustees (DTs) and Credit Rating Agencies (CRAs)

A. Information from CRAs to DTs

1. Rating assigned/revised for debt securities along with the rationale for the same.
2. Press release, outstanding ratings etc. in respect of debt securities.
3. Non-cooperation by the issuers with respect to sharing necessary information for monitoring the credit quality of the rated instrument with CRAs.
4. Press release and separate communication to DT on withdrawal of rating post redemption of entire amount due towards debenture-holders.
5. Default of any type committed by the issuer.

B. Information from DTs to CRAs

1. Whether the asset in respect of which security has been created is free from any encumbrance and adequate to ensure asset cover for the debentures or if there is any breach of the terms of creation of the security. This information shall be shared on half yearly basis.
2. Funds transferred to Debenture Redemption Reserve(DRR), depletion of the DRR/invocation of guarantee which could affect the payment of debenture obligations. This information shall be shared annually.
3. Details of redemption of the issue.
4. Any default committed including the default in payment of interest or redemption of debentures or delay in creation of security.
5. Any change or restructuring of the terms of the issue.
6. Periodic reports from lead banks about the progress of the project for which funds have been raised through debentures and certificate from issuer's auditors in respect of utilization of funds.
7. Details of grievances filed by debenture-holders and action taken to resolve them.
8. Non cooperation by the issuer with respect to furnishing required reports/certificates/information.

Information pertaining to points 3 to 8 shall be shared as and when available.