

DIRECTORS'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 27th Directors' Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

This was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals in India and across the world. The economic contraction in first half of FY 2020-21 was very challenging due to Covid-19. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed at the Company

Financial Summary/highlights/Performance of the Company:

During the year under review, the Company has earned interest income of Rs. 44,217 (INR in Lakhs) on fixed deposits. Comparative Financial Summary for the F.Y. 2020-21 and 2019-20 of the Company is given below:

Particulars	Standalone		Consolidated	
	Year Ended 31 st March 2021	Year Ended 31 st March 2020	Year Ended 31 st March 2021	Year Ended 31 st March 2020
Income from Operations	47,461	48,070	79,440	83,654
Other Income	2,015	2,547	4,300	3,753
Total Income	49,476	50,644	83,740	87,407
Expenses (including depreciation & finance cost)	48,759	44,822	81,806	79,294
Profit before Tax	717	5,822	1,934	8,113
Tax Expense/ (Reversal for previous years)	320	3,747	648	5,480
Profit/(Loss) for the year	397	2,075	1,286	2,633

Impact of COVID-19

The financial year ended March 31, 2021 marked a full year since the World Health Organization declared the outbreak of COVID-19 as a pandemic. Countries across the globe continued to face drastic economic and social disruptions along with tragic loss of lives and livelihoods. Eruptions of new waves and variants of the virus necessitated restrictions and lockdowns.

Reserves

During the year, Rs. 87 Lakhs were transferred to the Reserve and Surplus of the Company. Further refer to Movement of Other Capital in financial statements of Company.

Dividend

During the Financial Year, your Directors have not recommended any interim or final dividend.

Capital Adequacy Ratio

As at March 31, 2021, the Corporation's capital adequacy ratio (CAR) stood at 21.95%, of which Tier I capital was 22.00% and Tier II capital was -0.05%. As per regulatory norms, the company is compiled from the minimum stipulated capital adequacy ratio is not applicable on company.

Orders Passed by Regulators

During the year, no significant or material orders were passed by the regulators or courts or tribunals against the Company.

Material changes and commitment, if any, affecting the financial position of the Corporation from the financial year end till the date of this report.

There are no material changes and commitments affecting the financial position of the Corporation which have occurred after March 31, 2021 till the date of this report.

Regulatory Guidelines

Your Company has complied with the Disclosure Requirement of Financials under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Brief description of the Company's working during the year/State of Company's affair:

The Financial Assets as on 31 March 2021 were Rs. 4,45,889 Lakhs as compared to Rs. 4,30,081 Lakhs as on 31 March 2020, an increase of 3.68% over the previous year.

The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3:2021-21. However, NBFCs were able to continue credit intermediation, albeit at a lower rate, reflecting the resilience of the sector. The Reserve Bank and the Government undertook various liquidity augmenting measures to tackle COVID-19 disruptions, which facilitated favorable market conditions as indicated by the pick-up in debenture issuances.

Among sectors NBFCs lend to, industrial sector, particularly micro and small and large industries, were the hardest hit by the pandemic as they posted decline in credit growth. NBFCs in the retail loan sector stayed ahead of the curve aided by their relatively low delinquency.

As per RBI Prediction profitability of the sector improved marginally in Q2 and Q3:2021-21 as NBFCs' expenditures registered a steeper fall than income. The asset quality of NBFCs improved in Q2 and Q3:2021-21, vis-à-vis Q4:2019-20, on account of regulatory forbearance to mitigate the impact of COVID-19.

The Company during the year was amongst few NBFCs who have registered profit despite the Covid Situation. The Company despite the difficulties have aided by growth across all its lines of businesses. During FY 2021, the Company launched various new products and variants to strengthen its business model and continue its growth momentum as follows:

There are no material changes in commitments of settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets etc, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

On March 9th, 2021, the Board of Directors has given an In-Principal approval for the merger of Clix Capital Services Private Limited with Clix Finance India Private Limited and the company has received NOC's from RBI.

No significant and material orders were passed by the any regulator(s) or court(s) or tribunal(s) impacting the going concern status and Company's operations in future.

In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulations by provisioning based on the experience and emerging trends.

Consequently, the Company looking at the slowdown in the economy and its impact on the business, on account of Covid-19 has taken additional provisioning on its portfolio. The Company continues to monitor its portfolio in view of this.

Change in Business and Outlook for 2020-2021:

The Company is a NBFC with focus on lending to MSMEs and retail borrowers. The Company expanded the existing business and launched new products based on strong foundations of technology, analytics and robust risk management system in the current year. However, in view of the pandemic and its impact on the economy, the Company will recalibrate its business lines next year and focus on products keeping in mind the risk and reward parameters.

Details of Subsidiary/Joint Ventures/Associate Companies:

The Company has two subsidiaries Clix Housing Finance Private Limited and Clix Finance India Private Limited. Details of the subsidiaries are to be provided in Form AOC-I as **Annexure-1** to the Board Report.

Deposits

The Company has not accepted any deposits from the public as defined in the Non-Banking Financial Companies (Reserve Bank of India) Directions, as amended till date. Further, the Company is a Private company under the Companies Act, 2013 so it cannot accept deposit from the public.

Statutory Auditors:

M/s S.R. Batliboi & Co. LLP has audited books of accounts for the Financial Year 2020-21. Pursuant to the Directions of the RBI vide Notification Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021, RBI restricted the tenure of Statutory Auditor to Three (3) years instead of Five (5) years under Companies Act, 2013 for Non-Banking Financial Companies. Due to this inability, M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm registration No. 101049W/E300004) has resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

To fill the casual vacancy caused by the resignation of M/s S.R. Batliboi & Associates LLP, the Board of Directors at its meeting has appointed M/s Haribhakti & Co., Chartered Accountants, (Firm registration no. 103523W/W100048), pursuant to the provisions of Section 139(8) of the Companies Act, 2013 as Statutory Auditors of the Company to hold the office till the conclusion of ensuing Annual General Meeting of the Company.

Further, the board has recommended appointment of M/s Haribhakti & Co., Chartered Accountants, (Firm registration no. 103523W/W100048) as Statutory Auditor of the company for a period of three years in accordance RBI vide Notification Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 from the conclusion of this Annual General Meeting until the conclusion of this Annual General Meeting of the Company to be held in the year 2024 subject to the approval of members at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s VKC & Associates, practicing company secretaries undertook the secretarial audit of the Company for the FY21. The Secretarial Audit Report is annexed to this report and the qualifications made by the Secretarial Auditor are self-explanatory and management is endeavor to improve the same.

Cost Auditor

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Companies Act, 2013

Internal Auditor

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The framework is commensurate with the nature of the business and the size of its operations. Internal auditing at the Company involves the utilization of a systematic methodology for analyzing business processes or organizational problems and recommending solutions to add value and improve the organization's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

Auditors' Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments, however in the annexure of the Audit Report. The Auditors' Report does not contain any qualification, reservation or adverse remark under the companies act, 2013. No frauds were reported by auditors under Section 143(12) of the Companies Act, 2013.

Reporting of Frauds by Auditors

During the year under review, the statutory auditors has not reported, any instances of fraud committed against the Company by its officers or employees to the Audit and Risk Management Committee, under Section 143 (12) of the Companies Act, 2013.

Accounting Treatment

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and other provisions of the Act. The details of the accounting treatment followed during the financial year are mentioned in Notes to Financial Statement.

Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and other Senior Management Employees and their remuneration.

Resource Mobilization

During the period under review,

1) Non-Convertible Debentures

- a) 642, Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 64.2 Crores on 4th February, 2021 which were listed on National Stock Exchange on February 9, 2021
- b) 420, Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 42 Crores on 19th November, 2020 which were listed on National Stock Exchange on November 24, 2020.
- c) 200, 10.60% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 20 Crores on 18th September, 2020 which were listed on National Stock Exchange on September 25, 2020.

- d) 500, 9.25% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 50 Crores on 07th September, 2020 which were listed on National Stock Exchange on September 11, 2020.
- e) 600, 9.25% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 60 Crores on 01th September, 2020 which were listed on National Stock Exchange on September 10, 2020.
- f) 650, 9.30% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 65 Crores on 17th August, 2020 which were listed on National Stock Exchange on August 28, 2020.
- g) 500, 9.40% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 50 Crores on 04th August, 2020 which were listed on National Stock Exchange on August 14, 2020.
- h) 250, 10.80% Listed, Secured Non-convertible Redeemable Debenture having a face value of Rs. 10 Lacs/- each amounting to Rs. 25 Crores on 30th June, 2020 which were listed on National Stock Exchange on July 08, 2020.

Credit Rating

During the period under review, rating assigned by credit rating agencies and migration of ratings during the year are:

Instrument	Rating Agency	Rating Assigned	
		As at March 31 st , 2021	As at March 31 st , 2020
Bank Loans	CARE	CARE A+	CARE AA-
Long Term Debt Programme	CARE/BWR	CARE A+/BWR AA-	CARE AA-
Short Term Debt Programme	CRISIL/CARE	CARE A1+	CRISIL A1+/CARE A1+

Share Capital

During the year under review, the Company has:

- Not issued any equity shares with differential rights and no disclosures required per the provisions of Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.
- Not issued any sweat equity shares and no disclosures required per the provisions of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014.
- Issued and Allotted 28,409,091 equity shares of Rs. 10 each at a Price of Rs. 17.60/- each amounting to Rs. 50 Crores on Proportionate basis to its existing shareholder of the Company on September 4th, 2020 & November 23rd, 2020 respectively.

ESOP Scheme/Plan of the Holding Company:

Clix Capital Services Private Limited (“**Holding Company**”) has approved and adopted Employee Stock Options Scheme/Plan under Section 62(1)(b) of the Companies Act, 2013, wherein employees of the Company are entitled to participate in this scheme. The Shareholders of Company in their Annual General Meeting held on 28th December, 2020 has amended the Employee Stock Option Scheme with respect to implementation of the Scheme from Direct method to Company sponsored Trust method. The disclosures relating to rule 8(13) of Companies (Share Capital and Debenture Rules), 2014 are given in the **Note no. 42** of Financials. Further, there were no exercise of options during the period under the review therefore the disclosures regarding the exercise of options are not applicable details regarding the exercise of options are not available. Employee wise details of option granted to Director’s are as follows:

Sr. No.	Name	Options
1.	Rashmi Mohanty	25 lakhs Rs
2.	Pramod Bhasin	Nil
3.	Anil Chawla	Nil
4.	Utsav Baijal	Nil
5.	Sanjiv Misra	Nil
6.	Steve Martinez	Nil
7.	Kaushik Ramkrishnan	Nil

Transfer of Funds in IEPF:

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The operations of the Company, being financial services related to require normal consumption of electricity. Given the nature of the activities of the Company the provisions pertaining to conservation of energy and technology absorption are not applicable to the Company. However, the Company is still taking every necessary step to reduce the consumption of energy and technology absorption.

Expenditure in Foreign Currency are as follows:

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Share Issue expenses	-	79
Legal and professional	354	11
Debt Issuance Cost	-	17
	354	107

Extract of Annual Return

Pursuant to the provisions of Section 92 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 and Section 134 of the Companies Act, 2013, the Annual Return as on March 31, 2021 in Form MGT-7 is available on the website of the Company i.e. <https://www.clix.capital/>

Corporate Social Responsibility (CSR) Reporting/CSR Policy:

The Board of Directors of the Company adopted the CSR policy and the same has been posted on the website of the Company and will be submitted to the Regulators, if required. (<http://www.clix.capital/our-policies>). The objective of CSR Policy of the Company is to continue to contribute towards social welfare projects for benefits of persons, especially women, focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Directors:

A) Changes in Directors:

During the Financial Year,

- **Utsav Baijal** was appointed as an Additional Director of the Company with effect from October 1, 2020 till the ensuing AGM and he was regularized in the AGM held on December 28, 2020.
- **Parth Gandbi** resigned from the office of the director with effect from October 1st, 2020.

- **Kaushik Ramakrishnan** was appointed as an Additional Director of the Company with effect from February 11, 2021 till the ensuing AGM and he offers himself for appointment as a Director.
- **Sanjiv Misra** was appointed as an Additional Director of the Company with effect from February 11, 2021 till the ensuing AGM and he offers himself for appointment as a Director.
- **Shekhar Mohanlal Daga** ceased from the office of the director with effect from February 11, 2021.
- **Kalpesh Kikani** resigned from the office of the Director with effect from February 11, 2021.

B) Changes in Key Managerial Personnel:

- **Bhavesh Gupta** resigned as CEO of the Company with effect from July 31, 2020.

Declaration by Independent Directors:

The criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 is not applicable to the Company.

Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company. Your Company has adopted a Policy on Vigil Mechanism. The Companies Act, 2013 requires the Company to establish a vigil mechanism for Directors and Employees to report genuine concerns. It has also been prescribed that the vigil mechanism should also provide for adequate safeguards against victimization of persons who use such mechanism and should have provisions for direct access to the Chairperson of the Audit Committee in exceptional cases.

This Vigil Mechanism/ Whistle Blower Policy is framed in context of these statutory requirements and to put in place an appropriate framework for this purpose. The said policy is available on the website. (<http://www.clix.capital/our-policies>).

Number of meetings of the Board of Directors:

The details of the Six (6) Board meetings held, in accordance with the applicable guidelines and rules, during the year ended March 31, 2021 are as follows:

S. No.	Date	Directors present
1.	17/04/2020	07
2.	28/04/2020	06
3.	30/06/2020	07
4.	04/09/2020	07
5.	12/11/2020	07
6.	09/03/2021	07

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and RBI Directives, the Compensation Committee of the Company has carried out an annual evaluation of the Board of Directors on basis of self-evaluation form received from all directors. The Board evaluation process was completed during the financial year 2020-21.

Audit Committee Meetings:

The Provisions of Section 177(1) and Rule 6 of the Companies (Meetings of the Boards and its Powers) Rules, 2014] relating to the Composition of Audit Committee are not applicable on your Company. However the Audit committee was constituted as per the RBI Master Directions.

The members of the Audit Committee meets Four (4) Times during the period under review on June 30th, 2020; November 12th, 2020; September 4th, 2020 & March 9th, 2021.

The Members of the Audit Committee are enlisted as below:

S.No.	Name	Designation
1.	Pramod Bhasin	Chairman
2.	Anil Chawla	Member
3.	Utsav Baijal	Member
4.	Kaushik Ramakrishnan	Member

Asset Management Liability (ALM) Committee Meetings:

In accordance with the Circular No. DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, the Board of Directors constituted the Asset Liability Management Committee (ALCO).

The members of Asset & Liability Management Committee meet Three (2) Times during the year June 18th, 2020; March 26th, 2021.

The Composition of the Asset Liability Management Committee is enlisted as under:

S.No.	Name	Designation
1.	Rashmi Mohanty	Member
2.	Gaurav Pawra	Member
3.	Vishal Singh	Member
4.	Venkataraman Bhartwaj	Member
5.	Ashish Kalani	Member
6.	Ruchika Sharma	Mmeber
7.	Akshita Agarwal	Member
8.	Dhairya Parekh	Member

Risk Management Committee Meetings:

The Risk Management committee was constituted as required.

The members of the Risk Management Committee meet One (1) time during the year on March 09, 2021.

The Composition of the Risk Management Committee is enlisted as under:

S.No.	Name	Designation
1.	Anil Chawla	Chairman
2.	Utsav Baijal	Member
3.	Kaushik Ramakrishnan	Member

Corporate Social Responsibility Committee Meetings:

The provision of Section of 135(1) relating to Composition of Corporate Social Responsibility Committee are applicable on your Company.

The company has not incurred any Expenditure on CSR Activities for the Financial Year 2020-21 but the company has created provision and transferred the unspent CSR amount in a separate account for the Financial Year March 31st, 2021. The Annual Report on CSR is annexed as **Annexure-2.**

The Composition of the Corporate Social Responsibility Committee is enlisted as under:

S.No.	Name	Designation
1.	Pramod Bhasin	Chairman
2.	Anil Chawla	Member
3.	Utsav Baijal	Member
4.	Kaushik Ramakrishnan	Member

Compensation Committee (formerly known as Nomination and Remuneration Committee):
Your Company has made Compensation committee as per the RBI Directives.

The members of the Compensation Committee meet One (1) time during the year on April 17th, 2020.

The Members of the Compensation Committee are enlisted as below:

S.No.	Name	Designation
1.	Pramod Bhasin	Chairman
2.	Anil Chawla	Member
3.	Utsav Baijal	Member
4.	Kaushik Ramakrishnan	Member

Number of meetings of the Shareholders:

During the year, the Shareholders met only one times:-

Sr. No.	Type of Meeting	Date of Meeting
1.	Annual General Meeting	December 28, 2020

Particulars of loans, Guarantees/Investments:

The Company is registered as Non-Banking Financial Company with the Reserve Bank of India. Hence provisions related to Loans, Guarantees/Investments under Section 186 of the Companies Act, 2013 are not applicable to the Company. However, the details are mentioned under the relevant head of the Financial Statements.

Particulars of contracts or arrangements with related parties:

All contracts or arrangements with related parties, entered into or modified during the financial year, were on arm's length basis and in the ordinary course of business. All such contracts or arrangements approved by the Audit Committee of the Company through omnibus approval and post that noted by the Committee.

No material contracts/arrangements with related party has entered into during the year under review. Accordingly, no transactions reported in Form AOC-2. In line with the requirements of the Act and RBI Directives, the Company has formulated a Policy on Related Party Transactions available on Company's website and be submitted to the Regulators, if required. (<http://www.clix.capital/our-policies>)

The policy intends to ensure that proper approval, reporting and disclosure processes are in place for all transactions between the Company and related parties.

Your Directors draw attention of the members to **Note No. 35** to the financial statement that sets out related party disclosures.

Particular of Employees:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company but they shall be provided free of cost to the members on the written request to the Company Secretary.

Managerial Remuneration:

The company has paid the managerial remuneration to its directors according to the provisions of the companies Act, 2013 and the disclosure relating to the remuneration paid is given in the RPT section under **Note No. 35** of the Financial Statements.

Risk Management Policy:

End-to-End Risk Management is an integral part of the Company's business strategy. Risk Management in the Company covers amongst others, Credit, Market, Operational and Fraud Risk along with appropriate Collections policies. As part of the robust governance framework, each individual program policy defines the target market, customer selection and acceptance norms, portfolio triggers, desired financial returns, monitoring process etc. The Risk Management Committee (RMC) assists the Board in its oversight of key credit risks and its resultant compliances. The RMC reviews portfolio performance, monitors risk tolerance limits, reviews risk exposures related to specific issues. The company continues to invest in talent, processes and emerging technologies for building a robust and a forward-looking culture towards risk management.

Directors' Responsibility Statement:

As required by Section 134(5) of the Companies Act, 2013, the Directors hereby confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a going concern basis;
- e. that the directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls:

The Company has adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design/operation observed per the provisions of Rule 8(5) of the Companies (Accounts) Rules, 2014.

Disclosures under Prevention of Sexual Harassment of Women at Workplace Act, 2013:

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint regarding sexual harassment during FY 2020-21.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report of the Company have been attached as **Annexure-3** to this Report.

Corporate Governance:

Your Company has a strong and committed corporate governance framework, which encompasses policies, processes and people, by directing, controlling and managing activities with objectivity, transparency and integrity. Your Company is committed to ensure fair and ethical business practice, transparent disclosures and reporting. The focus of the Company is on statutory compliance, regulations and guidelines and ethical conduct of business throughout the organization with primary objective of enhancing stakeholder's value while being a responsible corporate citizen.

Remuneration Policy

Pursuant to the provisions of Section 178 of the Act, the Board of Directors had approved and adopted the nomination & remuneration policy, inter alia, for the appointment and fixation of remuneration of the directors, Key Managerial Personnel and all other employees of your Company as applicable. The Nomination & Remuneration Committee has also developed the criteria for determining the qualifications, positive attributes and independence of the Directors and for making payments to Executive and Non-Executive Directors of the Company

Details of Debenture Trustee

The details of the Debenture Trustee acting for your Company is Catalyst Trusteeship Limited having its Office at GDA House, Plot No. 85 Paud Road, Pune 411038 Contact No.- 0120-25280081 Email Id; dt@ctltrustee.com

Fit and Proper Criteria & Code of Conduct

The Board of Directors has confirmed that all existing Directors are fit and proper to continue to hold the appointment as Directors on the Board, as reviewed and recommended by the Nomination and Remuneration Committee on fit and proper criteria. All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company. The Fit and Proper Criteria for Directors Policy adopted by the Company is posted on the website of the Company (<http://www.clix.capital/our-policies>).

Human Resources

Your Company, in the last financial year continued its journey of developing the human resources of the firm towards the goal of increasing employee productivity and engagement with the firm. Over the last one year, the Human Resource team has contributed significantly in reducing attrition and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. With an unswerving focus on nurturing and retaining talent, your Company provide avenues for learning and development through functional, behavioral and leadership training programmes as well as on the job training to enable the employees to constantly upgrade their skills. The Human Resources function over the last one year, has travelled a significant distance in digitalization of all employee facing process and now all human resource process are available to employees on their mobile phones. This has ensured significant ease of access for the individual employee as well as helped the Human Resource function to deliver its services to the employees in a much faster and efficient manner.

Compliance with Secretarial Standards

The Company has complied with all the Secretarial Standards Applicable to the Company.

Acknowledgements:

Directors wish to place on record their heartfelt appreciation for the efforts of the Company's employees and the co-operation extended by the Customers, Suppliers, Bankers and all other business associates and wish that this support will continue in the road ahead with the same commitment.

**For and On Behalf of
Clix Capital Services Private
Limited**



**Pramod Bhasin
Director
(DIN: 01197009)**



**Anil Chawla
Director
(DIN: 00016555)**

**Date : 20th September, 2021
Place: Gurgaon**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments including Risks and concerns related thereto:

India has emerged as one of the fastest growing major economy in the world and as per the World Bank estimated to grow 12.4 per cent in 2020-21.

The Non-banking Finance Companies (NBFCs) sector has been growing steadily over last few years. NBFCs have helped Indian financial system by creating sustainable models, with advanced analytical and technological capabilities to support unbanked, new to credit and micro segments in an efficient and profitable manner.

2. Opportunities and Threats:

A lot of tech-savvy online based NBFCs have emerged and the market is growing fast and carries the potential to absorb more players willing to address needs of the various segments that have been under-served thus far. There is tremendous potential for Fin-tech companies that are providing business loans to SMEs and personal loans to consumers.

3. Outlook:

Company has initiated steps to expand existing business and launch new products based on strong foundations of technology, analytics and robust risk management system. Company expects to achieve business growth in FY 20-21 and 19-20.

Company has formulated new IT strategy & defined implementation timelines to build a comprehensive technology platform. Company has taken steps to enhance sales force effectiveness, differentiated underwriting and initiate Fin-Tech partnerships. During FY 20-21 and onwards company plans to setup branches across various locations to expand business.

Company has invested on resources to enhance analytics and technology which will help to introduce new products and increase customer base of the Company.

4. Internal control systems and their adequacy:

The Company has well-defined organizational structure, policy guidelines, defined authority matrix for authorization of transactions and internal controls to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of assets of the company. The company periodically performs risk & controls assessments around systems & processes to identify inherent risks, understand existing controls measures and determine residual risks requiring management attention.

The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports to assess the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate. The Company has framed a compliance procedures to effectively monitor and supervise the compliance function in accordance with the statutory requirements.

5. Discussion on financial performance with respect to operational performance:

During current Financial Year, your Company has earned a Profit After Tax ('PAT') driven by income from various loan product it has.

6. Material developments in Human Resources/Industrial Relations front, including number of people employed:

The Company ensures compliance of employment and labour laws, tracking changes in applicable regulations on a regular basis. The Company has zero tolerance for sexual harassment at workplace and

has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at the workplace.