



Our

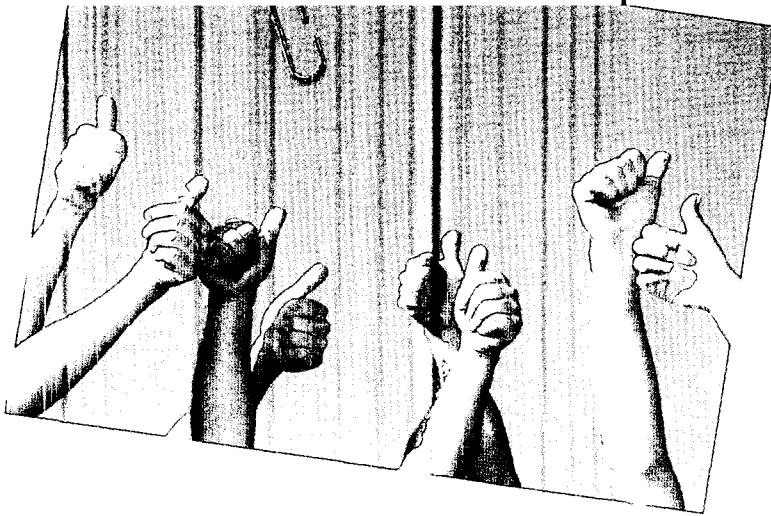
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along with strategic

PARTNERSHIPS

will ensure growth through consistent

PERFORMANCE



We bet on people.

The core foundation of our businesses is talent.

And that is what we have invested in, and grown.

At Centrum, we like to bet on people. They are the repository of knowledge and central to our competitive advantage. Over the last few years, we have hired some of the best talent to lead all of our businesses be it equity, advisory, debt, forex or wealth management.

Centrum has talent strength of over 1,000 people. We are one of the biggest teams in the country that has created one of the strongest integrated financial services companies in the country. Our team comprises of around 200 qualified MBAs from premier institutes, CAs, CSs and CFAs.

At Centrum, we have not just hired the best talent, but we have also invested in them and retained them. Well coached and highly motivated people are critical to the development and execution of strategies, more so in today's rapidly evolving and at times perplexing milieu. The core team in various product and service verticals has been with the Company for over three years, even as our endeavour is to dovetail continuity with change.

Our strong talent base has ensured that we built a strong and sustainable financial services business. And we have further grown each of our businesses through this talent.

◀ In the forex business, we have grown our team by over 40 per cent in 2007-08 to over 400 people to create a pan-India presence that caters to every forex need of every kind of customer; retail, institutional and corporate.

◀ In the debt market in India, Centrum is well regarded for the experience and acumen of its team and its ability to create and deliver innovative structures attuned to a deep understanding of client needs through the business cycle. This vertical, thanks to the talent, is witnessing strong growth. The debt team has expanded by around 50 per cent in 2007-08.

◀ Another area where global quality talent has been inducted is the equities business. In the past few years, we have created a strong institutional equities and corporate finance team drawing from some of the best names in the business to complement vigour and drive with requisite expertise and experience. And our superior line-up is manifest across functions-research, sales, business development and corporate solutions.

At Centrum, it's all about people. And we are proud to have created an exceptional talent pool leading all our businesses.

"A manager is responsible for the application and performance of knowledge".

- Peter F. Drucker



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◀ In partnerships, we believe.

In a fast evolving financial services business, collaboration is our way to grow. So at Centrum, we like to collaborate and partner; where together is more than the sum of the individuals. Partnership at Centrum is inclusive. And we are very selective.

We believe that in the coming years, one's ability to add value to customers and reach out to them, before anyone else, is emerging as a key competitive advantage. And that's where we partnered. We could have created the reach over a period of time. But we used partnership to get there faster.

Future Group is India's largest retailer with presence across 12 million square feet, 70 cities and access to over 200 million customers. Centrum partnered with the financial services arm of Future Group, Future Capital Holdings Limited (FCH) to align the entire business of the Company and provide to it, access to the entire Future Group eco-system. The partnership is complementary and adds significant value to every business of ours; equity, debt, forex and wealth management.

The three specific areas that Centrum and Future Group are partnering in are:

◁ Indivision India Partners, a private equity fund managed by Future Group has acquired 14.94 per cent stake in Centrum Capital Limited, the group's flagship investment banking company at an enterprise value of Rs 12,000 million.

◁ Future Capital Holdings Limited, by virtue of acquiring a stake, has become an equal joint venture partner in FCH CentrumDirect Limited, the forex money changing subsidiary of Centrum Capital Limited.

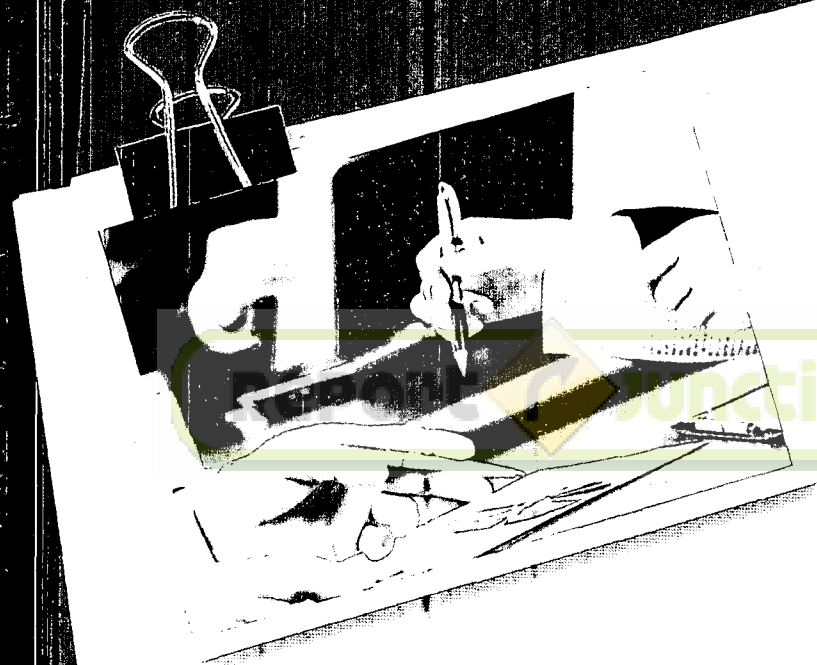
◁ Future Capital Holdings Limited has also become an equal joint venture partner in FCH Centrum Wealth Managers Limited, the retail stock broking and wealth management vertical, by acquiring a stake.

The forex, wealth management and retail broking businesses get direct access to the footfalls across Future Group through FNM Mall, the retail brand of FCH that has exclusive access to all Future Group formats.

The institutional equity, investment banking, debt and advisory businesses get access to engage with and benefit from the global talent pool that FCH has hired as part of its alternate investing platform.

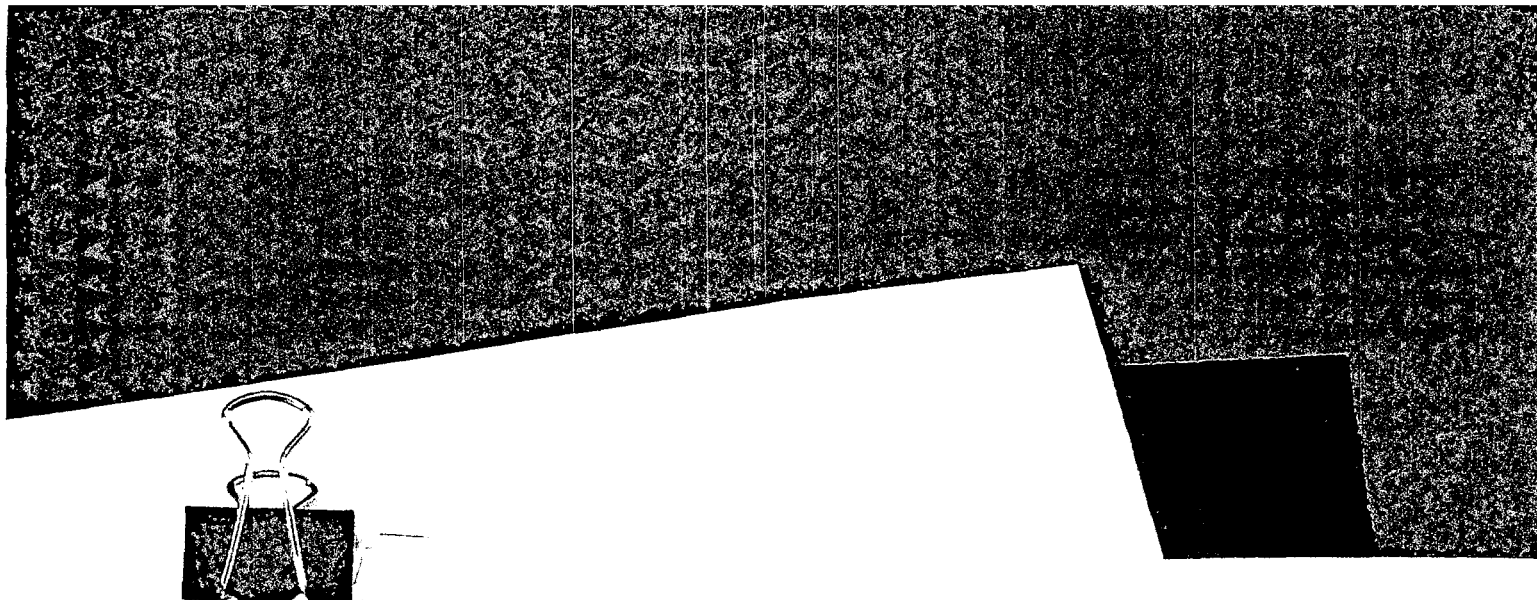
But, at Centrum, partnership is not just with an external partner. Our employees are our partners too. And so are our customers. Every endeavour is made to ensure the spirit of partnership with them as well.

"One's performance is often heightened by the brilliance and generosity of other actors (on the stage)". - Cyril Cusack



◀ Performance says it all.

People and partnership have ensured that, at Centrum, we deliver to our shareholders a consistent and sustainable performance. Performance to us means growth. We believe that we are part of a talent business. We also believe in collaboration. If we hire, retain and trust quality talent, they will help us grow. If we partner with the best, we will attain objectives faster and better than others.



And that's what matters. Because we believe in our talent and are proud of our partnerships, we are confident of our performance. In these challenging times, we are amongst the very few companies that are still investing in talent and growing its businesses.

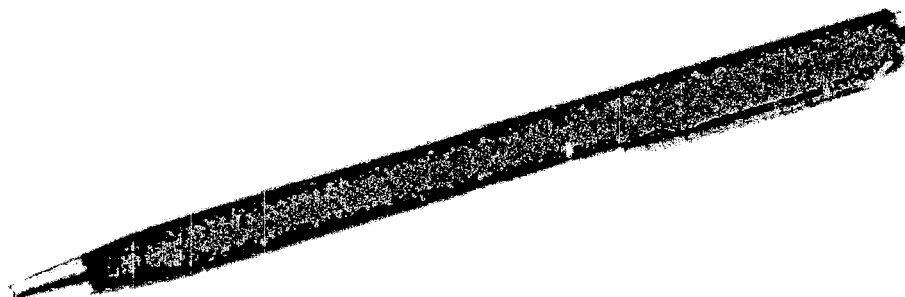
In the equities market, we are looking beyond India. We are looking at taking Indian financial products to the US and other Asian markets. With the continued investment in talent in the institutional business, we are confident of a higher market share when the markets look up.

In debt, our expert team has ensured that we create solutions for our customers, not just be an intermediary but a partner. To illustrate, an innovative structure that enhanced our performance includes a large long-term debt deal for an infrastructure company that incorporated a linkage to the liabilities side of lenders in order to optimize borrowing cost for the client.

In forex, for instance, our performance will get a major fillip due to the partnership with Future Group that allows us to tap its 200 million customers and extend our reach. The AD II license will help us grow our services for providing foreign exchange for students going abroad, film shooting, medical treatment, visa fee, immigration, etc. Our acquisition of a travel and holiday business will add synergies to the forex business and this business too will benefit from the retail reach of our partner.

The Company's performance improved across all its verticals (in terms of both revenue and profits) from 2006-07 to 2007-08. Centrum's total income increased from Rs 10,796.05 million in 2006-07 to Rs 17,608.65 million in 2007-08, up 63.10 per cent. The Profit After Tax increased from Rs 131.24 million to Rs 226.54 million, an increase of 72.61 per cent.

We have over Rs 2,000 million of cash and cash equivalents on our books with zero leverage.



◀ Vice Chairman's Message



"Downturns are like a grindstone- whether it grinds you down or polishes you up depends on what you are made of." - Anonymous

Dear Shareholders,

The future landscape of finance, in fact of capitalism per se is being re-scripted, in my view, following the tumultuous financial storm of the past twelve months. Not only have the global banking system and the business-trade edifice been mauled, a redrawing of the boundaries between the government and markets is underway as well. And, the repercussions of this unprecedented chain of events, as it unfolded at the speed of light from mortgage CDOs to bank solvency to a credit-crisis to bailouts to sovereign risk and a commodity collapse, has left a trail of burst asset bubbles in

its wake. While the magnitude and quickness of policy intervention by governments both jointly and severally is commendable, it must be noted that the world economy is in uncharted territory and the path to a secular recovery is likely to be paved with volatile aftershocks over the medium term.

By now, the initial smugness over India Shining equated to India Insulated has been rudely and conclusively shattered. Our forex reserves dipped for the first time in 14 years, FII inflows turned negative after a 9 year honeymoon, interest rates began to harden and the IIP for October actually

declined - for the first time in 15 years. As if on cue, the stock markets too corrected sharply, down 64 per cent in USD terms from the January peak, performing below the MSCI Global Emerging Markets Index.

Be that as it may, the revised prognosis for India in the current milieu still holds out positive signals, albeit moderate, but clearly standing out on a relative basis. Arguably a GDP growth of 6.94 per cent in 2009 versus global growth of 2.2 per cent stands as tall as 9.3 per cent in the rosy 5 per cent world of 2007. Besides, India's adherence to a calibrated Central Bank policy as well as a public-private co-existence model for key sectors of the economy is now a blessing in disguise as it positions us well to lead the economic rebound after a transient period of manageable deceleration. I continue to be an ardent believer in the fundamental India growth story.

At Centrum, we have also been impacted by the global turn of events, albeit to a lesser extent. Our diversified model encompassing corporate, institutional and retail fee streams across a suite of services, catering to a multitude of asset classes - equities (public and private markets), debt, infrastructure & project finance, forex & travel, wealth management etc. positions us better in these tough times. Further, our unique life-cycle investment banking partnership approach enables us to customise and execute much needed pragmatic solutions for clients as they navigate the turbulence. I am confident that our recent investments in people and organisational processes in this direction will stand us in good stead.

We have further reinforced our position by partnering with the Future Group - India's largest retailer with access to 200 million customers and a nation wide reach. The infusion of capital and exploitation of marketing, business development synergies adds significant value for the forex, wealth management, retail broking, distribution in particular and each of our businesses in general. The partnership with the financial services arm of Future Group viz. Future Capital Holdings Limited (FCH) is complementary and has created two equal Joint Venture subsidiaries FCH Centrum Wealth Managers (FCH CWML) and FCH Centrum Direct Limited (FCH CDL).

While we have re-oriented our growth strategy in light of the emerging scenario, our execution continues to be on track

albeit at a more measured pace. We have invested in the right infrastructure and operating environment to harness the team capabilities optimally. We moved to the 80,000 square feet, modern Centrum House, thereby meeting a long standing need to integrate all operating and corporate functions under one roof.

Our focus continues to be on hiring and retaining the best talent to further enhance our position as a knowledge-based solutions provider of choice. The Centrum family is now over a 1,000-member team, of which over a fifth are MBAs, CAs, CSs, CFAs and post graduates.

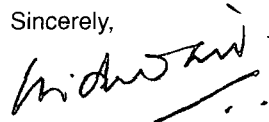
Let me highlight some of our interesting assignments of 2007-08. Unique rupee denominated convertible instrument for a leading agri-construction equipment group, structured funding for a stressed paper company asset taken over by new management and a large power sector term-debt syndication with an optimized floating rate spread. Centrum was honoured for its achievements and excellence in the field of finance, with a Corporate Excellence Award by the Amity International Business School.

As of the year-end, Centrum has over Rs 2000 million as cash and cash equivalents and this will be judiciously deployed to reinforce our business model and extend market reach.

Tough times are nothing new to us at Centrum. I clearly recall our baptism by fire in 1996, when we were born. Since then, we have not only successfully weathered subsequent downturns but forged ahead and grown. We have redoubled our efforts to source and close deals with a focus on near term doability while building up a quality pipeline. We recognise 2008-09 will be a tough year as our client universe re-orientes with consequent impact on pace of deal making and investments. But I would like to reassure you that we are geared to capitalize on the rebound.

Before I conclude, I would like to express my gratitude to all the Board members for their guidance and to everyone on team Centrum for their commitment and dedication that has enabled us to build the business. I would also like to thank all our customers and our shareholders for believing in us and in our vision.

Sincerely,



Chandir Gidwani

Our Company

Over the last decade, Centrum Capital Limited has been recognised as one of the leading investment banks in India. It offers a wide gamut of financial services and solutions to clients comprising of FIs, domestic institutions, public and private banks, corporates, public sector units, government undertakings, HNIs and retail investors.

Our Operations

EQUITY: Centrum handles equity services like advising on capital structuring, raising equity, cross border acquisitions, venture funding, mergers & acquisitions, IPOs etc. It develops, structures and executes diverse and innovative public and private transactions for corporations to raise capital for their current and future expansion plans.

FIXED INCOME: A leader in the private placement market, Centrum offers comprehensive solutions to a wide spectrum of clients. Centrum helps clients arrange resources in order to structure their debts, to meet short and long term financial objectives. In the secondary market, it helps corporates balance short term requirement of funds and facilitate savings through interest arbitrage and other services.

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Company Snapshot