

Form NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
CLIX CAPITAL SERVICES PRIVATE LIMITED
CIN: U65929DL1994PTC116256
4th Floor, Kailash Building Kasturba Gandhi Marg,
Connaught Place, New Delhi 110001

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CLIX CAPITAL SERVICES PRIVATE LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

Regd. Office

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We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to lockdown to fight COVID-19 followed by restrictions imposed by local authorities and State Government, some of the documents and records mentioned above have been received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of Opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
 - (f) The Securities and Exchange Board of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review.**
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; **Not Applicable**
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; **Not Applicable**
- (v) The Reserve Bank of India (RBI) Act 1934 and rules, regulations, master-directions and guidelines made issued thereunder as are applicable to Non-Deposit (ND) taking Non-Banking Financial Companies (NBFC) with classification as a "Systematically Important (SI)" specifically applicable to the Company on test basis and relying upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder. The Company has complied with aforesaid provisions, however in some instances where returns filed with RBI were delayed due to technical issues.

We have also examined compliance with the applicable provisions of the following: -

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India which were generally complied.
- (ii) The Company has not entered into listing Agreements with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Master Circular/ Directions and Guidelines etc. mentioned above except for the appointment of Independent Director on the Steering Committee undertaking the function of IT Strategy Committee in terms of IT Governance framework under Master Direction DNBS.PPD.No.04/66.15.001/2016-17 as amended time to time. However, the management is of the view that Company being a private company is not required to have an Independent Director and therefore the constitution of the Committee is in compliance of the applicable provisions.

We further report that:

Subject to above, the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and, in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

i) During the period under review;

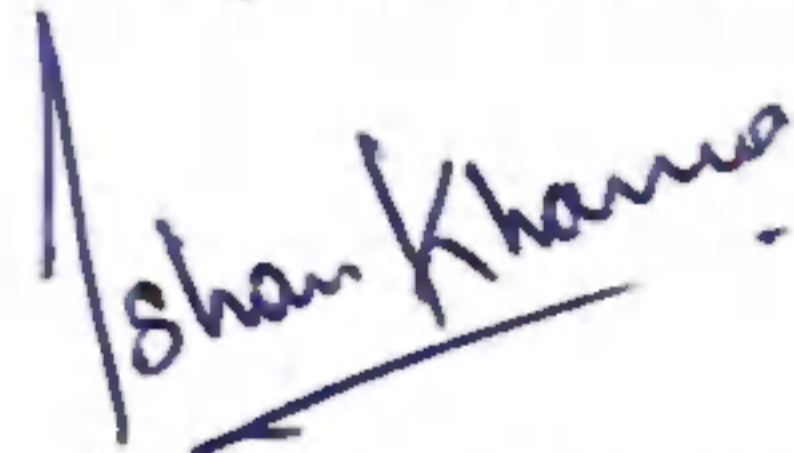
- a.) The Board of the Company in their meeting held on 4th September, 2020 has approved a Right Issue of 28,409,091 equity shares of Rs. 10 /- each at a Price of Rs. 17.60/(including Rs. 7.60/-)- amounting to Rs. 50 Crores on Proportionate basis to its existing shareholder of the Company.

Further, the Board of the Company has made the allotment of above shares to Plutus Financial Private Limited (Holding Company) on November, 23, 2020.

- b.) 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.
- ii) During the period under review the Board and its Allotment Committee has made following allotments of Non-Convertible Debentures;
- a) 642, Listed, Secured Nonconvertible 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 Nonconvertible 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 Nonconvertible 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 Nonconvertible 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 Nonconvertible 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 Nonconvertible 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 Nonconvertible 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 Nonconvertible 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.
- iii) The Company has not incurred any expenditure on CSR activities for the Financial Year ended 31st March, 2021 and the Company has created provision and transferred Rs.18 lacs into a separate account for unspent CSR for the Financial Year ended 31st March, 2021.

- iv) During the period under review, the Board of Directors of the Company has given an in-principle approval for the Merger of the Company as Transferee Company with Clix Finance India Private Limited (Subsidiary Company) as Transferor Company and, As informed by the management of the Company, the Company has received Reserve Bank of India Non-Objection Certificate (NOC) after the closure of Financial Year.

FOR VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000



CS Ishan Khanna
Partner
ACS No. A53517
C P No. 24258

UDIN: A053517C000970048

Date: 20/09/2021

Place: New Delhi