

CENTFIN: 2024-25: 103

To,
Securities and Exchange Board of India
Market Intermediaries Regulation and Supervision Department (MIRSD)
SEBI Bhawan, Plot NO. C4-A
G-Block, Bandra Kurla Complex,
Bandra (East)
Mumbai-400051

Respected Ma'am /Sir,

Subject: Request for Informal guidance By way of an Interpretive letter (Clause 5(ii) under the SEBI (Informal Guidance) Scheme, 2003 ("Scheme") in relation to carrying on the activities Marketing & Mobilization of CASA Deposit, Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc. and "Engagement of DSAs" through our Company Centbank Financial Services Limited for our parent company Central Bank of India and all its subsidiaries.

We would like to submit the following facts for your consideration and opinion w.r.t carrying on the activities such as marketing & mobilization of CASA Deposits, Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc. and "Engagement of DSAs" by Debenture Trustee (CFSL) registered under Securities and Exchange Board of India ("SEBI").

A. Background of the Company

Centbank Financial Services Limited ("CFSL") is a wholly owned subsidiary of Central Bank of India. It was incorporated under Companies Act, 1913 (CIN No. U67110MH1929GOI001484) on 01st May, 1929. The Company has registered office at Central Bank of India-MMO Building, 03rd floor (East wing), 55 Mahatma Gandhi Road, Fort, Mumbai City, Mumbai, Maharashtra, India, 400001.

CFSL has been operational continuously since its incorporation by offering services on "Formation and Management of Family / Private Trusts" as well as on "Public & Charitable Trusts" and in "Drafting & Execution of Wills".

Since 2009-10, CFSL expanded its business model by offering Corporate Trustee Services viz. Debenture Trustee Services, Security Trustee Services and Escrow Trustee Services to Domestic Corporates; in addition to its traditional business as mentioned above. In today's date, except Debenture Trustee business, which is regulated by SEBI, none of other services

CENTBANK FINANCIAL SERVICES LIMITED

(Formerly: Centbank Financial & Custodial Services Ltd., erstwhile: The Central Bank Executor & Trustee Co. Ltd.)

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55, Mahatma Gandhi Road, Fort, Mumbai 400001. ☎ : (022) 2261 6217 ☎ : (022) 2261 6208
E-mail : info@cfsli.in Website: www.cfsli.in CIN: U67110MH1929GOI001484



are regulated by any Regulating Body. However adherence to various applicable laws for the other trusteeship services is required. We are registered with SEBI as Debenture Trustee with Registration number IND000000502 (*Copy attached as Annexure-A*).

The Company has paid up capital of Rs. 5.00 crore and net worth of Rs. 32.48 crore as on 31.03.2024.

Your good office issued Merchant Banker certificate no. INM000011781 on 04th August, 2010 to us and the same has been **surrendered** on 24th September, 2015. (*Copy attached as Annexure-B*).

As on date we are having registered certificate of **Debenture Trustee** only.

B. Brief Synopsis about Direct Selling Agent (DSA)

The Company intends to venture into another activity i.e. Marketing & Mobilization of CASA Deposits, Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc. by acting as Direct Selling Agent (DSA) for our parent Bank i.e. Central Bank of India and all its subsidiaries for canvassing the retail customers for generation of leads and conversion of prospects into customers. In turn our company will engage DSAs (preferably a company) to canvass CASA Deposits, Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc.

Marketing and mobilisation of the above products shall be implemented on pan India basis in a phase wise manner.

Role of DSAs:

- a) Sourcing/marketing of loan only and this will not result in creation of any liability.
- b) Meeting prospective customers to explain the details about the latest products of the banks.
- c) Working within the framework of "Code of Conduct and Responsibility".
- d) Marketing of Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc.

CFSL will not be responsible for any due diligence and processing of the loan applications. Further, there will not be any financial liability on CFSL and the loan amount sanctioned by Central Bank of India will be on its books and CFSL will be entitled to only the fees based on the mutually agreed terms and conditions. Sanction of loan shall be at the sole discretion of the Bank as per the extant guidelines. Bank's arrangement with CFSL will be on commission/fee basis.

- 2 -

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CFSL follows the highest standards of corporate governance, with all its business verticals working on a Chinese wall concept basis and the same will be followed up in the new proposed business vertical of DSA.

C. Before commencement of this new vertical, we have to follow the process of alteration of MOA to amend the object clause. An addition to object clause is as follow:

1. *To carry on all the activities for sourcing and acquisition of customers through all channels (including but not limited to DSA, personal contact, tele-calling, Central Bank of India branches and its subsidiaries, internet, web portals, website, mobile applications, co-brand partners or through any other legally permissible channel) verification, processing, issuing and management of all activities relating to CASA Accounts, Retail Loans, and all other related activities as may be permissible by RBI, either on its own or in collaboration/association/engagement with other organizations.*
2. *To enter into all activities relating to marketing and promotion (including sponsorship of any event, offering of cash backs, commission, discounts, rewards). To establish kiosk, stalls, camps at such places where the Central Bank of India is having or will have branches or at such other places as the company may deem expedient like malls, airports, railway stations, theatres etc.*

D. Purpose of clarification:

The SEBI (Debenture Trustees) Regulations, 1993 govern the activities of Debenture Trustees. These regulations do not impose any restrictions on engaging in other activities.

E. Clarification / Informal Guidance

In view of the above, we seek your guidance on the following:

- Whether CFSL, which is registered with SEBI as a Debenture Trustee, can act as a Direct Selling Agent (DSA) by starting a fresh business vertical for marketing & Mobilization of CASA Deposits, Retail Loans such as Home Loans, Vehicle Loans, Education Loan etc. and "Engagement of DSAs through our Company Centbank Financial Services Ltd (CFSL) for our parent company Central Bank of India and all its subsidiaries.

In case of any query regarding the opinion sought, we request you to kindly communicate at following address:

- 13 -

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Mrs. Jaya Tiwari
Company Secretary
Centbank Financial Services Limited
(Wholly Owned Subsidiary of Central Bank of India)
Central Bank of India – MMO Building,
03rd Floor (East Wing), No.55, M.G. Road, Fort,
Mumbai 400 001
Mob. No.: 8425848778
Email Id: jaya.tiwari@cfsi.in

In accordance with paragraph 6 of Securities and Exchange Board of India (Informal Guidance) Scheme, 2003, this letter is accompanied with a fees of Rs. 25,000/- (Rupees Twenty-Five Thousand Only) and GST paid by way of online payment using the SEBI payment gateway towards fees for seeking informal guidance and request you to kindly give your opinion.

Further as per Para 11 of the Scheme, we request your good office to give confidential treatment to the application submitted by us for a period of 90 days from the date of SEBI's response.

We world highly appreciate earliest action in relation to above.

Thanking you

Yours Sincerely,

For Centbank Financial Services Limited


Sunil Kumar Naik
Managing Director



Encl: I. Certificate of Registration for Debenture Trustee Reg No. IND000000502 dated December 08, 2014

II. Invoie Ack No. 122319169570419 dated 30th November, 2023 for renewal of Debenture Trustee services.

III. Letter no. MIRSD-5/MB/SM/27225/2015 dated September 24, 2015 issued by SEBI for cancellation of Certificate of registration as a Merchant Banker.



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