



# Launching Monthly Newsletter

**We Catalyst Trusteeship Limited are  
Happy to Launch our Monthly Periodical!!**

Dear Reader,

Greetings from Catalyst Trusteeship Limited!!

This is to inform you about our launch of monthly periodicals based on the market analysis to keep you informed & up to date about the market dynamics in a nutshell.

**Introduction: We Catalyst Trusteeship Ltd are happy to launch our Monthly periodical “The Market Chronicle”. This newsletter will consist of current affairs pertaining to our Business driving sectorial beats like- BFSI, Markets, NBFCs, Market regulators- SEBI, RBI, IFSCA & Big size sectorial portfolios like Infra, Power & Real estate depending upon the recent developments in the field & their impact upon the Capital Market. The Newsletter aims to provide our readers with prompt, insightful, short yet succinct news updates including Amendments made by regulators & their impact on the financial sector along with our expert opinion & views. Being in the Trusteeship Business legacy for the last 25 years and leading diverse segments, it will also include various other insightful news based on the market trends and market dynamics to provide a simpler, better and more focused expertise view to our readers.**

We look forward to your support in making it a successful practice, please feel free to reach out to us for providing you feedback, view, information related to the topic or any particular news you want us to elaborate upon & incorporate in our Newsletters, as we are open to hearing your thoughts. Going forward, every month end you will receive our newsletter via email.

Thanks and Regards,

~ Editorial team of Catalyst.

# THE MARKET CHRONICLE

~BY CATALYST

NEWS

● VOLUME 1

● 28 APRIL, 2023

## ENTERING TO THE WORLD OF DEBENTURES FROM THE SHOES OF A TRUSTEE:

### WELCOMING FY2023-24 WITH SEBI'S RECENTLY ISSUED OPERATIONAL CIRCULAR FOR DT... UNDERSTANDING ITS WHAT'S AND WHY'S!!

On 31st March 2023, the market regulator – The Securities and Exchange Board of India (SEBI) issued a consolidated operational Circular for Debenture Trustees, the same has come into effect from 1st April 2023.

Part A & B of this “Operational Circular” mentions that it supersedes & revokes all the previously issued applicable circulars to maintain uniformity and to avoid discrepancy and repetition due to the consequent changes.

Below is the gist summarized table highlighting a few major changes/ additions made in the said Circular:



### Highlights from the SEBI Operational Circular for Debenture Trustees (DTs) dated 31-Mar-23:

#	Reg	Major changes/ additions		
<b>Chap III - DLT platform</b>				
1	A 5.1 (a)	Issuers are to fill all the requisite fields on the DLT platform <i>at the time of the creation of temporary ISIN/ ISIN.</i>		
	10	Depositories shall allot or defreeze an existing ISIN (in case of re-issuance), only after confirming the recording of information in the system.		
2	C 5.8	DT is to approve the Interest/ Principal payment on the DLT portal within <b>2 working days</b> of the issuer updating the entries, based on documentary evidence submitted by the Issuer & RTA		
		Issuer to update on DLT portal, payment status within <b>1 working day</b> of payment/ redemption date or a change in the due date of interest payment/ redemption payment		
3	C - 5.10	<b>Redemption of debt securities:</b> a) Issuer shall initiate the release of charges & update the system with the relevant documents; b) Debenture Trustee shall release charges in case any debt is repaid and update/ validate the same in the platform		
4	D – 5.11	<b>Credit Rating Information:</b> Issuer to upload all credit ratings for debt securities. CRAs shall access the system to validate the rating information uploaded by the Issuer. In case of discrepancy, Issuer or CRAs shall notify the same on the system & update the correct information in the system within <b>3 working days</b> of such notification.		
5	D – 5.12	Any subsequent rating actions carried out by CRAs shall be recorded in the system by the Issuer within <b>1 working day</b> of the press release. In case of discrepancy, Issuer and/ or CRAs shall notify the same the on system and CRAs shall update the correct information in the system within <b>2 working days</b> of such notification.		
6	9	DT, <b>on a yearly basis</b> , shall reconcile the list of assets recorded in the system and in case of any duplicate entry found, shall take necessary steps to eliminate such duplicate entries, verify security cover & take remedial action accordingly.		
7	Chap VI 1	<b>Updated timelines w.r.t 12-Nov-20 compliances</b> <i>(no change in timelines w.r.t. SCC, Valuation &amp; TSR filings):</i>		
		<b>Reports/ Certificates</b>	<b>Periodicity</b>	
		1	A statement of the value of pledged securities	Quarterly 1 <sup>st</sup> 3 quarters - <i>within 75 days</i>
		2	A statement of the value of DSRA A/c or any other form of security offered	Mar quarter - <i>within 90 days</i> <i>(Earlier: 60 days from quarter end)</i>
3	Net worth certificate of guarantor w.r.t. Personal guarantee	Half-yearly <i>75 days from half year-end</i> <i>(Earlier: 60 days from quarter end)</i>		



#	Reg	Major changes/ additions	
8	Chap VII 1	<b>Disclosure by DT on the website:</b>	
		#	Periodicity
		1	<b>Quarterly</b> 1 <sup>st</sup> 3 quarters - <i>within 75 days</i> Mar quarter - <i>within 90 days</i> <i>(Earlier: 60 days from quarter end)</i>
		2	<b>Half-yearly</b> 75 days from half year-end <i>(Earlier: 60 days from half year-end)</i>
		3	
		4	
			<b>Reports/ Certificates</b>
		1	Monitoring of Security cover certificate & Quarterly Compliance report of the Issuer
		2	Details of Debenture issues handled by debenture trustee and their status
		3	Status of information regarding breach of covenants/terms of the issue, if any action taken by debenture trustee
		4	Complaints received by debenture trustee(s) including default cases

## WHAT MAKES US THE PREFERRED TRUSTEES FOR YOUR DEBENTURE LISTING & DEALINGS ?

We take pride in informing you that we are ranked as the number one Debenture Trustee Company by Prime Database Publication for the Financial Year 2022-23 by holding the maximum market share in terms of the number of NCD issuance. Apart from that, Catalyst stands strong holding the leading position in the trusteeship domain for the last 10 years by scaling enormous growth and success. Along with bagging the Best Trustee Company Award for three consecutive years 2017, 2018 & 2021 in the field of Securitization, we have grown exceedingly in the Debenture Trustee segment, having an approximate market share of 27% in the FY 21-22 and 30% in the FY 22-23. Our timely and impeccable services have resulted in our growth and success thus, we at Catalyst assure to provide the best of our services to each and every client of ours, our mantra of "Happy clients, Happy us!" makes Catalyst (us) your preferred trusteeship choice for the listing and dealings of Debentures.

### *Glimpse of our large ticket size Debenture Trustee transactions of FY 2022-23:*

Company Name	Total Issue Size Crores	Public / Pvt Issue
LIC Housing Finance Limited	41,000	Private
Bajaj Finance Limited	25,000	Private
Bajaj Housing Finance Limited	11,500	Private
Shriram Finance Limited (earlier STFC)	5000	Private
L & T Finance Limited	5000	Private
Aseem Infrastructure Finance Limited	5000	Private

## OUR GSPP VERTICAL THROWING SOME LIGHT ON SC'S JUDGMENT (NOV.2022) ON PENSION ON HIGHER WAGES:

### WHAT AND WHY'S OF THE PENSION ON HIGHER WAGES JUDGMENT, A COHERENT NOTE!!

After the pronouncement of Judgement by the Hon. Supreme Court in Nov 2022 pension on higher wages is the most trending topic for the last few months. Surprisingly everywhere only the term 'higher pension' is used creating a lot of interest and expectations and the other attributes and conditions around this are not highlighted.

EPF Act 1952 is a social welfare legislation under which various employee benefit schemes are formulated like provident fund, pension, and EDLI (insurance). Right from the date of inception, the schemes were conceived for employees earning lower wages. However, even the employees earning higher wages are allowed to be members of the scheme.

Statutorily employer is required to make a contribution of @12% only up to the prevailing wage limit. Out of this 8.33% is diverted to Pension Fund and the remaining 3.67% is diverted to Provident Fund as the employer's share. However, being a social welfare motive, many companies make contributions on wages exceeding the wage limit. But while doing so; the diversion to Pension is being made only up to the wage limit. Consequently, the pension benefits get calculated on such restricted wages.

Supreme Court judgment allows such employees to choose to avail pension on wages exceeding wage limit. Thus, in a way, this should be looked at as the choice "to adjust the quantum of PF and Pension benefits" instead of considering higher pension in isolation. 3rd May 2023, is the deadline to avail of the option provided by the EPFO.

Thanks and Regards,  
~ Editorial team of Catalyst.

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