



---

***Clix Housing Finance Limited***

***Annual Report: F.Y. 2021-22***

---



**Contents:**

- **Our Board of Directors**
- **Brief Profile of the Directors of the Company**
- **Director's Report**
- **Report of the Directors on Corporate Governance**
- **Management Discussion and Analysis Report**
- **Financial Statement along with Auditor's Report**

**Clix Housing Finance Limited**

(formerly known as Clix Housing Finance Private Limited)

901 B, 9th Floor, Two Horizon Centre, DLF Phase V, Gurugram, Haryana-122002, India

[www.clix.capital](http://www.clix.capital) | [hello@clix.capital](mailto:hello@clix.capital) | +91 124 3302000

CIN: U65999DL2016PLC308791, PAN: AAGCC7223E, Regd. Office : 4th Floor, Kailash Building, Kasturba Gandhi Marg, Connaught Place, New Delhi North East - 110001

## OUR BOARD OF DIRECTORS



### **Rashmi Mohanty**

**Wholetime Director**

**Experience: 26 years**

**Prior Work Experience**

**Worked with organizations like Deutsche bank, Religare, Vedanta group**



### **Kaushik Ramakrishnan**

**Board Member**

**Experience: 14 years**

**Prior Work Experience**

**Principal – Apollo Global Management**



### **Vikram Rathi**

**Board Member**

**Experience: 19 years**

**Prior Work Experience**

**Worked with GE Money, Barclays Bank, Tata International Ltd.**

**BOARD'S REPORT**

To,  
The Members,

Your Board of Directors have pleasure in presenting their 6<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 (“financial year under review”).

**1. Financial Summary/highlights/Performance of the Company:**

During the financial year under review, the Company has earned interest income of Rs. 297,272 (INR in Thousands) on loans. Financial Summary of the Company for the F.Y. ended 2021-22 is given below:

Particulars	Year Ended on 31 March, 2022 (Figures in INR Thousands)	Year Ended on 31 March, 2021 (Figures in INR Thousands)
Total Revenue	412,807	317,242
Other Income	1,679	2,322
<b>Total Income</b>	<b>414,486</b>	<b>319,564</b>
<b>Total Expenses</b>	<b>387,806</b>	<b>288,665</b>
Profit/(Loss) before taxation	26,680	30,899
Less: Tax Expense	1663	-
<b>Profit/(Loss) after tax</b>	<b>25,017</b>	<b>30,899</b>

**2. Impact of COVID-19**

COVID -19 a global pandemic, which spread across the world with India not being an exception and has contributed to a significant volatility in global and Indian financial markets and an unprecedented level of disruption on socio-economic activities. Based on the Information available till date, the Company has used the principles of prudence to provide for the impact of the pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets.

**3. Reserves**

During the year, Rs. 5,312 thousands were transferred to the Reserve and Surplus of the Company. Further refer to Movement of Other Capital in financial statements of Company.

**4. Dividend:**

In view of ongoing COVID-19 pandemic and to conserve cash and maintain liquidity of the Company, the Board of Directors decided not to recommend dividend for the financial year 2021-22.



## 5. Capital Adequacy Ratio

The Company continues to fulfill all the norms and standards laid down by the NHB pertaining to non-performing assets, capital adequacy, statutory liquidity assets etc. As at March 31, 2022, the Company's capital adequacy ratio (CAR) stood at 26.17% of which Tier I capital was 25.54% and Tier II capital was 0.63% as per regulatory norms.

## 6. Orders Passed by Regulators

During the year under review, no significant or material orders were passed by the regulators or courts or tribunals against or by the Company impacting the going concern status or operations of the Company in future.

## 7. Material changes and commitment, 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

There are no material changes and commitments affecting the financial position of the Company, which have occurred after March 31, 2022 till the date of this report.

## 8. Market Borrowings

The Company complied with the provisions relating to the "Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014" and "RBI HFC Directions" as applicable and has been regular in payment of principal and interest on the NCDs.

## 9. Regulatory Guidelines

In August 2019, the Central Government conferred the powers of regulation of Housing Finance Companies (HFCs) to RBI from NHB. NHB continues to carry out the function of supervision of HFCs.

In October 2020, RBI issued the regulatory framework for HFCs in supersession of the corresponding regulations by NHB. The objective of the framework was to facilitate regulatory transition in a phased manner with least disruption.

During the year, RBI introduced certain regulatory changes for HFCs such as the principal business criteria for housing finance, definition of housing finance, minimum net owned fund requirements, guidelines on liquidity risk management framework and liquidity coverage ratio, amongst others.

Further, on October 05 2021, RBI issued Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect.

The Company is in compliance with the applicable provisions and requirements of the RBI/HFC Directions and other directions/ guidelines issued by RBI/NHB as applicable.



## 10. Lending Operations

The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and is engaged in Lending Operations in India. All other activities of the Company revolve around the main business activities of the Company. During the year the lending operations of the Company were impacted by the pandemic.

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

The Company is a subsidiary of Clix Capital Services Private Limited ("CCSPL") and is registered with the National Housing Bank to carry on housing finance activities. The Company has earned interest income of Rs. 2,97,272 (INR in Thousands) on loans. There are no outstanding material commitments, tax liabilities etc. 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.

The Board of the Company has approved a merger of the Company with its parent Company i.e, Clix Capital Services Private Limited in its Board Meeting held on May 30, 2022 and consequently an application has been filed to RBI/NHB for their Non Objection Certificate on the aforesaid merger.

In addition, the regulatory authorities i.e. RBI and NHB were informed towards discontinuation of housing business and the proposal of merging the Company with its parent Company via email dated April 12, 2022 for reasons mentioned below:

- CCSPL wishes to simplify its corporate structure and wants to offer lending products from one NBFC platform, i.e. Clix Capital.
- Due to the competitive intensity in the home loan segment and extremely low interest rates being offered by larger HFCs and Banks, small sized HFCs like Clix Housing are finding it tough to make it a viable / profitable business proposition. Therefore, the Company would like to discontinue its offering in the home loan space.
- However, in the spirit of protecting the interests of the customers at the Company, CCSPL would like to merge the Company it with its 100% parent entity. This would ensure smooth transition and continued servicing for our customers

## 12. Changes in the nature of business, if any:

During the year under review, there were no changes in nature of business of the Company for the financial year ended March 31, 2022.

## 13. Details of Subsidiary/Joint Ventures/Associate Companies:

During the year under review, your Company had no Subsidiary/Joint Ventures/Associate Companies.

## 14. Public Deposits:

During the year under review, the Company did not accept any public deposit(s) under the provisions contained in section 73 of the act read with Companies (Acceptance of Deposits) Rules, 2014.

## 15. Auditors

- **Statutory Auditors:**

M/s DMKH & Co., Chartered Accountants, (Firm registration no. 116886W) was appointed as the Statutory Auditor of the Company to fill the vacancy caused by the resignation of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm registration No. 101049W/E300004) due to the RBI Notification Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22. and by reason thereof has audited the Financial Statements for the year ended March 31, 2022. Thereafter, M/s DMKH & Co., Chartered Accountants are appointed as Statutory Auditor of the Company for a period of three years from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting of the Company to be held in the year 2024.

- **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, Company Secretaries (ICSI Firm Registration No.P2018DE077000) were appointed as the Secretarial Auditors of the Company to undertake the secretarial audit of the Company for the financial year ended March 31, 2022.

- **Cost Auditor**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

- **Internal Audit & Control**

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 analysing 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.

## 16. Auditors' Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## 17. Reporting of Frauds by Auditors

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit, during the year under review.

## 18. 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.

## 19. 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.

## 20. Resource Mobilization

During the period under review, the Company has made the following allotment:

- **Non-Convertible Debentures:**

- The Allotment Committee of the Board of the Company on September 30, 2021 has allotted 30 Crores Non- Convertible Debentures via Private Placement to Bank of India which were listed on October 06, 2021 on the debt segment of NSE.

## 21. Credit Rating

During the period under review, Brickwork Ratings affirmed the following rating for the various borrowings of the Company.

Rating Agency	Instrument Type/Size	Rating as at March 31, 2022	Rating as at March 31, 2021
Brickwork Rating	Bank Loans	Acuite AA-/BWR AA - /Negative	BWR AA -/Negative
	Non-Convertible Debentures	Acuite AA-/BWR AA - /Negative	BWR AA -/Negative



## 22. Share Capital & Capital Structure:

During the year, under review, the Company has:

- Not issued any equity shares with differential rights and no disclosures are required as per the provisions of Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.
- Not issued any sweat equity shares and no disclosures are required as per the provisions of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014.
- Company has not issued employee stock options and no disclosures are required as per the provisions of Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.
- Not created any provision of money for purchase of its own shares by employees / by trustees for the benefit of employees and no disclosures required as per the provisions of rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014.

There was no change in the Share Capital of the Company during the year.

## 23. Extract of the 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, 2022 in Form MGT-7 will be available (subject to submission with MCA) on the website of the Company i.e. <https://www.clix.capital/clix-housing/>

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

The Company being incorporated for providing housing finance services does not have any activity relating to conservation of energy, technology absorption and export of materials, goods or services. Given the nature of the activities of the Company the provisions pertaining to conservation of energy and technology absorption and Foreign Exchange Earnings & Outgo are not applicable to the Company.

## 25. Details of Directors and Key Managerial Personnel including those who were appointed or have resigned during the year

S. NO.	NAME OF THE DIRECTOR	DESIGNATION	DIN
1.	Rashmi Mohanty	Whole time Director	07072541
2.	Kaushik Ramakrishnan	Director	08303198
3.	Vikram Rathi	Additional Director	08769167
4.	Alka Yadav	Company Secretary	-
5.	Amit Kumar Jain	CFO	-

**During this financial year under review, the following changes have occurred in the positions of Director of the Company:-**

- Mr. Kaushik Ramakrishnan appointed as a Director of the Company from the post of Additional Director w.e.f September 30, 2021.
- Mr. Venkataraman Bharatwaj appointed as a Director of the Company from the post of Additional Director w.e.f September 30, 2021.
- Mr. Venkataraman Bharatwaj has resigned from the position of Director of the Company w.e.f January 11, 2022.
- Mr. Vikram Rathi has been appointed as Additional Director of the Company w.e.f January 11, 2022.

**During this financial year under review, the following changes have occurred in the positions of Key Managerial Personnel of the Company:-**

- Ms. Purva Arora resigned from the position of Company Secretary of the Company w.e.f April 23, 2021.
- Ms. Alka Yadav was appointed as Company Secretary of the Company w.e.f September 16, 2021.
- Mr. Gaurav Pawra resigned from the post of CEO of the Company w.e.f October 06, 2021.
- Mr. Amit Jain was appointed as Chief Financial Officer of the Company on November 12, 2021.

## **26. Declaration by Independent Directors:**

In terms of provisions of sub-section 7 of Section 149 of the Companies Act, 2013 are not applicable to your Company.

## **27. Number of meetings of the Board of Directors:**

The Board meets at regular intervals to discuss and decide on the Company's performance and business strategy. Your Board of Directors met 5 (Five) times during the financial year 2021-22.

The details of the Five (05) Board meetings held, in accordance with the applicable guidelines and rules, during the year ended March 31, 2022 are as follows:

S. No.	Date	Directors present
1	June 04, 2021	03
2	June 29, 2021	03
3	September 16, 2021	03
4	November 12, 2021	02
5	February 14, 2022	03

## **28. Annual Evaluation - Board, Its Committees and of Individual Director**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, the Chairperson and individual Directors for the financial year 2021-22 in pursuance to the provisions of the Act and Rules made thereunder as amended from time to time.

Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires & seeking inputs from all Directors covering, amongst others, composition of Board and

structure, effectiveness of board processes, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board Meetings, leadership etc.

### **29. Particulars of loans, Guarantees/Investments:**

Pursuant to Section 186(11) (a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Housing Finance Company registered with National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987, are exempt from the applicability of provisions of Section 186 of the Act.

### **30. Particulars of contracts or arrangements with related parties:**

All the related party transactions pursuant to Section 188(1) of the Act that were entered into by your Company during the year under review were on an arm's length basis and were in the ordinary course of business. The Related Party Transactions are being reported in the requisite Form AOC-2 in terms of Section 134 of the Act read with rules made thereunder and is annexed with the Report as Annexure-1.

The Disclosure of related party transaction is part of Schedule of Accounts as annexed to the Balance Sheet and Profit and Loss Account.

### **31. Particular of Employees:**

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to achieve the financial performance for financial year 2021 -22.

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.

### **32. Risk Management Policy:**

Your Company is in the business of lending home loans and loans against properties. The Company has in place effective Risk Management framework so that risks that the Company faces are identified, controlled and priced in a manner that the Company can continue its operations in a profitable and sustainable manner. Risk Management is continuous process and Company is constantly monitoring its applicable risk and seek modern and scientific methods to mitigate the same. Further, the Company has Risk Management Committee to monitor and evaluate the same.

### 33. Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(3) (c) of the Act, the Board of Directors of the Company hereby state and confirm that:

- a. 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. 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. 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. 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.

### 34. Internal Financial Controls:

The Company has in place an 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 were observed per the provisions of Rule 8(5) of the Companies (Accounts) Rules, 2014.

### 35. Disclosures under Prevention of Sexual Harassment of Women at Workplace Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and the Company shall frame a "Prevention of Sexual Harassment ("POSH") policy" that is in line with the provisions of Sexual Harassment of Women at Workplace Act (Prevention, Prohibition and Redressal) Act, 2013.

The Company did not receive any complaint regarding sexual harassment during FY 2021-22.

### 36. Corporate Social Responsibility (CSR):

During the Financial Year 2021-22, the Company has not crossed the requisite threshold limit for the constitution of the CSR Committee and adoption of CSR Policy as required under the Section 135 of the Companies Act, 2013.

### 37. Disclosure on establishment of a Vigil mechanism:

Creating a fraud and corruption-free culture has always been at the Company's core. Keeping in view of the same and in compliance with the provisions of the Section 177 of the Companies Act, 2013 read with the rules made thereunder, the Whistle-Blower Policy is formulated as part of the Vigil Mechanism established by the Company for Directors and Employees to report genuine concerns, to provide a secure environment and to encourage employees to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such Practices in good faith.

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.

### 38. Corporate Governance

Your Company has a rich legacy of ethical governance practices and had implemented such practices as mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics.

Your Company has complied with all the applicable provisions of the Housing Finance Companies Corporate Governance (NHB) Directions, 2016 (NHB Directions) issued by National Housing Bank vide its notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9<sup>th</sup> February 2017.

The report on corporate governance is annexed as Annexure-2 and forms part of this director's report.

### 39. Management discussion and Analysis report:

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and directions issued by National Housing Bank (NHB) and Reserve Bank of India (RBI), the MD&A Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business in India, risk management systems and other material developments during the year under review, as per Annexure - 3.

### 40. Other Committees

During the period under review the Board of the Company had the following committees:

#### i) Audit Committee

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 applicable on your Company.

The members of the Audit Committee met Three (3) times during the period under review i.e, on 4<sup>th</sup> June 2021, 16<sup>th</sup> September, 2021 and 12<sup>th</sup> November 2021.

#### The Composition of the Audit Committee is enlisted as below:

S.No.	Name	Designation
1.	Rashmi Mohanty	Chairman
2.	Kaushik Ramakrishnan	Member
3	Vikram Rathi	Member

### ii) Nomination and remuneration Committee

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company. The members of the Nomination & Remuneration Committee met one (1) time during the year on 4<sup>th</sup> June 2021.

**The Composition of the Nomination and remuneration Committee is enlisted as below:**

S.No.	Name	Designation
1.	Rashmi Mohanty	Chairman
2.	Kaushik Ramakrishnan	Member
3	Vikram Rathi	Member

### iii) Asset Liability Management Committee (ALCO)

In accordance with the Policy Circular No. NHB/ ND/DRS/Pol-No. 35/2010-11 dated 10<sup>th</sup> October 2010, the Board of Directors constituted the Asset Liability Management Committee (ALCO). The members of Asset & Liability Management Committee met Four (4) times during the year on 23<sup>rd</sup> Jun 2021, 06<sup>th</sup> Sep 2021, 18<sup>th</sup> Nov 2021, and 29<sup>th</sup> March 2022.

**The Members of the Asset Liability Management Committee are enlisted as under:**

S.No.	Name	Designation
1.	Rakesh Kaul	Member
2.	Rashmi Mohanty	Chairman
3.	Vikram Rathi	Member
4.	Dhairya Parikh	Member
5.	Ruchika Sharma	Member
6.	Naman Jain	Member
7.	Ankit Agarwal	Member

#### iv) Risk Management Committee Meeting

Your Company is in the business of lending to individuals and non-individual clients. The Company faces various risks in its scale of operations. The Company has in place a Risk Management Committee which meets at regular intervals to take note on various risks involved and bring out means and measures to reduce the risks. The Committee met on 12<sup>th</sup> November, 2021.

#### The Composition of the Members of the Risk Management Committee includes:

S.No.	Name	Designation
1.	Rashmi Mohanty	Chairman
2.	Kaushik Ramakrishnan	Member
3	Vikram Rathi	Member

#### 41. 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.

#### 42. Details of Debenture Trustee

The details of the Debenture Trustee acting for your Company are mentioned below:-

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.

#### 43. Fit and Proper Criteria & Code of Conduct

Your Company has received undertaking and declaration from each Director on fit and proper criteria in terms of the provisions of Housing Finance Companies – Corporate Governance Directions, 2016 (NHB Directions). 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 under NHB Directions. All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

#### 44. Managerial/Director Remuneration

None of the Directors of your Company received any remuneration from the Company; henceforth there is nothing to be disclosed in the Report of the Board of Directors.

#### **45. Details of Unclaimed Non-Convertible Debentures**

The said provisions are not applicable to your Company.

#### **46. Secretarial Standards**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

#### **47. Proceeding under Insolvency and Bankruptcy Code, 2016**

During the year under review, there were no proceedings initiated/pending by or against your Company under the Insolvency and Bankruptcy Code, 2016 which has materially impact the business of the Company.

#### **48. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

The provision related to difference between the amounts of the valuation done at the time of one time settlement and valuation done while taking loan from Bank(s) or Financial Institution(s) does not apply to your Company.

#### **49. 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. The Human Resources function over the last one year, has significantly digitalized all employee facing process which 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.

#### **50. Transfer of amounts to Investor Education and Protection Fund**

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).





## 51. Acknowledgements

Directors wish to place on record their heartfelt appreciation for the efforts of the Company's stakeholder. During this financial year no order has been passed by the authorities which impacts the going concern status and Company's operations in future.

**For and On Behalf of  
Clix Housing Finance Limited**

**Sd/-  
Rashmi Mohanty  
Director  
(DIN: 07072541)**

**Sd/-  
Kaushik Ramakrishnan  
Director  
(DIN: 08303198)**

**Date :22<sup>nd</sup> September, 2022**

**Place: Gurgaon**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Clix Capital Services Private Limited
b)	Nature of contracts/arrangements/transaction	Holding Company
c)	Duration of the contracts/arrangements/transaction	One Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	At Arm's Length Basis
e)	Date of approval by the Board	4 <sup>th</sup> June 2021
f)	Amount paid as advances, if any	NA

**For and On Behalf of  
Clix Housing Finance Limited**

**Sd/-  
Rashmi Mohanty  
Director  
(DIN: 07072541)**

**Sd/-  
Kaushik Ramakrishnan  
Director  
(DIN: 08303198)**

**Date : 22<sup>nd</sup> September, 2022**

**Place: Gurgaon**

**Report of the Directors on Corporate Governance**

The COVID-19 pandemic created profound challenges for boards across the world. Organizations were tested on their risk management practices and whether their boards were ably equipped to identify and adequately respond to risks. Several boards had to re-examine their assumptions in their risk management frameworks in order to strengthen their organization's preparedness for unforeseen risks. Organizations that follow robust corporate governance practices have been able to weather the crisis more effectively.

The quality of governance has been a differentiator during the crisis and will remain so in a post pandemic environment. Boards have had to address several factors during this period of unprecedented uncertainty. These included managing expectations of external stakeholders by frequently communicating with them, explaining the impact of the crisis on the organization and steps being taken to address the challenges. Additional critical factors included reviewing their respective organization's succession planning processes, evaluating executive compensation plans, health and safety of its staff and support functions and austerity measures to tide the crisis, heightened board oversight on cyber security and re-examining the overall business continuity plan.

There are now a number of emerging corporate governance trends that will impact boards over the long-run. Greater focus on climate risk, social impact of the business, human capital management including employee welfare, gender and racial diversity and shareholder activism have taken precedence. Recognising the critical role being played by the board of directors, the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) initiated steps to decriminalize a number of offences under the Companies Act, 2013 in case of defaults, but not involving frauds. Such salutary steps go a long way in establishing confidence, especially amongst independent directors.

**Philosophy on Corporate Governance**

The Company has consistently focused on governance practices that meet the highest ethical standards, prudence and long-term growth irrespective of business cycles. Since inception, the Company has emphasized on a robust risk management framework that is intricately linked to resilience and crisis preparedness. The Board takes cognizance of the Company's risk appetite and ensures its integration with the overall strategy.

The Board acts as the stewardship body of the Company and has brought in its diverse experience to guide the Company during the height of the COVID-19 pandemic. The Directors' deep industry knowledge aided the Company in addressing various issues such as economic uncertainty, regulatory changes, digitalization, market volatility and cyber security threats.

The Company assesses itself on financial and non-financial parameters, including environmental, social and governance (ESG) factors. The Company focus on ESG parameters and commitment to build a sustainable ecosystem for housing in India is best reflected in its core values imbibed in all spheres and activities. Thus, Company's philosophy is to encompass all its stakeholders and proactively engage with all the constituents, including shareholders, investors, regulators, customers, employees, channel partners and the surrounding community. The Company has complied with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry structure and developments including risks and concerns related thereto:**

Powered by the gathering pace of vaccination drives and large policy support, global economic activity is regaining momentum, although at an uneven and halting pace that is widely differentiated across national jurisdictions. Banks and financial intermediaries, more generally, are bracing up to deal with the scars of the pandemic as well as pre-existing vulnerabilities, including the uncertain outlook for corporate finances, the balance of risks around sectors like commercial real estate, rising sovereign exposures and low interest rates that will test the financial sector's resilience. As housing is a basic need of every Individual so this sector will not be affected to a much extent.

**Opportunities and threats:**

Housing Finance Companies have helped Indian economy to boost to a great extent. The Union Budget for the Financial Year 2018 kept its emphasis on the agenda 'Housing for All' by the year 2022 with 39 % higher allocations via Financial Year 2017 under the Pradhan Mantri Awas Yojana (PMAY). Apart from various opportunities, there are various threats involved. Housing finance brings together complex & multi-sector issues that are driven by constantly changing local features, such as a country's legal environment or culture, economic makeup, regulatory environment, and our political system.

**Outlook:**

The Management at regular intervals decides for the outlook for the Company to monitor its growth and expansion and lay down business plans, and deciding on the areas of growth and diversification. The Management in the discussions marked certain key areas and the key actions to be undertaken viz.

- The Company shall monitor asset growth and funds accordingly.
- The Company shall establish Long Term and Short Term External Rating.
- The Company shall establish more bank lines and access to capital market debt for liquidity/ funding needs.

**Risk Management:**

Company has a Risk Management Policy (RMC) to oversee the credit risk management and ensure that the credit risks are properly identified and are properly managed. The Company has a Board approved Risk Management policy. The policy lays down the guiding principles that help the management for complying with the statutory and regulatory requirements/guidelines. The Company has an Asset and Liquidity Management Committee (ALCO), which has the responsibility to manage the liquidity and interest rate risk for the Company.

**Internal Control Systems and their adequacy:**

The Company has a 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 and controls assessments around systems and 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 the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial data. The Audit Committee of the Board reviews the Internal Audit reports to get the effectiveness of the internal controls and compliance with the regulatory bodies.

The Company has also framed Compliance Policy to keep an eye over various compliances with Regulatory bodies and authorities.

#### **Discussion on financial performance:**

During the Financial Year 2022, the Company earned a Profit After Tax (PAT) of INR 2.5 cr as compared to Profit after Tax of INR 3.01 cr in the previous financial Year 2020-2021. The Income was generated by the lending activities done by the Company. The PAT was lower in FY 22 on account of lower business volumes during the year.

The loan book of Company reduced from Rs. 225.86 Cr. as on March 31, 2021 to Rs. 209.61 Cr. as on March 31, 2022. The Company during the year assigned a loan portfolio of Rs. 45.49Cr.(Rs. 38.24 Cr. in previous year). As a result, it had Cash and Cash equivalent of Rs. 35.34 Cr as on March 31, 2022 (Rs. 3.58 Cr in previous year). The overall borrowing slightly increased from Rs. 197 cr as on March 31, 2021 to Rs. 207 Cr. as on March 31, 2022.

#### **Material Developments in the Human Resources/Industrial Relation Front, Including Number of people employed.**

The Company ensures that provisions of various Labour Laws, other employment regulations are duly complied and met with. The Company has zero tolerance for sexual Harassment at work place 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 the prevention and redressal of complaints of Sexual Harassment at the Workplace.

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022**

*[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 HOUSING FINANCE LIMITED**  
**(Formerly Known As Clix Housing Finance Private Limited)**  
CIN: U65999DL2016PLC308791  
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 HOUSING FINANCE 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.

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.

**Regd. Office**

D-38, LGF (L/S), South Extension Part - II  
New Delhi - 110049, India  
+91 11 49121644,45, +91 9999233556  
pcs@vkcindia.com, www.vkcindia.com

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, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) 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; **Not Applicable**

- (v) 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 and Sweat Equity) Regulations, 2021: **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**
- vi. The National Housing Bank Act, 1987 and the Reserve Bank of India Act, 1934 rules, regulations, master-directions and guidelines made issued thereunder as are specifically applicable to Housing Finance 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 and the Company is generally regular in fillings with National Housing Bank (NHB).

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 Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE).

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.



**We further report that:**

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. Further, pursuant to Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to appointment of Key Managerial Personnel (KMPs), the Company have appointed Mr. Amit Kumar Jain as Chief Financial Officer (CFO) w.e.f 12th November 2021.

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 the following specific events/actions 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:

During the period under review.

- i. The allotment Committee of the Company has allotted Non-Convertible, Secured, Rated Redeemable, Listed Debentures (NCDs) aggregating to Rs. 30 Crores on 30<sup>th</sup> September 2021 on private placement basis. Further, the Company has listed the above NCDs on October 06, 2021, on National Stock Exchange (NSE).
- ii. Due to technical issues faced by the Company on NSE's NEAPs Platform and logistical issues caused by COVID-19 restrictions, the Company on some instances have submitted the intimations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Stock Exchange thereby submitted such intimations through e-mails.

iii. The Board of the Company in their meeting held on 14<sup>th</sup> February 2022 has envisaged a merger of the Company with its Holding Company i.e Clix Capital Services Private Limited. Further, after the closure of financial year, the Board has in principle approved amalgamation of the Company with its Holding Company and Consequently an application seeking No Objection from National Housing Bank (NHB) has been filed by the Company in this regard and as such no further comments.

**FOR VKC & ASSOCIATES**

*(Company Secretaries)*

Unique Code: P2018DE077000

**ISHAN**

**KHANNA**

Digitally signed by  
ISHAN KHANNA

Date: 2022.09.15  
16:40:23 +05'30'

**CS Ishan Khanna**

*Partner*

ACS No. A53517

C P No. 24258

UDIN: A053517D000974591

Peer Review Certificate:

1955/2022

**Date:** 15<sup>th</sup> September 2022

**Place:** New Delhi