

CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/009

January 28, 2025

To,

**Issuers who have listed and/ or propose to list Debt Securities or Municipal Debt Securities,
All Registered Debenture Trustees (DTs),
Association of Debenture Trustees,
All Registered Credit Rating Agencies,
Recognized Stock Exchanges and
Recognized Depositories**

Madam/ Sir,

Sub: Format of Due Diligence Certificate to be given by the DTs

1. SEBI vide notification dated July 10, 2024, amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('NCS Regulations') *inter-alia* specifying the format of Due diligence certificate to be submitted by the DTs in case of secured and unsecured debt securities.
2. While Chapter II of Master Circular for DTs specifies the format for due diligence certificate in case of secured debt securities (which is in line with that specified under NCS Regulations), it does not specify the same in case of unsecured debt securities.
3. In line with the format specified under NCS Regulations, the following is specified in case of unsecured debt securities:
 - 3.1. At the time of filing the draft offer document with the stock exchanges, Issuer shall submit to the Stock Exchange, a due diligence certificate obtained from the Debenture Trustee as per the format specified in **Annex-A**.
 - 3.2. At the time of filing of listing application, Issuer shall submit to the Stock Exchange, a due diligence certificate obtained from the Debenture Trustee as per the format specified in **Annex-B**.

4. Further, pursuant to the amendment, the following paras of Chapter II of Master Circular for DTs are modified as under:

4.1. Para 2.3.1.(a) shall read as under:

“The Debenture Trustee may furnish prescribed under regulations 40.1.(a) and 44.(3).(a) of the SEBI NCS Regulations.....”

4.2. Para 2.3.1.(b) shall read as under:

“At the time of the issuance of the prescribed under regulations 40.1.(a) and 44.(3).(a) of the SEBI NCS Regulations.....”

5. This circular shall be applicable with immediate effect.

6. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 2A of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Regulation 55 of NCS Regulations, Regulation 29 of SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 and Regulation 101(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

7. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category “Legal” and under the drop down “Circulars”.

Yours faithfully,

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Annex-A

FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING OF DRAFT OFFER DOCUMENT/ PLACEMENT MEMORANDUM

To,
Stock Exchange

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

We, the Debenture Trustee (s) to the above mentioned forthcoming issue state as follows:

- (1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- (2) On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - (a) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.
 - (b) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document/ placement memorandum.
 - (c) Issuer has given an undertaking that he debenture trust deed shall be executed before the filing of listing application.

PLACE:

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH HIS RUBBER STAMP

Annex-B

FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING OF LISTING APPLICATION BY ISSUER

To,
Stock Exchange

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

We, the Debenture Trustee (s) to the above mentioned forthcoming issue state as follows:

- (1) On the basis of examination of documents pertaining to the issue and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
- (a) Issuer has executed the debenture trust deed as per terms of offer document/ placement memorandum and debenture trustee agreement.
 - (b) The issuer has made all the relevant disclosures, which are true, fair and adequate and also its continued obligations towards the holders of debt securities.

PLACE:

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH HIS RUBBER STAMP