



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

GENERAL MANAGER  
DEPARTMENT OF DEBT AND HYBRID SECURITIES  
Ph.: +91 22 2644 9246  
Email: [pradeepr@sebi.gov.in](mailto:pradeepr@sebi.gov.in)

SEBI/HO/DDHS/OW/P/18764/2020  
November 06, 2020

Pratapsingh Nathani  
Chairman and Managing Director  
Beacon Trusteeship Limited  
4C & D, Siddhivinayak Chambers, Gandhi Nagar,  
Opp MIG Cricket Club Bandra (E),  
Mumbai 400 051

Dear Sir,

**Subject: Informal guidance by way of an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003**

1. This has reference to your letters dated September 18, 2020 and October 22, 2020, wherein you have sought informal guidance by way of an "Interpretive letter" from SEBI under paragraph 5(ii) of the SEBI (Informal Guidance) Scheme, 2003.
2. In your abovementioned letters under reference, you have, *inter-alia*, represented the following:



अनुवर्ती : 2  
Continuation : 2

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

- a. Beacon Trusteeship Limited (the "Trustee" or "Beacon") is registered with the 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. Trust Investment Advisors Private Limited (the "Sponsor" and "Originator") is registered with SEBI as a Category 1 Merchant Banker since 29.03.2007 bearing registration number INM00001 1120 and as portfolio Manager since 01.10.2006 bearing registration number INP000001843.
- c. Trust Investment Advisors Private Limited, incorporated in 2006, proposes to create Securitised Debt Instruments (SDI) under the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ("SDI Regulations").
- d. 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:
  - TIAPL shall execute trust deed in favour of Beacon setting up Special Purpose Distinct Entity (SPDE) and appointing Beacon as Trustee of the SPDE.
  - The SPDE will raise money only through issue of SDI which will be utilised for the acquisition of the asset pool from the originator. The SDI will be issued on private placement basis to less than 50 investors.
  - The asset pool of the SPDE will consist of the NCDs issued by Indian companies and acquired from TIAPL at arm's length price.
  - SDIs shall be listed on the wholesale debt market segment of the BSE and/or NSE and will be freely transferrable.



अनुवर्ती : 3  
Continuation : 3

भारतीय प्रतिभूति  
और विनियम बोर्ड  
**Securities and Exchange  
Board of India**

**3. Queries**

In light of the above submissions, you have requested SEBI to issue an "Interpretive letter" under paragraph 5 of the Informal Guidance Scheme, 2003, on the following:

- i. *With respect to the proposed structure, whether there are any concerns?*
- ii. *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?*

**4. Our comments**

We have considered the submissions made by you in your letters under reference. Our views on queries raised by you are as under:

- a. With reference to query at para 3(i) above, it may be noted that the question about a proposed structure and the applicability of the SDI Regulations on the specifics and mechanics of the structure can only be given when the application is made under the provisions of the SDI Regulations.
- b. As regards your query at 3(ii) above, on the applicability of 'any other specific guidelines outside of SDI guidelines', the same does not come under the purview of SEBI (Informal Guidance) Scheme, 2003 as it does not require any interpretation of a specific provision of any Act, rules, regulations, guidelines, circulars or other legal provision being administered by SEBI. You are advised to undertake due diligence as per law.
- c. Vide your aforesaid letter, you have requested for confidentiality in respect of your application. Accordingly, it has been decided that the interpretive letter issued to you



अनुवर्ती : 4  
Continuation :

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

in this matter will not be made public for a period of 90 days from the date of issuance of this letter.

- d. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to different results. Further, this letter does not express a decision of the Board on the question referred.
- e. You may also note that the above position/view is expressed only with respect to the clarifications sought in your letter under reference with respect to the Circulars and Regulations as referred above and does not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

**Yours faithfully,**

**Pradeep Ramakrishnan**