

CATALYST TRUSTEESHIP LIMITED

THE CATALYST CHRONICLE

● CIRCULAR AND AMENDMENT ISSUED BY THE MARKET REGULATORS:

IFSCA Circular No: IFSCA-FMPP0BR/12/2023-Banking dated October 07, 2025, regarding 'Foreign Currency Settlement System– Instructions for IFSC Banking Units'.

IFSCA has introduced the **Foreign Currency Settlement System (FCSS)** - a major milestone in strengthening the settlement infrastructure within the GIFT City - IFSC ecosystem.

Key Highlights:

1. **CCIL IFSC Ltd (CIL)** authorized to operate FCSS under the Payment and Settlement Systems Act, 2007.
2. **Standard Chartered Bank (IBU)** appointed as the Settlement Bank.
3. Initial rollout for **USD settlements**, with support for **ISO 20022** messaging standards.
4. Operating hours: **08:00 – 20:00 IST** on all business days.
5. **Membership open** to IFSC Banking Units (IBUs) meeting access norms.

Impact: FCSS lays the foundation for a **multi-currency settlement framework** in GIFT IFSC, aligning it with **global financial hubs** and reducing **cross-border transaction friction**.

SEBI Circular No: SEBI/HO/AFD/AFD-POD-1/P/CIR/2025/136 dated October 15, 2025, subjected 'Relaxation in timeline for disclosure of allocation methodology by Angel Funds'. It stands effective immediately.

SEBI has provided **Relaxation in timeline for disclosure of allocation methodology by Angel Funds**.

Key Highlights:

1. Extended timeline for existing Angel Funds to disclose a defined allocation methodology in their Private Placement Memoranda (PPMs) is shifted from October 15, 2025, to January 31, 2026.
2. Investments made after this date must follow the disclosed methodology.
3. All other provisions of the September 10, 2025, circular on the revised regulatory framework for Angel Funds remain unchanged.

IFSCA Circular No: IFSCA-AIF/132/2024-Capital Markets, dated October 23, 2025, subjected 'Framework on Stewardship Code in IFSC'.

IFSCA has introduced a **Stewardship Code Framework** for all **Fund Management Entities (FMEs)** and **Institutional Investors in GIFT City–IFSC** to promote responsible investment and stronger governance.

Applicability: Fund Management Entities (FMEs) & Institutional Investors including AIFs & Retail Funds in IFSC.

Objective: Encourage responsible ownership, transparency, and sustainable long-term value creation.

Adoption Options:

Entities may:

1. Adopt the IFSCA's Stewardship Code (Annexure-A), or
2. Follow codes issued by regulators in their home jurisdiction or by Indian regulators such as **SEBI, IRDAI, PFRDA**, or **ICSI**, provided the adopted code reflects the core principles of IFSCA's framework.
3. Entities must disclose the adopted code on their **website** to its clients and report compliance to IFSCA regularly.

Core Principles under the Framework:

1. **Stewardship Policy Formulation & Disclosure:** Clear policy outlining governance culture, investment philosophy, and stewardship responsibilities, reviewed and disclosed publicly.
2. **Monitoring of Investee Companies:** Continuous monitoring of business performance, strategy and ESG issues, ensuring confidentiality and proper escalation mechanisms.
3. **Intervention & Escalation:** Framework to address concerns like poor performance, governance lapses, or ESG risks, with documented engagement actions.
4. **Conflict of Interest Policy:** Policies to identify, avoid, manage, and disclose conflicts transparently to clients and stakeholders.
5. **Voting Policy:** Formally documented voting policy promoting accountability and ethical governance, including maintaining records of votes and rationale.
6. **Collaboration with Other Investors:** Entities may work together with other investors to promote better corporate governance and long-term value creation. Such collaboration should be constructive, transparent, voluntary, and within legal boundaries, with all activities properly documented and evaluated for effectiveness.
7. **Disclosure & Reporting:** Annual (or more frequent) reporting on stewardship activities, policy deviations, and results achieved - shared transparently with stakeholders.

SEBI Notification (Gazette Update): dated October 22, 2025, regarding '(DEBENTURE TRUSTEES) (AMENDMENT) REGULATIONS, 2025'.

SEBI has introduced key amendments strengthening governance, disclosure norms, and due diligence standards for Debenture Trustees.

- A notable change requires activities related to non-regulated products to be ring-fenced and housed under a separate Strategic Business Unit (SBU), distinct from the regulated DT business.
- These measures aim to enhance transparency, accountability, and investor protection in the corporate bond market.

Read More: [https://docs.publicnow.com/viewDoc?](https://docs.publicnow.com/viewDoc?filename=37271%5CEXT%5CDCCAA4C4FF241196E24FCF1FAAD9C0FE3E17E39B_255E0B49B1B84D667535A5608AFFC0B2BF420CE6.PDF)

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We Acted as Debenture Trustee for ₹2,000 Cr NCD Issuance

We are pleased to announce that we served as the debenture trustee for the issuance of Unlisted, Secured, NCDs aggregating to ₹2,000 crore by Auro Realty Private Limited. This transaction demonstrates our continued commitment to supporting India's real estate sector through comprehensive trusteeship services, enabling developers to access debt capital markets while ensuring robust investor protection and covenant monitoring throughout the transaction lifecycle.



AURO REALTY™

We Acted as Debenture Trustee for ₹1,100 Cr NCD Issuance



We are delighted to share that we acted as the debenture trustee for the issuance of Listed, Rated, Secured, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹1,100 crore by L&T Finance Limited. This transaction reinforces our continued partnership with leading non-banking financial institutions, facilitating their capital market access while safeguarding investor interests through diligent monitoring of financial covenants, security maintenance, and regulatory compliance.

We Acted as Debenture Trustee for ₹7,000 Cr NCD Issuance

We are thrilled to announce that we facilitated as the debenture trustee for the issuance of Listed, Rated, Secured, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹7,000 crore by JTPM Metal Traders Private Limited. This landmark transaction represents one of our largest mandates and underscores our capability to manage high-value, complex debt issuances in the metals and commodities trading sector, ensuring rigorous oversight and stakeholder protection across the entire transaction structure.



We Acted as Debenture Trustee for ₹995 Cr NCD Issuance



We are honored to report that we served as the debenture trustee for the issuance of Listed, Rated, Secured, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹995 crore by Adani Transmission Step-Two Limited. This transaction highlights our continued role in supporting India's power transmission infrastructure development through trusted trusteeship services, facilitating the financing of critical energy infrastructure projects while maintaining stringent compliance and security monitoring standards.

We Acted as Debenture Trustee for ₹3,000 Cr NCD Issuance

We are excited to announce that we acted as the debenture trustee for the issuance of Listed, Rated, Secured, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹3,000 crore by Poonawalla Fincorp Limited. This transaction reflects our continued leadership in the non-banking financial services sector, enabling one of India's prominent finance companies to strengthen its capital base while ensuring comprehensive investor protection through vigilant monitoring of financial health, security assets, and regulatory adherence.





CATALYST COMPASS

Your Guide to Clarity in Trusteeship

Providing answers to commonly asked questions about trusteeship functions - FAQs



What is Covenant Monitoring?

Covenant monitoring is the systematic process by which a trustee tracks and ensures borrowers' compliance with financial and non-financial covenants outlined in loan or debenture agreements. This includes monitoring debt-service coverage ratios, leverage limits, maintaining security creation, timely submission of financial statements, and adherence to operational restrictions. The trustee acts as a watchdog to protect lender/investor interests by identifying potential breaches early and facilitating remedial actions.

What are Conditions Precedent (CPs) & Conditions Subsequent (CS) in lending?



- In any lending arrangement, whether a simple loan or a more complex financing deal, the lender and borrower agree on certain conditions to be met before and after loan disbursement, known as **Conditions Precedent (CPs)** and **Conditions Subsequent (CSs)**, respectively.
- 1. Conditions Precedent (CPs)** are requirements that must be fulfilled before the loan is disbursed, ensuring all legal, regulatory, and operational steps are in place.
- Purpose of CPs:** To ensure that certain essential conditions are satisfied before the loan is disbursed.
- Examples of CPs:** Board resolutions, execution of transactional documents, security creation, Insurance, Government and regulatory approvals etc.
- 2. Conditions Subsequent (CSs)** are obligations to be met after the loan disbursement, ensuring ongoing compliance with the agreed terms throughout the loan's term.
- Purpose of CSs:** To ensure that the borrower complies with ongoing obligations after the loan has been disbursed.
- Examples of CSs:** Submission of Financial Statements, Maintaining Financial Ratio, Periodic Collateral Reports, adherence to regulatory compliance etc.



What is a Facility Agent?

A Facility Agent acts as an administrative intermediary between borrowers and lenders in syndicated loan transactions. The agent manages disbursements, collects interest and principal payments, distributes funds to lenders, maintains accounts, facilitates communication, monitors compliance, and coordinates amendments. This centralizes operational complexity and provides a single point of contact for all parties.

What is the NISM Certification requirement for AIF Managers and what are the compliance timelines?



Sr. No.	AIF Category	Applicable NISM Certification(s)
1	Category I & II AIFs	NISM Series-XIX-C – Alternative Investment Fund Managers Certification (OR) NISM Series-XIX-D – Category I and II AIF Managers Certification
2	Category III AIFs	NISM Series-XIX-C – Alternative Investment Fund Managers Certification (OR) NISM Series-XIX-E – Category III AIF Managers Certification

- SEBI Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/42 dated May 13, 2024, mandated the NISM Series-XIX-C certification for key investment team members of AIF Managers, and the NISM Series-XIX-D and XIX-E certifications were introduced effective May 1, 2025.
- Each certification examination comprises 120 questions (including 90 multiple-choice questions and 6 case studies), to be completed within a three-hour duration. The minimum passing criteria is 60%, with a negative marking of 25% for each incorrect response.
- The examinations are administered online on a continuous basis across 150+ test centers throughout India. The certification remains valid for three years from the date of issuance and must be renewed upon expiry.
- This regulatory requirement seeks to promote enhanced governance standards, professional competence, and domain-specific proficiency among AIF Managers, thereby strengthening the overall compliance framework and investor protection within the AIF ecosystem.

OCTOBER DEALS

Highlights of the Month

Security Trustee Deals

Sector	No. of Transaction	Facility Amount (Cr.)
Renewable Sector	29	23101.07
NBFC	32	8718.5
Others	11	5467.47
Real Estate	5	4090
Infrastructure	3	280
Grand Total	80	41,657.04

AIF Deals

Sector	No. of Transaction	Fund Size (Cr.)
AIF (Domestic)	4	2520
AIF (GIFT City AIF)	1	882
ESOP/ EBT/ Private Trust	-	-

Facility Agent Deals

Sector	No. of Transaction	Facility Amount (USD Million)
Infrastructure	1	90
Renewable	1	132
Others	1	350
Grand Total	3	572

Corporate Services (CSP) Deals

Sector	No. of Transaction
Real Estate	3
Financial Services	2
Infrastructure	1
Healthcare	3
Grand Total	9

Securitisation Deals

Asset Class	No. of Deals	Sum of Pool Size (Cr.)
Agriculture Loan	5	357.26
Commercial Vehicle	4	270.09
Consumer Finance Loan	1	111.09
Education Loan	1	49
Housing Loan	5	2,125
Invoice Financing Receivables	4	261.31
Loan Against Property	7	495.27
Microfinance Loan	14	1,401.88
Personal Loan	6	547.51
Secured Business Loan	2	784.38
Trade Receivables	1	25.50
Two-Wheeler Loan	1	27
Unsecured Business Loan	4	180.90
Unsecured Individual Loan	1	12
Used Car Loans	2	241.44
Grand Total	58	6,889.63

Debenture Trustee Deals

Sector	No. of Transaction	Facility Amount (Cr.)
Banking	1	250
Infrastructure	1	640
Manufacturing	2	200
NBFC	20	6290
Others	31	11607
Power	1	500
Real Estate	6	760
Grand Total	62	20,247