



Capitalising on **Opport#nities**

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### Forward-looking statement

Some information in this report may contain forward-looking statements. We have based these statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by futuristic words such as 'believe', 'plan', 'anticipate', 'continue', 'estimate', 'expect', 'may', 'will' or other similar words. These statements may include assumptions or basis underlying the futuristic statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that these statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the statements and assumed facts or basis and actual results can be material, depending on the circumstances.

# Capitalising on Opportunities

***“In the middle of difficulty lies opportunity.”***  
**Albert Einstein**

This quote very aptly sums up FY 2022, a year ridden with uncertainty and challenges, but one that provided us with a unique opportunity for expansion and growth - A coveted Small Finance Banking license, issued by the RBI after almost seven years, based on their confidence in our capabilities.



Multiple waves of the pandemic, impacted lives and livelihoods, tested our resilience – mentally, physically and emotionally and highlighted the uncertainty in which we live. We paused, looked inwards, reset our inner compass and decided to move ahead with renewed vigour.

During the year, we looked at opportunities, strengthened existing foundations and built additional capabilities. Two of our fast growing lending businesses - MSME and Micro finance were transferred to Unity Bank, to get it off to a strong start and provide it with resources to scale up. Our Housing Finance vertical, which faced headwinds owing to the pandemic and slowdown in housing sales, remained well capitalised, entered new geographies and is back on the growth path.

The Investment Banking Team assisted companies in their financial management and closed multiple advisory and syndication deals. Leveraging the bullish sentiments in equity markets and growth in financial savings, our Broking, Wealth and Alternative Investment businesses saw greater traction driven by increased trading volumes, the need for private growth capital, along with a rise in issuances of structured investment products. The Wealth Team handles Client Assets of about ₹ 35,000 crores. We continue to realign our operations, technology and business strategies to meet evolving market requirements, with a steadfast emphasis on customer delight.

With the dedicated efforts of our entire team and support of our partners, we have emerged stronger!

2022 also marks the completion of 25 years of Centrum's growth story. We look back with satisfaction on our evolution from a pure fee based business model to a fee cum lending one, offering varied services to both institutions and individuals. As we move ahead, we aim to combine the inherent strengths of our businesses, capabilities of our team with the rich learnings from our journey so far, and look with enthusiasm to **Capitalise on Opportunities** in the years ahead!

# Executive Chairman's Message



**A Big Win has been us acquiring a coveted Banking license last year. I am grateful to the Reserve Bank of India and other regulatory authorities for giving us the opportunity to build a bank ground up and having faith in our capabilities.**



## Dear Shareholders

The past two years have been a period of uncertainty. With the situation now getting substantially better from where we were, I feel optimistic about opportunities and growth on the road ahead.

It gives me great pleasure to share that the Centrum Group completes 25 years of successful operations this year. From small beginnings in 1997, we are today a leading provider of diverse financial services. Besides sustained growth in our traditional businesses, this year marks our foray into the highly exciting Banking space. I am grateful to our Chairman Emeritus – Chandir Gidwani for his unflinching support and guidance, our Board, partners and the dedicated Centrum team for their contribution in our journey so far.

In the past decade, we seeded and grew many businesses, made acquisitions, expanded internationally and raised growth capital from reputed international funds. Changing market conditions also led us to divest some of our businesses at opportune times. However, a Big Win has been us acquiring a coveted Banking license last year. I am grateful to the Reserve Bank of India and other regulatory authorities for giving us the opportunity to build a bank ground up and having faith in our capabilities to bring relief to the stakeholders of the beleaguered Punjab & Maharashtra Co-operative Bank (PMC Bank). We aim to build a New Age, Digital-first Bank driven through strong corporate governance, technology and customer-centricity.

## Economic Overview

Dear Shareholders, FY2022 has been challenging. Two lockdowns, extended work from home along with a high infection rate, had a very significant impact on lives, livelihoods and businesses. The second wave of Covid brought untold misery on many. Even though India is one of the fastest-growing global economies, it faces headwinds. While the economy grew at 8.7% in FY 2022, a contraction is expected in the current year (2022-23), as the impact of the Russia – Ukraine war weighs heavily on commodity prices and disruption of supply chains. Even before the war began, inflation in many countries had been rising due to supply-demand imbalances during the pandemic, prompting a tightening of



monetary policy. The recent lockdowns in China, restrictions on Palm Oil exports by Indonesia and limited Gas supply from Russia, could cause new bottlenecks in global supply chains and have led to record inflation in India.

The RBI announced a 40 bps rate hike in May 2022 and another 50 bps in June 2022 to tackle inflation, and further hikes are expected during FY2023. The recent export duties levied on metals and select food grains should incentivise manufacturers to sell more domestically and lead to some cooling off in inflation. With India now administering booster shots, the overhang of the pandemic has reduced considerably and we anticipate a pickup in demand, albeit at a slow pace. The commitment and dedicated efforts of every Centurmite during the past months, have helped our businesses overcome challenges, nurture strong relationships with clients, while simultaneously building on new opportunities.

I now share with you the highlights of your Company's performance in FY2022.

In the face of widespread change, your company has shown strong resilience, adaptability and emerged stronger.

### Fee-Based Businesses – Sustained growth driven by stronger industry relationships, widening product portfolio and increased trading volumes

Capital markets performed well driven by increased capital raising done through IPOs and investments by PE funds in emerging companies. Our Investment Banking teams took advantage of improved sentiments, worked aggressively and did well. The Infrastructure Advisory and Debt Capital Markets teams together closed several

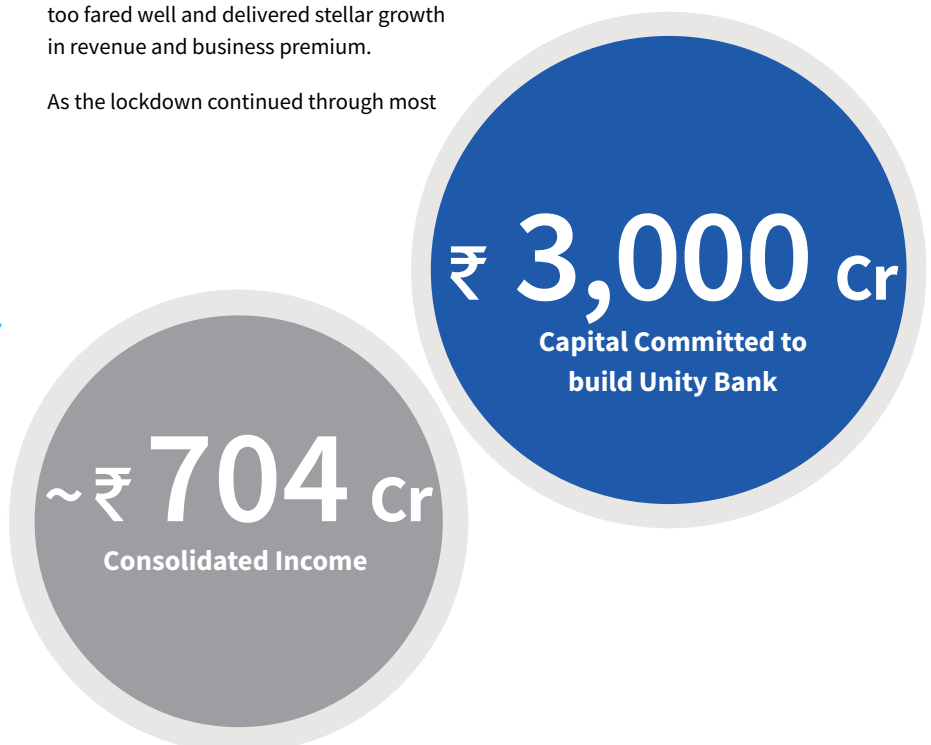
deals. All teams have a strong pipeline of transactions in FY2023.

The Wealth business had an action-packed year and saw a significant increase in its revenue and profitability, driven by diversifying income streams, improved productivity and greater cost controls. Presently it handles Client Assets of about ₹ 35,000 crores, a significant increase over the last year. The business is working towards increased digitisation and improved analytics to drive superior customer engagement, enhance scalability and customisation. A sharp focus on growth and improving operational efficiencies through increased use of technology in servicing clients led to prestigious recognitions from respected Industry platforms such as Asia Money and The Economic Times, along with being recognised as a Great Place to Work! Our Insurance Broking business, which has great synergies with the Wealth business, too fared well and delivered stellar growth in revenue and business premium.

As the lockdown continued through most

of the year, our Institutional & Retail Broking teams maintained their outreach with corporates and investors within the country and abroad. With markets hitting fresh highs and a spurt in capital market activities, the Institutional business saw a sizeable increase in trading volumes and empanelments. It also increased the number of stocks and sectors under coverage along with greater traction in its international outreach to clients in South East Asia, USA, UK and Europe. Our teams played a key role in bringing corporates and investors together by hosting several sector-focused investor conferences, which were well received. Our Retail Broking business revamped its online trading platforms to make them more customer-centric, resulting in increased customer acquisitions.

The Alternative Investments vertical manages our Private Equity and Structured



# Executive Chairman's Message

“A quick turnaround from approval to commencing operations, paved the way for the Amalgamation of PMC Bank with Unity, rescuing it from liquidation while providing stability to its employees and protecting customer deposits”

Credit portfolios. Owing to an increased demand for private capital, Centrum Credit Opportunities fund made four new investments, taking its total tally to twelve investments. Kalpavriksh, our PE fund too is performing well, as three out of its six portfolio companies managed to raise fresh capital at higher valuations. Additionally, we are in the process of introducing a new venture debt fund.

## Affordable Housing Finance – Well capitalised and widening its presence

Our Affordable Housing Finance vertical had a slow start, owing to the second wave of the pandemic and the subsequent slow down in real estate sales. However, as the situation eased, the business ramped up its efforts significantly both in fresh

disbursals and collections and recovered strongly. We established a presence in Uttar Pradesh and now operate in seven states. With the pandemic in check, we see a big opportunity in the low to middle-income segments in tier 2 & 3 cities, driven by favourable interest rates and support extended by the Government through its various initiatives.

## MSME & Micro Finance

During the first half of the financial year, our MSME and Micro Finance lending businesses faced headwinds due to the pandemic, as business activity slowed down and borrowers opted for moratoriums. However, both businesses showed resilience and worked towards maintaining asset quality, while limiting fresh disbursals. We subsequently merged

both businesses with Unity Small Finance Bank for greater synergies and access to the Bank's deposit base for further growth.

## Building a New Age Bank. Bringing Relief to a Beleaguered One.

Dear Shareholders, as shared in my last message, all of us at Centrum feel a sense of pride that the RBI issued a Small Finance Bank License to our fast-growing and profitable NBFC - Centrum Financial Services Ltd, demonstrating faith and confidence in our capabilities. Besides enabling us to reach out to a wider customer base and geographic reach, it helps in obtaining capital at a competitive cost, thereby paving the path for sustained growth.

### Unity Small Finance Bank (Unity)

endeavours to be a truly inclusive digital bank. Our business model is one of collaboration and open architecture, uniting all stakeholders to deliver a seamless digital experience. We have committed capital of ₹ 3,000 crores.

During the year, our team worked hard to operationalise the bank in record time. A quick turnaround from approval to commencing operations, paved the way for the Amalgamation of PMC Bank with Unity, rescuing it from liquidation while providing stability to its employees and protecting customer deposits. An existing depositor base, Centrum's profitable MSME and Microfinance businesses, a strong Board led by former CAG Vinod Rai and the highly capable management team, have provided a formidable foundation to the Bank that will help scale up operations quickly.

## Financial Performance

Our consolidated income increased Y-o-Y by 37% to ₹ 703.64 crores whereas standalone income grew Y-o-Y by 20% to ₹ 66.19 crores.

We have taken a strategic call of writing off the entire goodwill of PMC Bank along with making substantial provisions against their loans. This along with the significant cost of amalgamating PMC Bank with Unity Bank, impacted our profitability.

### Centrum Foundation – Health, Nutrition & Well Being of the Underserved

While we continue to grow our businesses with the utmost transparency and high standards of corporate governance, we believe in supporting the communities around us through our CSR arm, the Centrum Foundation, whose activities are focused on improving the health, nutrition and well being of underserved fellow Indians.

#### Covid-19 Assistance

The pandemic pushed the world into a long and challenging battle. Even as the situation improved, the less fortunate remained vulnerable and saddled with reduced incomes, lack of groceries, essentials and medical support. Besides providing financial assistance to many impacted, we supported them with

essentials and groceries that were difficult to procure during the lockdown.

The Foundation also procured Oxygen Concentrators to address the acute oxygen shortage during the second wave of the pandemic. This was available for use for all in need including our staff members and their families.

#### Healthcare Initiatives

We sponsored Cochlear implants for hearing impaired, underprivileged children. These children below 5 years of age belong to poor and marginalised families. Surgery at an early age helped restore their hearing and enabled them to start attending school, helping them to lead a normal life. We also tied up with the Paediatric Department of Sion Hospital, in Mumbai to offer free OPD treatment, medicines and medical devices to children with pulmonary complaints, such as asthma, requiring long-term treatment.

The Foundation also assisted the Shanti Shankalp Kalyankary Nyas, a non-profit organization in Ballia, Uttar Pradesh to set up a Vision Centre in Tutuwari, a remote village in Ballia. This vision centre will provide a range of eye care treatments to

the catchment area.

Our support to old age homes and meals to families of cancer patients being treated at the Tata Memorial Hospital continues.

### Employee Welfare

We undertook several initiatives for the well-being and safety of our employees and their families. Well before the lockdowns were announced, we put most of our staff on Work from Home. Only those in essential service functions attended office, that too with strict guidelines. Regular checks were done on the mental and physical health of teams. We arranged a vaccination camp at our corporate office in Mumbai for our staff and their families. Additionally, we tied up with an online medical services provider and arranged sessions on mental well being and dealing with fatigue and mental stress brought by the lack of social interactions for staff working from home.

### FY2023 – An Exciting Journey Awaits Us ....

FY2022 tested us in many ways - the resilience of our businesses, the agility of our operations and teams, our ability to adapt and our financial strength. With much of the uncertainty surrounding the pandemic now factored in, along with a slim chance of future lockdowns, we look at FY2023 with renewed optimism. Each of our businesses has spent considerable time and effort reviewing its growth strategy and streamlining operations to be better prepared for the vagaries of a fast-changing world.

I look forward to sharing more milestones in our journey in the coming years and on behalf of the Board, take this opportunity to thank our clients, investors, regulators, and you dear shareholders for the continued trust and confidence in the Centrum Group.

With Best Wishes,

**Jaspal Singh Bindra**



**Each of our businesses has spent considerable time and effort reviewing its growth strategy and streamlining operations to be better prepared for the vagaries of a fast-changing world**

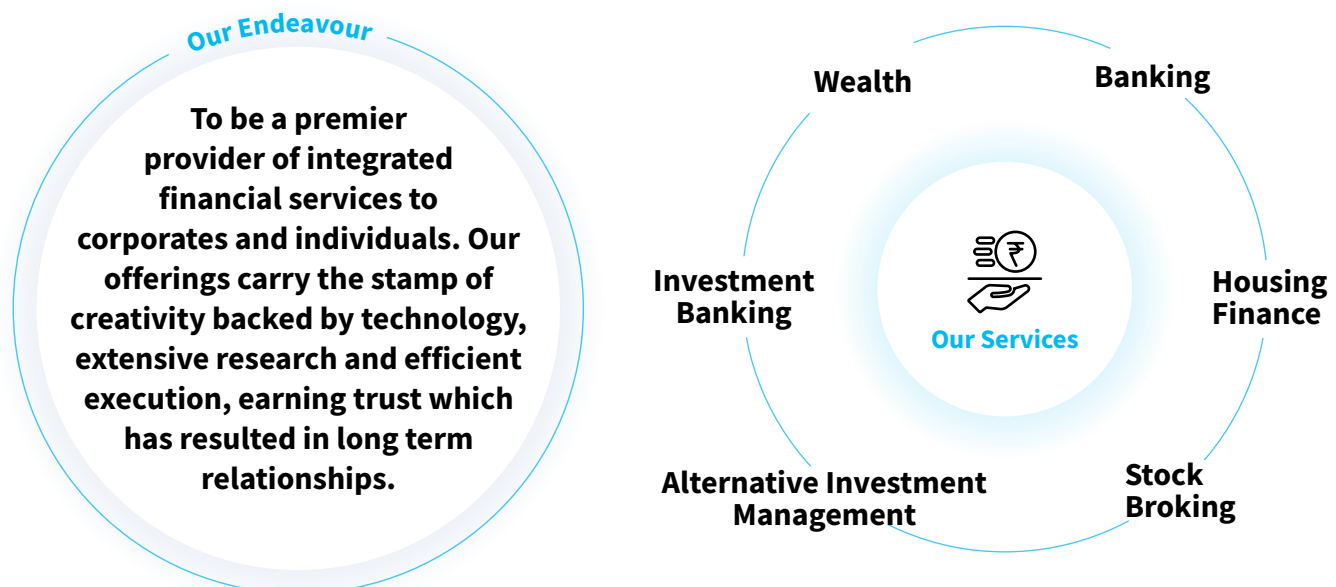
## About Us

# Valuable Franchise with a Balanced Mix of Corporate and Retail Services

One of India's fast growing and diverse financial services groups, Centrum has been serving the financial and advisory needs of institutions and individuals for two and a half decades.

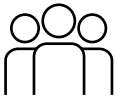
Our Institutional services include Investment Banking and Broking to FIIs, Pension Funds, Indian Mutual Funds, Domestic Institutions etc. We also provide Wealth Management Services to HNIs and Family Offices, Affordable Housing Finance in tier 2 & 3 cities and Retail Broking services. Our Asset Management business has funds across Private Debt and Venture Capital.

We have been providing MSME Loans and Micro Finance for a few years. With these businesses now merged into Unity Small Finance Bank, our most recent venture, they are expected to scale up substantially. We are a PAN India Group with a strong leadership team of seasoned professionals with a successful track record, operating out of 140+ cities and with an international presence in Singapore.





# Key Metrics\*



## People & Presence

Employee diversity along with a widespread geographic presence brings new ideas and perspectives to the fore, leading to greater productivity.

**2,915**

Employees



## Philanthropy

The Centrum Foundation, our CSR arm works towards supporting marginalised communities in the areas of health, nutrition and well being , helping to improve the quality of their lives.

**7**

Cochlear Implants Sponsored



## Performance

We evaluate our performance on a variety of parameters and consistently benchmark ourselves across industry standards.

Market Capitalisation

**~₹ 1,075 Crores**

BSE & NSE

**141**

Cities

**1,000+**

Families provided with Essentials & Groceries during Lockdown

**~₹ 704 Crores**

Consolidated Income

**325**

Branches and Offices

**1 Lakh +**

Meals Distributed in Cancer Shelter Homes

**~₹ 35,000 Crores**

Client Assets Handled

**70+**

Members with 10+ years of service

\* As on 31 March 2022

## Important Milestones

# Transforming to Capitalise on Opportunities

From small beginnings in 1997 to setting up a Bank in 2022, we have come a long way. Today, we are a well respected Group with a mix of Banking, Fee and Lending businesses, servicing clients in India and overseas. It has truly been an exciting and rewarding journey. A quick overview of the significant developments over the last few years, on our road to growth and diversification.

- Launched Insurance Distribution, Housing Finance, SME & MSME Finance businesses.
- Launched Kalpavriksh – Our maiden Private Equity Fund.
- Introduced CentrumPay - an innovative Mobile wallet cum physical Rupee Card.
- Entered Micro Finance Lending with the acquisition of FirstRand Bank India's (FRBI) Microfinance portfolio.
- Received Direct Insurance Broking Licence from IRDAI.
- Successfully monetised the Money Exchange business CentrumDirect by selling it to Atlanta based, NASDAQ listed – Ebix Inc.
- Acquired L&T Finance's Supply Chain Finance Business.

2018

2017

2016



**Centrum biz to Ebix for ₹1,200 crore**

PRESS TRUST OF INDIA  
Mumbai, April 3

**DIVERSIFIED FINANCIAL SERVICES** player Centrum Group has decided to exit the forex business under brand name Centrum Direct by selling it to Atlanta-based Ebix Inc for around ₹1,200 crore.

Nasdaq-listed Ebix has over 50 offices across five continents and offers on-demand software and e-commerce services to insurance, financial and healthcare industries. As part of the deal, the entire Centrum Direct team and assets will be transferred to Ebix and will become a part of EbixCash, an end-to-end financial exchange, the Jaspal Bindra-led company said in a statement on Tuesday. The deal, subject to shareholder regulatory approvals, is expected to be completed in 60 days.