



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

GENERAL MANAGER  
MARKET INTERMEDIARIES REGULATION  
AND SUPERVISION DEPARTMENT - POD

SEBI/HO/MIRSD/MIRSD-PoD-1/P/OW/2024/34481/1  
November 08, 2024

Baroda BNP Paribas Trustee India Private Limited  
201(A), 2<sup>nd</sup> Floor, A Wing, Crescenzo, C-38 & C-39,  
G Block, Bandra Kurla Complex,  
Mumbai – 400051, Maharashtra

Dear Sir/Madam,

**Sub: Request for Informal Guidance by way of an Interpretive Letter under Clause 5(ii) of the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003**

1. This is with reference to your letter dated September 05, 2024 ("application") seeking guidance by way of an interpretive letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 ("Informal Guidance Scheme").

2. In your application under reference, you have, *inter alia*, represented as under:

2.1 Baroda BNP Paribas Trustee India Private Limited ('the Company') acts as the trustee company of Baroda BNP Paribas Mutual Fund ('BBNPP MF'). The Company through its Board of Directors discharges its obligations as Trustee to BBNPP MF.

2.2 The Board of Directors of the Company have queried on one of the clauses in 'fit and proper person' declaration as provided under Schedule II of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (Intermediaries Regulations). The 'fit and proper person' criteria as stated under Intermediaries Regulations is reproduced as below:

*"(3) For the purpose of determining as to whether any person is a 'fit and proper person', the Board may take into account any criteria as it deems fit including but not limited to the following:*

- (a) integrity, honesty, ethical behaviour, reputation, fairness and character of the person;*
- (b) the person not incurring any of the following disqualifications:*
  - (i) criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending;*



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- (ii) *charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending;*
- (iii) *an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force;*
- (iv) *recovery proceedings have been initiated by the Board against such person and are pending;*
- (v) *an order of conviction has been passed against such person by a court for any offence involving moral turpitude;*
- (vi) ***any winding up proceedings have been initiated or an order for winding up has been passed against such person;***
- (vii) *such person has been declared insolvent and not discharged;*
- (viii) *such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;*
- (ix) *such person has been categorized as a wilful defaulter;*
- (x) *such person has been declared a fugitive economic offender; or*
- (xi) *any other disqualification as may be specified by the Board from time to time."*

3. In view of above, you have sought clarification as under:

3.1 One of the Board of Directors of the Company has raised a query with respect to clause 3(b)(vi) relating to winding up proceedings to understand the genesis of this declaration and whether this will relate to an individual.

3.2 While all other clauses can be applied to an individual, winding up proceedings prima facie is applicable to a company, and hence whether this point can be considered as Not Applicable from an individual's perspective is the query. If the same is believed to be applicable to an individual, in what capacity should this be applied by such an individual, may also be clarified.

4. We have considered the submissions made by you in your application. Without necessarily agreeing with your analysis, our response on the queries raised in your letter, are as under:

Person would include both a natural person and a juridical person and to that extent, interpretation for the meaning of person for the purpose of clause 3(b)(vi) of Schedule II of Intermediaries Regulations would be to a juridical person such as a corporate entity. However, an individual is sufficiently covered under clause 3(b)(vii) to ensure that he is solvent for the purpose of 'Fit and Proper Person' criteria.

Hence, the clause 3(b)(vi) of Schedule II of Intermediaries Regulations is applicable for a corporate entity and clause 3(b)(vii) is applicable for an individual.



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5. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different interpretation. Further, this letter does not express the decision of the Board on the questions referred through your letter.
6. You may also note that the above position is expressed only with respect to the guidance sought in your letter under reference in respect of the provisions as referred above and does not affect the applicability of any other law or requirement of any other SEBI Regulation, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

**Yours faithfully,**

  
**Aradhana Verma**