

October 14, 2019

**Department of Debt and Hybrid Securities
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4-A,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.**

Attn: Ms. Asha Shetty, Chief General Manager

Sub: Request for informal guidance by way of an interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 ("Scheme") in respect of the proposed structure to be set up under the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ("SDI Regulations").

Dear Madam,

1. This is a request letter seeking for an interpretative letter under Clause 5(ii) of the SEBI (Informal Guidance) Scheme, 2003 in connection with the proposed structure being set up under the SDI Regulations.
2. As required under the Scheme, the relevant facts and information underlying our request are provided below. We would be happy to provide all such additional information if required by SEBI.
3. **Background:**
 - a. Beacon Trusteeship Limited (the "Trustee" or "Beacon") is registered with the Securities and Exchange Board of India ("SEBI") as a debenture trustee since April 11, 2016 bearing registration number IND000000569. Beacon was incorporated on December 23, 2015 with the main object of providing trusteeship services by a group of ex-bankers and professionals with vast experience in the trusteeship business.
 - b. Beacon provides the entire spectrum of trusteeship services to a diverse set of clients including banks, financial institutions, insurance companies, mutual funds, non-banking financial companies, alternative investment funds, asset reconstruction and securitisation companies.
 - c. Trust Investment Advisors Private Limited (the "Sponsor" and "Originator") is registered with the Securities and Exchange Board of India ("SEBI") as a Category 1 Merchant Banker since 29.03.2007 bearing registration number INM000011120 and as portfolio Manager since 01.10.2006 bearing registration number INP000001843. Trust Investment Advisors Private Limited, incorporated in 2006, proposes to create Securitised Debt Instrument(s) ["SDI(s)"] under the SDI Regulations ("Proposed Structure"). (The Sponsor and Originator is part of Trust Group, a leading financial



BEACON TRUSTEESHIP LTD.

Corporate Office : 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club Bandra (E), Mumbai - 400 051.

Regd Off : F/801, Jal Balaji CHS Ltd., Plot No. 23, Sector 6, Nerul, Thane, Maharashtra - 400 706. | CIN : U74999MH2015PLC271288

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

services house in India which provides financial services to its clients such as investment banking, capital market services, asset management, wealth management and family office advisory.

About Trust Group

- Trust Capital Services (India) Private Limited (deposit based member of BSE), is registered with the Securities and Exchange Board of India (“SEBI”) as a Stock Broker since 21.03.2016 bearing registration number INZ000033332.
 - Trust Securities Services Private Limited (Broking Services) is registered with the Securities and Exchange Board of India (“SEBI”) as a Stock Broker since 31.10.2017 bearing registration number INZ000158031.
 - Sankhya Financial Services Private Limited is registered with Reserve Bank of India (RBI) as NBFC since 29.08.2011 bearing registration number N13.02000.
 - Chanakya Capital Partners is registered with the Financial Services Commission, Mauritius as a CIS Manager (Investment Adviser) since 18.11.2013 bearing registration number C113012447.
 - Trust-Plutus Family Office & Investment Advisers (India) Pvt. Ltd. is registered with the Securities and Exchange Board of India (“SEBI”) as an Investment Adviser since 18.12.2013 bearing registration number INA000000557.
 - Trust Financial Consultancy Services Pvt. Ltd is registered with the Securities and Exchange Board of India (“SEBI”) as a Stock broker bearing registration number INZ000238639 and as a Research Analyst since 25.08.2015 bearing registration number INH000001543.
4. **The Proposed Structure envisaging the issuance of SDIs would comply with all the eligibility requirements and compliances under Regulation 3 of the SDI Regulations.** The Proposed Structure is described below:
- i. Formation of a Special Purpose Distinct Entity (“SPDE”) which will be in the form of a trust where a trust deed would be executed between the Sponsor and Beacon as per the regulatory requirements
 - ii. The originator will originate fixed income securities and sell it down to the SPDE. The SPDE will raise funds which will be utilized for the acquisition of the asset pool from the originator
 - iii. The SPDE will purchase fixed income securities from an originator in due compliance with all the regulatory provisions. The asset pool of SPDE would therefore consist of fixed income securities issued by Indian companies
 - iv. The SPDE will issue SDI to identified investors on a private placement basis to less than 50 investors in compliance with all the relevant legal provisions
 - v. The SDIs will be listed on the wholesale debt market segment of the BSE Limited (“BSE”) / The National Stock Exchange of India Limited (“NSE”)
 - vi. The sponsor/originator will be independent entities and will not have any common shareholders and/or directors with the SPDE/Trustees



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5. **The Proposed Structure involving the issuance of SDIs would be regulated, governed and fully compliant with all the regulatory requirements as mentioned in the SDI Regulations and all such requirements prescribed by the exchanges.**
6. As a SEBI registered intermediary and the proposed trustee of the SPDE, Beacon proposes to have clarity on certain issues in relation to the interpretation of certain provisions with regard to the compliance issues over the Proposed Structure. While Beacon shall ensure that all the regulatory requirements mentioned in the applicable SDI Regulations would be complied with, we would request SEBI for appropriate guidance / interpretative letter in connection with the Proposed Structure.

7. **Request for Interpretative Letter**

With the background facts and the legal provisions mentioned above, we seek an interpretative letter from SEBI with respect to the following queries:

- (i) Whether the “Sponsor” and “Originator” of the SPDE in the Proposed Structure could be the same entity or different entities within the same group?
- (ii) Whether the provisions of the SEBI Circular dated November 26, 2018 bearing ref: SEBI/HO/DDHS/CIR/P/2018/144 be applicable to the Proposed Structure immediately upon the issuance of the SDI(s)?
- (iii) The Sponsor/ Originator is not an NBFC. We presume that the proposed structure would require compliance of SDI Regulations. Are there any other specific guidelines outside of the SDI guidelines that we need to adhere to?

8. **Request for Confidentiality:**

- a. Given the sensitivities involved in a transaction of this nature and the considerable amount of time that would be consumed in rendering the proposal operative, we request that this letter and its contents be kept confidential pursuant to para 11 of the SEBI (Informal Guidance) Scheme, 2003 for a period of 90 days from the date of the issuance of the response of SEBI.

9. **Miscellaneous:**

- a. A demand draft no. 1660454 dated 14/10/2019 of Rs. 25,000 (Rupees Twenty-Five Thousand only) issued by IDFC bank payable in Mumbai is enclosed herewith towards the fees as specified under para 6 of the SEBI (Informal Guidance) Scheme, 2003.
- b. We seek your considered attention to this effect, and we will extend our full co-operation in case you require any further information. Any request for further information/clarification may be addressed to:



| Contact Person | Address | Contact Details |
|--------------------------|--|---|
| Ms Vaishali Urkude | Beacon Trusteeship Limited 4C/D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai 400051. | Cell: 9833420217 Landline no: 022-26558759 E-mail: vaishali@beacontrustee.co.in |

- c. Should SEBI need any further details or clarification in relation to the Proposed Structure, we would be happy to provide the same to SEBI.

Thanking You.

Yours faithfully,
For Beacon Trusteeship Limited



(Name) : Venkatesh Prabhu
(Designation) : Sr Vice President

