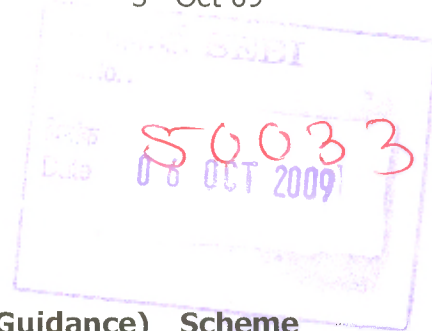




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The Executive Director
Market Intermediaries Regulation and Supervision Department,
Securities and Exchange Board of India
Plot No.C4-A,'G' Block,
Bandra Kurla Complex,Bandra(East),
Mumbai 400051

5th Oct 09



Dear Sir,

**Reg: Securities and Exchange Board of India (Informal Guidance) Scheme
2003----Request for informal guidance**

We have received registration as a Category 1 Registrar to Issue and Share Transfer Agent under SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993, vide Registration Certificate no INR-000004066.

This communication is a request for informal guidance under the SEBI (Informal Guidance) Scheme 2003 and the request is for an interpretive letter.

Accordingly, we enclose a demand draft for Rs.25000/- in favour of SEBI being the fee payable under the scheme.

The objective of approaching SEBI with a request under this scheme is to seek opinion on the interpretation of Regulations 13A of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993 in the context of our intention to act as Registrar to issue and Share transfer Agents in respect of the Mutual Fund schemes launched or to be launched by Sundaram BNP Paribas Mutual Fund. A plain reading of Regulation 13A may appear to prohibit Sundaram BNP Paribas Fund Services Ltd from undertaking Registrars & Share Transfer (R&STA) activities for Sundaram BNP Paribas Mutual Fund on the presumption that the latter is an associate body corporate in relation to the R & STA Company.

We furnish hereunder the facts relating to the case in question with a request to give us your opinion in the matter.

Facts

- 1) Sundaram BNP Paribas Fund Services Ltd, promoted as a joint venture between Sundaram Finance Group and BNP Paribas Securities Services has been granted a Certificate of Registration as Category 1 Registrar & Transfer Agent vide Certificate no.INR000004066 dated-24TH July 2009. The company is owned by the said parties in the proportion stated below:

Sundaram Finance Ltd	50.5%
Sundaram Business Services Ltd	0.5%
BNP Paribas Securities Services	49.0%

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2) Sundaram BNP Paribas Mutual Fund is a Trust formed under the Indian Trust Act and is registered by SEBI under the SEBI (Mutual Funds) Regulations 1996

3) Sundaram BNP Paribas Asset Management Company Ltd, the company appointed by the Trustees as the Asset Management Company (AMC) for the Mutual Fund, is owned by Sundaram Finance Ltd and BNP Paribas Asset Management in the proportion of 50.1% and 49.9% respectively.

4) Sundaram BNP Paribas Fund Services Ltd proposes to act as Registrars and Transfer Agents to the Schemes of the aforesaid Mutual Fund (MF).

5) For reasons set out hereunder and our understanding of the spirit of the Regulation 13A of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993 it is felt that the said regulation will not apply to our acting as Registrar and Transfer Agents to the MF schemes of Sundaram BNP Paribas Mutual Fund notwithstanding the fact that the said MF is sponsored by Sundaram Finance Ltd which has also invested in the R & T company.

6) We believe that the Regulation 13A of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993 was inserted in order to obviate a situation of common interest between a securities-issuing company and its Registrars & Share Transfer Agent. This was also intended to cover possible manipulation by an R & STA in handling Equity Initial Public Offers (IPOs) of Associate Corporate Bodies. In the case of IPOs, obviously all applicants may not succeed in getting allotments and hence there may be scope for discrimination in favour of a chosen few. Further, the issue price, even if, within a predetermined range, is not the same for all applicants. New Fund Offers (NFOs) of Mutual Funds are entirely different for the following reasons:

- a) All Applicants in an NFO receive allotment of units without being subjected to any discrimination.
- b) All applicants are allotted at pre-determined face value.

7) Proviso to Regulation 25 (15) of the SEBI (Mutual Funds) Regulations 1996 permits an AMC to undertake the R & T activities "in house". This leads to the conclusion that there is obviously no scope for any conflict of interests when an AMC carries out its own R&STA activities. This being the position, we submit, the case of a separate entity acting as R & T agents, should be on a better footing especially when the companies in question do not even have any common directors on their Boards.

8) There is an existing AMC which handles its R&STA activities in-house. A leading Mutual Fund has also engaged an Associate Company for R&STA activities. These prompted us to take the view that acting as R&ST agent to the Sundaram BNP Paribas Mutual Fund would not be in violation of the spirit of the Regulations.

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9) In the case on hand, the two entities, the MF and the R&STA Company are in any case, on a completely arms-length and contractual commercial relationship. In view of the fact that the R&STA Company proposes to offer its services to all the Asset management companies, it is physically segregated in every possible way including operations proposed from a remote location in another city.

10) We also wish to submit that Sundaram BNP Paribas Mutual Fund, being a Trust registered under the Indian Trusts Act would not be covered by the Regulation 13A of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993 which ostensibly covers transactions with a "Body Corporate" which is an Associate.

Query

In the light of the aforesaid facts, we request you to kindly give us your opinion on the applicability of Regulation 13A of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993 and consequent restriction on our company acting as Registrar and Share Transfer Agents to Sundaram BNP Paribas Mutual Fund

Thanking you,

Yours truly,
For SUNDARAM BNP PARIBAS FUND SERVICES LIMITED


P.S. RAGHAVAN
DIRECTOR

Encl: Demand Draft No.989879 dated 05.10.09 drawn on State Bank of Travancore, Mount Road, Chennai for Rs.25000/-

यदि मुद्रित होने पर ही वैध
VALID IF COMPUTER PRINTED

छ: महीने के लिए वैध
VALID FOR SIX MONTHS ONLY

कोड नं. CODE No.

रु. 50,000/- एवं अधिक के लिए दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही वैध है।
INSTRUMENT FOR RS. 50,000/- AND OVER IS VALID ONLY WHEN SIGNED BY TWO OFFICERS

जारी करने वाली शाखा
ISSUING BRANCH - CHENNAI - MOUNT ROAD

Tel No. : 04400-285210 KEY : WUHBEP

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VOIP:

DATE
05/10/2009

मांगे जाने पर ON DEMAND PAY

SECURITIES AND EXCHANGE BOARD OF INDIA पर OR ORDER

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PAISE ZERO ONLY
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KEY : WUHBEP

स्टेट बैंक ऑफ त्रावणकोर

State Bank of Travancore

कोड नं. CODE No.

प्राधिकृत हस्ताक्षरकर्ता AUTHORISED SIGNATORY
(हस्ताक्षर नमूना नं./S.S. No.)

शाखा प्रबंधक, BRANCH MANAGER

(हस्ताक्षर नमूना नं./S.S. No.)
R. MURUGAIYAN

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श्री. मुन्दाई सबावले 7 0620

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