

Stronger for a Bigger Tomorrow



Contents

Corporate Overview

- 2 Centrum Group
- 3 Key Metrics
- 4 Executive Chairman's Message
- 8 Reaching Important Milestones
- 10 Board of Directors
- 12 Key Achievements
- 13 Advisory Businesses
- 16 Credit - Affordable Housing Finance
- 17 Banking - Unity Small Finance Bank Limited
- 19 Inspiring Excellence
- 20 Centrum Foundation - Serving the Underserved
- 21 Corporate Information

Statutory Reports

- 22 Directors' Report
- 34 Management Discussion and Analysis
- 45 Business Responsibility and Sustainability Report
- 72 Corporate Governance Report

Financial Statements

Standalone

- 126 Independent Auditor's Report
- 138 Balance Sheet
- 139 Statement of Profit and Loss
- 140 Statement of Cash Flow
- 142 Standalone Statement of Changes in Equity
- 144 Notes Forming part of the Financial Statements

Consolidated

- 215 Independent Auditor's Report
- 226 Balance Sheet
- 227 Statement of Profit and Loss
- 228 Statement of Cash Flow
- 230 Statement of Changes in Equity
- 232 Notes Forming part of the Financial Statements

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.



Scan the QR Code to view the report online



To know more about the company, log on to centrum.co.in

Stronger for a Bigger Tomorrow

Resilience and ambition go hand in hand, especially in difficult and trying times. The disastrous impact of the pandemic on businesses and people, frequent rate hikes by the RBI and a general slowdown in economic activity made the last two years challenging for industry.

While external factors resulted in an overall setback to business growth and expansion, we remained focused on customer-centricity, investing substantially in strengthening our capabilities and refining our offerings to the changing market scenario. Our four-fold approach covered:



Technology Upgradation

Unity Small Finance Bank Limited ('Unity Bank'), our newest initiative, migrated its Core Banking Solution to a more robust platform that offers AI/ML capabilities along with hyper-personalisation solutions, which help improve every customer's banking experience. Additionally, the Broking Team is working on introducing a robust mobile app with value added features, that will make investing across asset classes super easy.



Organic and Inorganic Growth

All our business verticals demonstrated healthy organic growth. In addition, Centrum Housing Finance, acquired the business operations of South India based National Trust Housing Finance, giving us a significant presence in the region and elevating us to a PAN India HFC.



Stronger Partnerships

Our Investment Banking team signed an alliance with AWR Lloyd, a leading consulting and advisory firm to work together in areas of Infrastructure Finance. Additionally, we hosted several industry conferences, bringing together investors and corporates for mutually beneficial collaborations.



Team Expansion

We strengthened our teams across levels PAN India to boost client outreach and improve customer experience, while adding new product and services verticals. A number of external and internal capability enhancement and team strengthening initiatives were organised through the year.

With a more positive and promising economic outlook now, we enter FY 2024 with our eyes locked on a growth horizon and ears firmly pressed to the ground. We are confident that our efforts seeded during recent years and experiences gained, have prepared us to seize the opportunities ahead for a **Stronger and Bigger Tomorrow!**

Centrum Group

A diversified financial services organisation with the expertise and rich experience of a large corporation and personalisation and agility of a boutique entity, offering advisory, lending and banking solutions.

One of India's rapidly growing and diversified financial services groups, Centrum has been efficiently servicing the financial and advisory needs of institutions and individuals for over two-and-a-half decades. Led by industry veterans and entrepreneurs **Chandir Gidwani** and **Jaspal Bindra**, Centrum has a PAN India presence,

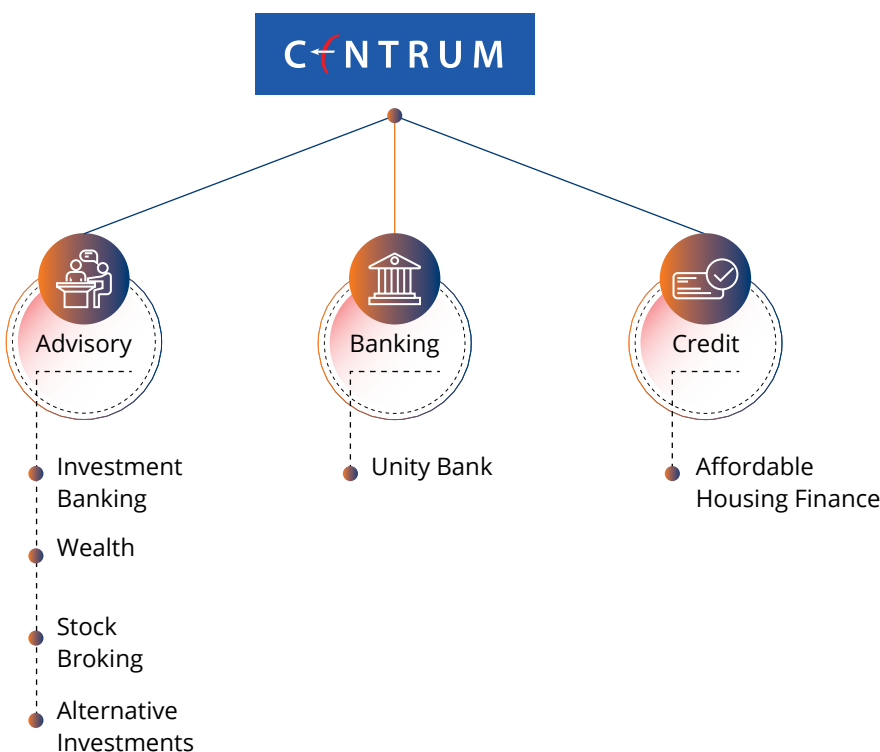
with a strong leadership team of seasoned professionals and an international presence in Singapore. Centrum Capital Limited is listed on the BSE and NSE.

Centrum's Investment Banking division advises corporates in their financial management and offers services across Equity Capital Markets, Corporate Finance, Debt

Syndication and Infrastructure Advisory. It has built a strong wealth franchise that services the investment and insurance needs of HNIs and family offices and currently manages client assets of over ₹ 35,000 crores.

A robust Retail and Institutional Broking platform offers quality research across stocks and sectors. It services FIIs, Pension Funds, Indian Mutual Funds, Domestic Institutions and is steadily building its presence in South East Asia, USA, UK and Europe.

After establishing a successful track record in Advisory services, Centrum strengthened its Lending Services by offering Affordable Housing Finance, MSME Lending and Micro Finance. Its Affordable Housing Finance business caters to borrowers in tier 2 and 3 cities and has built a strong presence across twelve states in India. Centrum's MSME and Micro Finance businesses had built a strong book since inception in 2017 and have subsequently merged with its latest venture, Unity Bank, a new age, digital first bank operating from 300+ locations in India.



Key Metrics

Resources and Reach

An integral part of our growth journey, bringing new ideas and insights for greater productivity.


400+

Branches & Offices
PAN India


5,000+

Employees across
businesses


100+

Employees with
10+ years of service

Results

We have demonstrated a sustained performance over the last few years, and are well-poised for further growth ahead.


~₹ 786 Cr

Market Capitalisation
(NSE & BSE)


₹ 1,365 Crores

Consolidated Income


₹ 35,000+ Crores

Wealth Client Assets
Handled


~100%

y-o-y Growth in Affordable
Housing Finance AUM

Responsibility

The Centrum Foundation, our Corporate Social Responsibility arm, seeks to support the health, nutrition, and well-being of the less fortunate.


6 lakh+

Meals Distributed at Cancer
Shelter Homes


200+

Children's Education
Sponsored till date


18

Cochlear Implants
Sponsored till date

Executive Chairman's Message



We closely reviewed our strategies for each business, so as to cross leverage strengths and client relationships across business verticals for greater efficiencies and incremental business.

Dear Shareholders,

Despite the economy witnessing some setbacks through FY 2023 resulting from the after effects of the pandemic, rising inflation and supply chain disruptions, we navigated through the challenging twelve months period, steadfast on strengthening our offerings and internal resources for a bigger outreach. With the economy now in a better shape, I look forward with optimism and excitement on our journey ahead.

I pause a moment to look back at the seven, action packed and eventful years since I came on board as Executive Chairman in 2016. Centrum has emerged as a leading and well respected financial services Group,

with sustained growth in both the advisory and credit businesses, coupled with an exciting new foray into banking. I express my gratitude to our Chairman Emeritus, Chandir Gidwani, for his unwavering support and guidance, our eminent Board, partners and the dedicated Centrum team for their invaluable contribution.

During the year, we closely reviewed our strategies for each business, so as to cross leverage strengths and client relationships across business verticals for greater efficiencies and incremental business. We streamlined processes, revamped technology, collaborated with the right partners to grow organically, while also evaluating in-organic opportunities. I am happy to share that our Advisory businesses

of Investment Banking, Wealth, Broking and Alternative Investments witnessed greater traction. Unity Bank, our newest venture had an action packed, successful first full year of operations and has built a healthy deposit and advances book. Our Affordable Housing Finance business expanded its presence significantly, with its acquisition of National Trust Housing Finance Limited.

Economic Overview

Notwithstanding the many challenges, the India growth story which started prior to the pandemic, continues to be strong.. The Government's swift and substantial policy responses to the pandemic are the foundation for the rebound in growth, that is likely to make India the fastest growing

among all major economies. This is driven by the relatively robust domestic consumption and lesser dependence on global demand. The Government's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development and industrial corridor development, will contribute significantly to raising industrial competitiveness and boosting future growth.

The IMF predicts that India's GDP growth is likely to be close to 6% in FY 2023. It expects the country's inflation to ease from 6.9% to about 4.9% during the same period. Our economy is expected to contribute 15% to global growth. India stands tall and steadfast emerging as a beacon of resilience. India also continues its digital thrust relentlessly. The digital economy has grown from 5% in 2014 to 9% today; and is expected to reach 20-21% by 2025. An impressive achievement! At Centrum too, we have significantly increased our thrust on digitization, to improve customer experiences and backend service support.

I now share with you the highlights of your Company's performance in FY2023.

Advisory Businesses – Saw sustained growth driven by stronger industry partnerships, wider product offerings and increased trading volumes.

While there was limited response to IPOs, our teams assisted corporates in financial management and raised growth capital through secondary markets. The Infrastructure Advisory team continued to work with leading developers in the Roads, Ports, Clean Tech and Renewables sectors. The Debt Capital Markets (DCM) team worked closely with Private and PSU Banks, NBFCs, AIFs and Credit

funds to close several mandates in restructuring, growth financing, refinancing and special situations. All teams have a strong pipeline of deals in FY2024.

The Wealth business remained steadfast in its efforts to build a larger revenue book, improving productivity and undertaking greater cost control measures. The revenue mix remained broad-based with balanced contribution from distribution of mutual funds, third party products, fixed income instruments and insurance. Presently it handles client assets of over ₹ 35,000 crores. A sharp focus on growth with improved operational efficiencies through better use of technology got the business prestigious recognitions from respected Industry platforms such as Asia Money and The Economic Times. Additionally, Centrum Wealth was recognised as a Great Place to Work by the Great Places to Work Institute, for the second year in a row. Our Insurance Broking business, which has great synergies with the Wealth business, also performed well and delivered stellar growth in revenue.

Centrum's Institutional & Retail Broking teams increased their outreach with corporates and investors within India and abroad. The institutional business increased the number of stocks under its coverage to offer a wider and balanced mix of scrips to clients. It strengthened its Research and Sales teams and increased investments to improve its backend technology. Its international outreach to clients in South East Asia, USA, UK and Europe also gained significant traction. Our teams played a key role in bringing corporates and investors together by hosting several sector-focused investor conferences, which were successful. The Retail Broking vertical launched its new mobile trading app Centrum Wave

Centrum's Institutional & Retail Broking teams increased their outreach with corporates and investors within India and abroad. The institutional business increased the number of stocks under its coverage to offer a wider and balanced mix of scrips to clients.

which was liked by clients. With inflation easing the business expects increased momentum in both its domestic and international outreach and empanelments.

The Alternative Investments vertical manages our Private Equity and Structured Credit portfolios. Owing to an increased demand for private capital, the private credit business (Modulus Alternatives) made three new investments across fertilizers, power and pharmaceuticals sectors, while successfully exiting one of its earlier investments. Given the sustained economic growth and momentum in the private sector capex cycle, we expect the business to grow well. We are also working towards achieving the first close of our new venture debt fund - Ignis, and will look at introducing new AIFs in select areas with significant untapped potential.

Executive Chairman's Message

Our Affordable Housing Finance vertical stepped up operations and recorded significant growth. We doubled our AUM and crossed the ₹ 1,000 crore milestone.

Affordable Housing Finance – Well capitalised and widening its presence

Our Affordable Housing Finance vertical stepped up operations and recorded significant growth. We doubled our AUM and crossed the ₹ 1,000 crore milestone. Besides growing organically, we also acquired the business of South India based, National Trust Housing Finance (NATRUST). NATRUST brought a healthy loan book of over ₹ 300 crores and a team of 150 members, all of whom have seamlessly integrated with the Centrum family. Moreover, the acquisition expanded our presence in new geographies and we now operate from 12 states, making us a National Housing Finance player in India.

Unity Bank – A New Age, Digital First Bank

Unity Bank's first full year of operations, FY 2023 was action packed, driven by strengthening of the asset and liability franchises,

successful integration of PMC Bank's team and customers, geographic expansion, growing the senior management group and more importantly, an increased thrust on digitization. We revamped and upgraded several of our branches to become more digital, modern in layout and more efficient. More importantly, we upgraded our Core Banking System (CBS) with a state-of-the-art digital platform, M2P Fintech's Turing CBS. This reinforces our commitment to continuously improve the banking experience of our customers, while ensuring that the CBS remains reliable, nimble, secure and supports future digital initiatives. Additionally, we achieved the status of a Scheduled Bank and were included in the Second Schedule of the Reserve Bank of India Act. This unlocks numerous benefits in the form of membership to clearing houses and access to funds from the RBI and government Institutions. We also received our RTGS/NEFT memberships and made the services live for customers in a relatively short time.

FY2024, will see us rolling out our Banking App, with substantial marketing and promotional support, drawing new untapped customers to Unity. Additionally, new branches will be rolled out in existing and new geographies. We are confident that with our investments on strengthening technology, building brand awareness and creating a customer friendly banking app, we will further scale up operations.

Financial Performance

During the year, we focused on building a granular loan book in our

Banking and Affordable Housing finance business, while continuing with steady consolidation in our Advisory businesses. Unity Bank's Net Loan Book doubled from ₹ 2,366 Crore to ₹ 4,867 Crore, driven by addition of granular loans to MSMEs and Microfinance borrowers. Centrum Wealth delivered a healthy Profit Before Tax of ₹ 61.5 Crore, whereas our Institutional Broking & other Advisory businesses delivered breakeven operating results. Our Consolidated Income for the year ending 31st March, 2023 was ₹ 1,365 Crore up ~90% Y-o-Y. Owing to enhanced provisions made for Unity Bank, our profitability was impacted.

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

At Centrum, we believe that we have a responsibility to not only manage our businesses with the highest levels of transparency, but also to positively impact the communities in which we operate. The Centrum Foundation our CSR arm, has enabled us to make this belief a reality by supporting a range of initiatives to Serve the Underserved in the areas of Health, Nutrition and Well-being. From providing access to healthcare and education, to feeding the hungry to helping people impacted by calamities, the Foundation has brought much needed relief and comfort to many. Some of the initiatives undertaken include:

Cochlear Implants for children with Hearing Impairment

We have supported the surgeries of 18 children till date from marginalised families and restored their hearing.

They have subsequently undergone speech and hearing therapy, and now attend school like all other children.

Free OPD Services

In association with the Pediatric Department of Sion Hospital, Mumbai, we offer free OPD treatment, medicines and medical devices to children with pulmonary complaints, such as asthma, requiring long term treatment.

This year along with the Zariya Foundation, we supported the poor & marginalised families of Rajasthani folk musicians and performing artists. These artists despite their difficult

financial condition are working hard to preserve the rich folk music and cultural tradition of India.

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

FY2024 – An Exciting Journey Awaits Us

Moving ahead, we are geared to leverage the exciting opportunities that we expect will emerge in the new and improving economy. Our recent efforts in strengthening our internal capabilities and resources, should stand us in good stead to deliver and grow. With a competent and committed team, our thrust

on using technology and strong partnerships, we are excited about our journey ahead. Our team's talent, expertise, and dedication have been the foundation of our growth so far, and we will continue to prioritize their development and wellbeing. We remain committed to creating value for all stakeholders.

On behalf of the Board, I 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

Reaching Important Milestones

Growth through transformation

We started off in 1997 as a merchant banker and have since expanded our portfolio to offer diversified advisory solutions, credit and more recently banking. It has been an exciting and rewarding journey servicing institutional, retail and HNI clients pan India. Here is a quick overview of the significant developments over the last few years:

- Launched maiden structured credit fund- Centrum Credit Opportunities Fund.
- Established International presence with office in Singapore.
- Acquired the Business Operations of Altura Finance Limited.

2019



2018

- 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.



2020

- Morgan Stanley's PE fund invested ₹ 190 cr in Centrum Housing Finance.
- NBFC vertical successfully securitized ₹ 50 cr of the Supply Chain dealer financing and vendor financing book.
- Micro Finance Business raised USD 5.55 million from Singapore-based Impact Investment Exchange (IIX).