



From the CEO's Desk

Dear Team,

Exactly a year ago, on 1st December 2017, Centrum Microcredit launched its operations with the official takeover of the the Microfinance Division of First Rand Bank. Many of you were part of this transition and have played a critical role in reaching where we are today.

In March 2018, we moved into a new Head office 402, Neelkanth Corporate Park, Vidyavihar, Mumbai. A impressive HQ for a growing and ambitious company and one that all of us can be proud of. I am also happy to share that we are now a Public Limited company and will be called Centrum Microcredit Limited.

We exist to serve our customers and further the goal of Financial Inclusion by providing Microcredit in an efficient and transparent manner, following all regulations and guidelines laid down by the RBI and SROs; MFIN and Sadhan. To meet this objective, we expanded geographically from Maharashtra to two more states of Gujarat and Odisha, moving from 25 branches across 3 districts to 49 branches across 15 districts. In the last one year, CML provided loans to approx 60,000 customers and disbursed around Rs 165 crs through the JLG model. We started with an acquired a portfolio of Rs 104 crs and today we are at 177 crs registering a growth of 70%

All this has been achieved in a disciplined manner, keeping our portfolio quality intact with best in class indicators of PAR 30 <1% and a collection efficiency of 99%. We have been through three independent Audits. The Audit and Risk Committee of our Board has reviewed the findings and outcomes. Consistent support from Centrum Group has resulted in a strong capital base with a capital adequacy ratio at 24% and a diversified set of funders for portfolio growth.

As many of you know, we are going through a platform change process. This introduction of new technology will help us become more engaged in our interactions with the client, have better risk management and data capture and increased efficiency of field, branch and central operations.

Starting Q2 2019, we will further accelerate our geographical expansion and product offering. All of this will mean opportunities for growth, promotions and role changes for many of you but also greater responsibility. Each of us is responsible to our clients and is a representative of brand Centrum and together we must build an environment of trust and transparency.

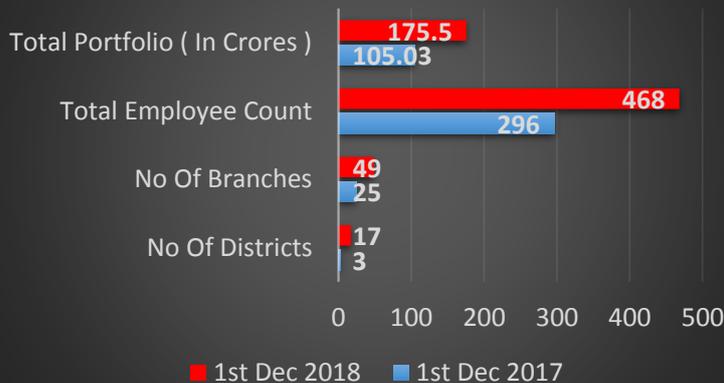
Once again, a big thank you to you all. As member of the top team and Mancom, I invite you to share your views and ideas on how we can become the "Microfinance Institution of Choice" for our customers. This should be our long term goal. I look forward to meeting you all soon.

Warm Regards
Prashant

Key Highlights

- Expanded operations to Gujarat & Odisha
- Staff strength grew 57% to 468
- Portfolio growth of 70%
- Best in class indicators of PAR 30 <1%
- Collection efficiency of 99%
- Serving 80,000+ customers

Business Growth



Director’s Message

Dear Centrumites,

We are approaching the first anniversary of the acquisition of our micro credit business this week.

There is a lot to celebrate. We have transitioned the business into Centrum Microcredit Ltd. and have started an exciting journey of growing our company, expanding to new locations and serving many more customers. We now operate in 3 states with 49 branches and 450+ staff members serving 85,000+ customers. Our founding team members are at the core of the company and we have added new colleagues to propel us to the next stage.

During the last year, we have strengthened our senior management team across various functions and the top team together has over 100 years of Financial Services Industry experience. We have formalised our Audit, Credit, Training & Treasury functions

The future looks very exciting. We see a lot of growth opportunities in our current markets. We have full commitment of Centrum Group to support our growth. We are an integral part of Group’s plans and have benefited from the significant equity and liquidity support. Our current performance is very much on track.

In closing I would like to thank all of you for the hard work and dedication you have shown in the past year and I wish you the best in a Long and successful journey ahead.

Ranjan

Team News

Inauguration of 24 New Branches

During the year, we expanded our presence to 24 new locations across Maharashtra, Gujarat and Odisha. Over 240 people have been hired to service the new branches. In the coming months, we plan to strengthen our operations in these new branches as well as expand to other states as well.



Diwali Celebrations

Diwali was celebrated with a lot of flair across branches and head office. The HR team had organised lunch and other fun activities. At the branches we had allocated budget for branch decoration and team lunch. Employees made a special effort to spruce up and decorate their branches/workstations.



Training Programme

Within 6 months of the FRB acquisition, all members underwent a rigorous induction training programme across locations to familiarize them with the policies and culture at Centrum. Additional training sessions on products and process, regulatory & compliance procedures was also conducted.

