



Midland Microfin Limited

CIN – U65921PB1988PLC008430

Regd. & Corporate Office: The Axis, Plot no.1, R.B Badri Dass Colony,

B.M.C Chowk, G.T. Road, Jalandhar – 144001 (PB) INDIA

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NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that the Extra-Ordinary General Meeting ('EGM') of the shareholders of Midland Microfin Limited ("the Company") will be held at **The Axis, Plot No. 1, R.B. Badri Dass Colony, G.T. Road, Jalandhar** on Tuesday, February 13, 2024 at 03:00 P.M. through Video Conferencing/Other Audio-Visual means to transact the following business:

Special Business:

Item No. 1 - To consider and approve the increase in Authorised Share Capital of the Company and consequential alteration in Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing 120,00,00,000/- (Rupees One Hundred Twenty Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity Shares of Rs. 10/- each aggregating to Rs. 53,00,00,000/- (Rupees Fifty Three Crore Only), 2,20,00,000 (Two Crore Twenty Lakh) Preference Shares of Rs. 10/- each aggregating to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) and 30,00,000 (Thirty Lakh), Compulsory Convertible Preference Shares (CCPS) of Rs. 150/- each aggregating to Rs.45,00,00,000/- (Rupees Forty Five Crore Only) to Rs.128,00,00,000/- (Rupees One Hundred Twenty-Eight Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity Shares of Rs.10/- each aggregating to Rs. 53,00,00,000/- (Rupees Fifty-Three Crore Only), 3,00,00,000 (Three Crore) Preference Shares of Rs.10/- each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crore Only) and 30,00,000 (Thirty Lakh), Compulsory Convertible Preference Shares (CCPS) of Rs.150/- each aggregating to Rs.45,00,00,000/- (Rupees Forty-Five Crore) each.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 13, and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the members be and is hereby accorded for substituting the existing Capital Clause i.e. Clause V of the Memorandum of Association of the Company with the following:

'V. The Authorized Share Capital of the Company is Rs.128,00,00,000/- (Rupees One Hundred Twenty-Eight Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity Shares of Rs.10/- each aggregating to Rs. 53,00,00,000/- (Rupees Fifty-Three Crore Only), 3,00,00,000 (Three Crore) Preference Shares of Rs.10/- each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crore Only) and 30,00,000 (Thirty Lakh), Compulsory Convertible Preference Shares (CCPS) of Rs.150/- each aggregating to Rs.45,00,00,000/- (Rupees Forty-Five Crore).'

RESOLVED FURTHER THAT the Board of Directors ("the Board", which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution."

Item No. 2 – To consider and approve the Issuance of Partly-Paid up Compulsorily Convertible Preference Shares (CCPS) on a Rights basis.

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the Sections 55, 62(1)(a), and 179(3) of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and The Companies (Share Capital and Debentures) Rules, 2014, Foreign Exchange and Management Act, 1999, Reserve Bank of India Directions and FDI Regulations (to the extent applicable), and other relevant provisions there under, (including any statutory modifications or re-enactment thereof, for the time being in force) and such other permissions as may be required under the law, the consent of the members of the Company be and is hereby accorded to offer, issue and allot upto 1,51,90,054 (One Crore Fifty One Lakh Ninety Thousand and Fifty Four) 0.001% Partly Paid-Up Compulsorily Convertible Preference Shares ("CCPS") of face value of Rs. 10/- each for cash at a premium of Rs. 150/- i.e. at an issue price of Rs. 160/- per CCPS aggregating to Rs. 2,43,04,08,640/- on a rights basis, in one or more tranches, to the existing equity shareholders in the ratio of 1:3 (One CCPS for every three equity shares held) held as on January 12, 2024 (Record Date) whose names appear on the Register of Members of the Company as the equity shareholders in the company, on the following terms.

RESOLVED FURTHER THAT each CCPS shall:

A. (i) entitle its holder to preferential dividend at the rate of 0.001% (Zero Point Zero Zero One percent) per annum (“Preferential Dividend”) of its face value; (ii) in addition to the Preferential Dividend, but subject to sub-paragraph (iii), each CCPS shall entitle its holder to also participate pari-passu in any dividends paid to the holders of common equity shares of the Company (“Equity Shares”) on a pro-rata as on converted basis; and (iii) No dividend shall be paid on any CCPS if and to the extent that as a consequence of such dividend a non-resident holder of a CCPS would receive dividends greater than the maximum dividends permitted to be paid by an Indian company in respect of preference shares under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000.

B. participate in the surplus fund at par with holders of equity shares;

C. in the event (a) the Company is wound up/dissolved/liquidated prior to the conversion of the CCPS, or (b) the Company sells all or substantially all of its assets, the holders of CCPS shall receive the following amounts in priority over any other payments to any other holders of Equity Shares in respect of such Equity Shares: (A) the original amounts paid up on such CCPS by their subscribers; and; (B) unpaid Preferential Dividends (if any), but not dividends (if any) under paragraph A(ii) above;

D. entitle its holder to Preferential Dividend which is participative and cumulative and shall accrue from year to year;

E. Every 1 CCPS shall be converted into 1 Equity Share.

F. entitle his holder to vote on any matters to the extent permitted under the Companies Act 2013 or other applicable laws.

G. convert into equity share and are non-redeemable.

RESOLVED FURTHER THAT an amount of Rs. 48/- (Rupees Forty Eight Only) (including security premium of Rs. 45/-) per CCPS shall be payable at the on or before the date of allotment as the CCPS application money and the balance amount be payable in one or more calls, as decided by the Board of Directors.

RESOLVED FURTHER THAT the offer shall be made to all the equity shareholders, including the NRI shareholders in compliance to FEMA Regulations and RBI Guidelines on Foreign Direct Investment.

RESOLVED FURTHER THAT the equity shareholders shall have the option to subscribe either wholly or partially or to renounce wholly or partially their rights to the extent of the shares offered to them in favor of any other person(s)/body corporates within the period of offer as specified in the Application form.

RESOLVED FURTHER THAT draft offer letter and Composite Application Form consisting of all the terms and conditions of the issue as circulated to the Board of Directors, be and is hereby approved and directed to be issued under the signature of Mr. Amardeep Singh Samra, Managing Director of the Company.

RESOLVED FURTHER THAT the Board Management Committee of the Company be and is hereby authorized to verify the applications and allot the shares to the eligible shareholders in DEMATERIALIZED form and to do all such acts, deeds and things which are necessary to give effect to the above offer.

RESOLVED FURTHER THAT the said shares shall be allotted as per the acceptance or renouncement received from the shareholders after examining the application forms.

RESOLVED FURTHER THAT the CCPS so issued shall, upon allotment, have the same rights of voting as the existing CCPS and be treated for all other purposes pari-passu with the existing CCPS of the Company.

RESOLVED FURTHER THAT upon allotment, the issued CCPS shall be entitled to receive dividends at the same percentage as declared for the existing Equity Shareholders in any financial year.

RESOLVED FURTHER THAT if any member declines to accept the new shares offered or does not subscribe to the offer, the Board Management Committee of the Company is empowered to dispose off the unsubscribed part of the new shares in such manner as they think most beneficial to the Company.

RESOLVED FURTHER THAT the Board of Directors (“the Board”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

Item No. 3 - To consider and approve Scheme for the Issuance of Equity Shares on Employees Stock Option (ESOP) and grant of Employee Stock Options to Employees of the Company thereunder.

To Consider and thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee (NRC), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), ‘**Midland Microfin Limited- Employees Stock Option Scheme 2024**’ (hereinafter referred to as the “MML

ESOP Scheme 2024”) be and is hereby approved and the Board be and is hereby authorized to create, grant, offer, issue and allot from time to time, in one or more tranches, options not exceeding 24,17,086 (Twenty Four Lakhs Seventeen Thousand and Eighty Six Only) Employee Stock Options (“ESOPs”) not exceeding 5.30% (Five decimal three percent) of the paid-up equity share capital of the Company as on December 31, 2023 (or such adjusted figure for any stock split or consolidation or other reorganization of the Capital Structure of Company as may be applicable from time to time), to the permanent employees including Directors of the Company (other than Promoter(s) or belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, (hereinafter referred to as an “Employee(s)”), as may be decided solely by the Board under the Scheme, exercisable into not more than 24,17,086 (Twenty Four Lakhs Seventeen Thousand and Eighty Six) fully paid up equity shares in the Company of face value of ₹10/- (Rupees Ten Only), in one or more tranches and at such price and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the MML ESOP Scheme 2024 and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the MML ESOP Scheme 2024 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders (“Additional Shares”), the ceiling as aforesaid of 24,17,086 (Twenty Four Lakhs Seventeen Thousand and Eighty Six Only) ESOPs and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorized, at any time, to modify, change, vary, alter, amend, suspend or terminate the MML ESOP Scheme 2024 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the MML ESOP Scheme 2024 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time and any other applicable laws and regulations to the extent relevant and applicable to the MML ESOP Scheme 2024.

RESOLVED FURTHER THAT the Board (“the Board”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion, deem necessary including authorizing or directing the Board to appoint various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the MML ESOP Scheme 2024 and for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

Item No 4 - To consider and approve the Grant of not more than 3% of Employee Stock Options (“ESOPs”) to identified employees in terms of the Companies Act, 2013.

To consider and thought fit to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), such other rules, regulations, notification, guidelines and law applicable in this regard from time to time and the provision contained in Memorandum and Articles of Association of the Company and subject to such other approvals and consent as may be required in the regard, the consent of the members of the Company be and is hereby accorded to grant options to identified employees as determined by the Board/Nomination Remuneration Committee (NRC) during any one year exceeding one percent of the issued Capital (excluding outstanding warrants and conversions) but not more than three percent of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options under MML ESOP Scheme 2024.

RESOLVED FURTHER THAT the Board of Directors (“the Board”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

Item No 5 - To consider and approve the alteration of Object Clause of the Memorandum of Association of the Company in terms of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules framed there under (including any statutory modifications or re-enactment thereof, for the time being in force), subject to necessary registrations, approvals, consents, permissions and sanctions, if any from the Competent Authority(ies) and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such Competent Authority(ies), the consent of the members of the Company be and is hereby accorded to alter and amend existing Clause III(A) [Main Objects] of the Memorandum of Association of the Company by inserting sub-clause no. 12 and 13 after the existing sub-clause 11:

The following sub-clauses will be added after existing sub-clause 11 of the Main Objects of the Company;

12 “To engage in the promotion, advertising, and marketing of products and services, including but not limited to those related to consumer goods, technology, healthcare, BFSI (Banking, Financial Services, and Insurance), and any other industry deemed fit by the Board of Directors.”

13 “To carry on business of insurance of all kinds and classes of businesses allied to insurance including inter-alia, the business of soliciting or procuring insurance business and to receive commission or remuneration of insurance business so procured and to act as insurance agent and/or insurance broker and or writing agent for all classes of insurance business and business as insurance advisor, consultant, assessors, valuers and surveyors.”

RESOLVED FURTHER THAT the Board of Directors (“the Board”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

Item No 6 - To consider and approve the request of Mr. Ashish Bhandari for exclusion from Promoters Category.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the consent of the members of the Company be and is hereby accorded for Mr. Ashish Kumar Bhandari not to be identified as a ‘promoter’ of the Company with immediate effect, for any purpose, regulatory, statutory, commercial or otherwise, under any applicable law, including without limitation, the Companies Act, 2013 and the rules framed thereunder (“Companies Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”).

RESOLVED FURTHER THAT the Board of Directors (“the Board”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

**By orders of the Board
For Midland Microfin Limited**

**Place: Jalandhar
Date: January 15, 2024**

**Sd/-
Sumit Bhowani
Company Secretary
M. No.: A-36611
Address: The Axis, BMC Chowk,
G.T. Road, Jalandhar-144001, Punjab**

NOTES:

1. Pursuant to the General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated 05th May, 2022, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 issued by Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), companies are permitted to hold the Extra-Ordinary General Meeting (EGM/Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in accordance with the MCA Circulars, provisions of the Companies Act, 2013, the EGM of the Company is being held through VC or OAVM. The deemed venue for the EGM shall be the Registered Office of the Company.
2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), setting out the material facts concerning special business in respect of Item No. 1 to 6 as set out above is annexed hereto.
3. **Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. Since this EGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the EGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.**
4. Since the EGM will be held through VC/OAVM Facility, the Route Map is not annexed with this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend this EGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be e-mailed to the scrutinizer at cs@midlandmicrofin.com.
6. Participation of members through VC/ OAVM facility will be reckoned for the purpose of quorum for the EGM as per Section 103 of the Act.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the EGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of EGM, i.e. February 13, 2024. Members seeking to inspect such documents can send an email to cs@midlandmicrofin.com.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Company at its registered office.
9. In compliance with the MCA Circulars and SEBI Circular dated January 05, 2023, Notice of the EGM is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice will also be available on the Company's website www.midlandmicrofin.com, on the website of Company's Registrar and Transfer Agent, Skyline Financial Services at www.skylinerta.com and on the website of Bombay Stock Exchange at www.bseindia.com.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing to its members' facility to exercise their right to vote on resolutions proposed to be passed at the EGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). The e-voting facility on the date of EGM will be provided to the members by Central Depository Services (India) Limited (CDSL), for voting on all the resolutions set out in this Notice.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting: 09:00 A.M. February 10, 2024

End of remote e-voting: 05:00 P.M. February 12, 2024

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by Skyline upon expiry of the aforesaid period. Those members, who will be present in the EGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the EGM.

11. The Company has appointed Ms. Sagrika Jayee (M No.: A-61678), Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in accordance with the law in a fair and transparent manner. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of CDSL, the e-voting agency & on the Company's website at www.midlandmicrofin.com.
12. The Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in demat form and to the Company in case the shares are held by them in physical form. Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository Participant(s).
13. In case of joint holders attending the EGM, the Shareholder whose name appears as the first holder in the order of names as per the Register of Shareholders of the Company, will be entitled to vote.
14. Non-Resident Indian Members are requested to inform RTA, immediately on:
 - (a) Change in their residential status on return to India for permanent settlement.

(b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

15. Members whose shareholding is in physical form are requested to kindly get their shares converted into DEMAT form in order to avail numerous benefits of dematerialisation, which include easy liquidity, ease of transfer and elimination of any possibility of loss of documents and bad deliveries. You may contact Mr. Sumit Bhojwani at e-mail id cs@midlandmicrofin.com or phone no. +91 78372-18968. Necessary assistance shall be given by the Company.
16. Any person who acquires shares of the Company and becomes the member of the Company after sending of this Notice and holding shares as on the cut-off date, may obtain the log in id and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he /she is already registered with CDSL for remote e-voting then he/she can use his /her existing user id and password.
17. Members who need assistance before or during the EGM with use of technology, can send a request at cs@midlandmicrofin.com or use Toll free no.: 0181-5086666.

INFORMATION AND INSTRUCTIONS FOR SHAREHOLDERS RELATING TO E-VOTING

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM will be provided by CDSL.
2. The Members can join the GM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as body corporate can attend the EGM through VC/OAVM and cast their votes through e-voting.
5. In line with MCA Circulars the Notice calling the EGM has been uploaded on the website of the Company at <https://www.midlandmicrofin.com/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited www.bseindia.com. The EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the EGM/EGM) i.e. www.evotingindia.com.
6. The EGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 10/2020 dated December 28, 2022.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The Remote E-voting period begins on **09:00 A.M. of February 10, 2024 and ends on 05:00 P.M of February 12, 2024**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **February 07, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Step 1 : Access through Depositories CDSL/ e-Voting system in case of individual shareholders holding shares in Access through Depositories CDSL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (iii) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

<u>Login type</u>	<u>Helpdesk details</u>
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN i.e. **240120003** for the relevant <Midland Microfin Limited> on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@midlandmicrofin.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN (i.e. **240120003**) of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 (Five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@midlandmicrofin.com. The shareholders who do not wish to speak during the EGM but have queries may send their queries in advance **5 (Five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, Mobile No., E-mail id, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@midlandmicrofin.com.
2. **For Demat shareholders,** please update your email id & mobile no. with your respective Depository Participant (DP)
3. **For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending EGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

**By orders of the Board
For Midland Microfin Limited**

**Place: Jalandhar
Date: January 15, 2024**

**Sd/-
Sumit Bhojwani
Company Secretary
M. No A-36611
Address: THE AXIS, BMC Chowk,
G.T. Road, Jalandhar-144001**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to special business mentioned in the accompanying Notice of Extra-Ordinary General Meeting:

Item No. 1 & 2- To consider and approve the increase in Authorised Share Capital of the Company and consequential alteration in Memorandum of Association of the Company and issuance of Partly Paid-Up Compulsory Convertible Preference Shares.

At present, the Authorized Share Capital of the Company is Rs.120,00,00,000/- (Rupees One Hundred Twenty Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity shares of Rs. 10/- each, 2,20,00,000 (Two Crore Twenty Lakh) Preference shares of Rs. 10/- each and 30,00,000 (Thirty Lakh) Compulsorily Convertible Preference shares of Rs. 150/- each

To strengthen the company's financial position, achieve its growth objective, and meet liquidity requirements Board of Directors in their Meeting held on January 15, 2024, has approved the issuance of upto 1,51,90,054 (One Crore Fifty One Lac Ninety Thousand Fifty Four) 0.001% Partly-Paid Up Compulsory Convertible Preference Shares ("CCPS") with a face value of Rs. 10/- (Rupees Ten Only) at a price of Rs. 160/- (One Hundred Sixty Only) per share in cash. The security premium for each share is ₹ 150/- (Rupees One Hundred Fifty Only), with a total value of ₹ 243,04,08,640/- (Two Forty Three Crore Four Lakh Eight Thousand Six Hundred Forty Only) in one or more tranches. The issuance will also enable the company to leverage its debt and maintain its Capital to Risk Asset Ratio as per the regulatory requirements. After considering the business prospects, future profitability, and the valuation report issued by a Registered Valuer and Merchant Banker on January 06, 2024, the Board approved the issuance of these shares.

To accommodate the above issuance of CCPS, it is pertinent to increase the Authorised Share Capital to Rs.128,00,00,000/- (Rupees One Hundred Twenty-Eight Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity Shares of Rs.10/- each, amounting to Rs. 53,00,00,000/- (Rupees Fifty-Three Crore Only), 3,00,00,000 (Three Crore) Preference Shares of Rs.10/- each, amounting to Rs. 30,00,00,000/- (Rupees Thirty Crore Only), and 30,00,000 (Thirty Lakh) Compulsory Convertible Preference Shares of Rs.150/- each, amounting to Rs.45,00,00,000/- (Rupees Forty-Five Crore Only) from 120,00,00,000/- (Rupees One Hundred Twenty Crore Only) divided into 5,30,00,000 (Five Crore Thirty Lakh) Equity shares of Rs. 10/- each aggregating to Rs. 53,00,00,000/- (Rupees Fifty Three Crore Only), 2,20,00,000 (Two Crore Twenty Lakh) Preference shares of Rs. 10/- each aggregating to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) and 30,00,000 (Thirty Lakh), Compulsory Convertible Preference Shares of Rs. 150/- each aggregating to Rs.45,00,00,000/- (Rupees Forty Five Crore). The Memorandum of Association of the Company will be suitably changed for this purpose, as outlined in the Resolution at Item No. 1 of the accompanying Notice.

Further as per Section 55 and section 62 (1)(c) of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to CCPS on a Rights basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution.

FURTHER DETAILS OF THE PROPOSED OFFER ARE DISCLOSED BELOW:

In accordance with the provisions of Sections 55 and 62 of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, the following disclosures are made for the issue of Compulsory Convertible Preference Shares (CCPS) on a Rights basis

a) the size of the issue and number of preference shares to be issued and nominal value of each share: -

Upto 1,51,90,054 (One Crore Fifty-One Lac Ninety Thousand Fifty-Four) 0.001% Partly-Paid Up Compulsory Convertible Preference Shares (CCPS) of face value of Rs. 10/- (Rupees Ten Only), at a price of Rs. 160/- (One Hundred Sixty Only) each for cash i.e. at a premium of Rs. 150/- (Rupees One Hundred Fifty Only) each aggregating up to Rs. 243,04,08,640/- (Two Forty-Three Crore Four Lakh Eight Thousand Six Hundred Forty Only) in one or more tranches.

b) The nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible: -

The Compulsory Convertible Preference Shares (CCPS) shall be of a Compulsory Convertible, Cumulative, Participating nature.

c) The objectives of the issue;

The proceeds from this issue will be utilized to strengthen the Tier 1 Capital, as identified by the Board, and to meet the funding requirements for the general corporate purposes and working capital of the Company.

d) The manner of issue of shares: -

The CCPS are proposed to be issued by way of a rights issue.

e) **The price at which such shares are proposed to be issued:-**

The proposed issuance of Compulsory Convertible Preference Shares will be at a price of ₹ 160/- (Rupees One Hundred Sixty Only), which includes a security premium of ₹ 150/- (Rupees One Hundred Fifty Only).

f) **The basis on which the price has been arrived at:-**

The value of the Company's Compulsory Convertible Preference Shares (CCPS) has been determined by the IBBI registered valuer and merchant banker using the Discounted Cash Flow (DCF) method as of January 06, 2024. A copy of the valuation report will be available for inspection at the Registered Office of the Company during business hours.

g) **the terms of issue, including terms and rate of dividend on each share, etc.:-**

The Compulsory Convertible Preference Shares (CCPS) will have a dividend rate on a proportionate basis of the paid-up value of the CCPS that is the higher of the two options listed below:

a) A fixed dividend rate of 0.001% per annum.

b) The dividend rate provided to the equity shareholders for the respective financial year.

h) **the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:-**

Each Compulsory Convertible Preference Share (CCPS) will be converted into one equity share of the Company either on or after 5 years from the date of Allotment or after a period as decided by the Board.

i) **the manner and modes of redemption :-**

Not applicable since CCPS are not redeemable

j) **the current shareholding pattern of the company:-**

Shareholding Pattern as on January 12, 2024

Sr. No.	Category	Equity		Non-Convertible Preference Share		Compulsorily-Convertible Preference Shares (CCPS)	
		No. of Shares	% of Shares	No. of Shares	% of Shares	No. of Shares	% of Shares
A	Promoters' holding						
1	Indian:						
	Individual	5909869		0		0	
	Bodies Corporate	316750		0		0	
	Sub Total	6226619	0	0	0	0	0
2	Foreign Promoters	6876954		0		135000	
	Sub Total (A)	13103573	0	0	0	135000	0
B	Non-Promoters' holding						
1	Institutional Investors			0		0	
2	Non-Institution:						
	Private Corporate Bodies	8423406		250000		299343	
	Directors and Relatives	796548		0		0	
	Indian Public	6580375		11815000		1355817	
	Others (Including NRIs)	16666260		0		981399	
	Sub Total (B)	32466589	0	12065000	0	2636559	0
	GRAND TOTAL	45570162	0	12065000	0	2771559	0

k) **the expected dilution in equity share capital upon conversion of preference shares:-**

Nil, if CCPS are issued on a Rights Basis to the existing equity shareholders and are subscribed by all and if there is variance the same will undergone change accordingly.

The issuance of the Compulsory Convertible Preference Shares (CCPS) complies with the provisions of the Company's Articles of Association.

There are no existing defaults in the Company's payment of dividends or in the redemption of previously issued preference shares.

The Board of Directors believes that the proposed issue is in the best interest of the Company and its members. Therefore, the Board recommends passing of the Ordinary and Special Resolution for Item No. 1 and 2 respectively for your approval.

None of the Promoters, Directors, or Key Managerial Personnel of the Company, including their relatives, have any financial or other interests in this Resolution, except for their shareholdings in the Company, if any.

Item No. 3 & 4 - To consider and approve the Midland Microfin Limited-Employees Stock Option Scheme 2024 and to approve grant of options exceeding one percent to the identified employees in terms of the Companies Act, 2013.

Midland Microfin Limited believes that equity-based compensation through employee stock options is essential to employee compensation across all sectors. This philosophy enables the alignment of employees' personal goals with the organizational objectives by promoting the culture of employee ownership. Employee stock options also play a crucial role in attracting, retaining, and motivating talented personnel by recognizing and rewarding their performance.

In line with this philosophy, the Company intends to introduce, the Midland Microfin Limited - Employees Stock Option Scheme 2024 (MML ESOP Scheme 2024). The objective of this scheme is to attract and retain key talent by rewarding their performance and motivating them to contribute to the overall corporate growth and profitability.

The MML ESOP Scheme 2024 complies with the Companies Act, 2013, and the rules made thereunder. The Nomination and Remuneration Committee (NRC) and the Board of Directors have approved the scheme in their meeting held on January 15, 2024.

The salient features and the other details of MML ESOP Scheme 2024 as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(a) total number of stock options to be granted

A total of 24,17,086 (Twenty Four Lakhs Seventeen Thousand and Eighty Six Only) options will be available for grant to eligible employees of the Company under the MML ESOP Scheme 2024. These options can be exercised in one or more tranches and can be converted into not more than 24,17,086 (Twenty Four Lakhs Seventeen Thousand and Eighty Six Only) equity shares in the Company with a face value of ₹10/- (Rupees Ten) each.

The number of equity shares may be adjusted if there is any stock split, consolidation, or other reorganization of the Company's Capital Structure, as applicable from time to time. The options will vest on the specified Vesting Dates mentioned in the grant letter. They will vest not earlier than one year from the date of grant and not later than four years from the date of grant, starting at the end of one year.

Non-exercised options will lapse, and unvested options will be canceled due to resignation or termination of employees or other reasons. These canceled options will be available for re-granting by the Board in the future, as per the provisions of the MML ESOP Scheme 2024.

(b) identification of classes of employees entitled to participate in the Employees Stock Option Scheme

Following class / classes of employees are entitled to participate in MML ESOP Scheme 2024:

- i. a permanent employee of the Company
- ii. a director of the Company, whether a whole time or not
- iii. Such other persons, as may from time to time be allowed under the applicable laws and as may be by the Nomination and Remuneration Committee of the Company

Following class / classes of employees are not eligible to be granted options under MML ESOP Scheme 2024:

- i. an Independent Director within the meaning of the Companies Act, 2013
- ii. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company
- iii. An employee who is a promoter or a person belonging to the promoter group

(c) the appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme;

The eligibility of employees for the MML ESOP Scheme 2024 will be determined through an Appraisal process by the NRC/Board from time to time. The grant of options to employees under the scheme will be based on various parameters,

including performance rating, period of service, rank or designation. The NRC/Board may also consider other parameters as deemed appropriate from time to time.

(d) the requirements of vesting and period of vesting;

The Options granted shall vest in accordance with the terms of each grant under the MML ESOP Scheme 2024, so long as an employee continues to be in the employment of the Company. The NRC/Board may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

(e) the maximum period within which the options shall be vested;

Options granted under this Scheme would vest on the Vesting dates specified in the grant letter and in any event not earlier than one year from the date of grant of such options and not later than a period of 4 (four) years starting at the end of 1 (one) year from the date of grant of Options.

(f) the exercise price or the formula for arriving at the same;

The exercise price of the option shall be determined by the NRC/Board in accordance with the Fair Market Value of the Shares.

(g) the exercise period and process of exercise;

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 1 year from the date of vesting of such Options. The vested Option shall be exercisable by the employees by a written application to the Company expressing his / her desire to exercise such Options in such manner and on such format as may be prescribed by the NRC from time to time. The Options shall lapse if not exercised within the specified exercise period.

(h) the Lock-in period, if any;

The Lock in Period would be determined by the Committee in accordance with the MML ESOP Scheme 2024

(i) the maximum number of options to be granted per employee and in aggregate;

The number of options that can be granted to any individual employee of the Company in a financial year and in aggregate under the MML ESOP Scheme 2024 shall not exceed 3% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company. This limit is subject to the approval of the shareholders, as mentioned in item No. 4 of this EGM Notice.

(j) the method which the company shall use to value its options;

The Company shall use the Black Scholes Model method for valuation of the Option granted.

(k) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;

In the event of termination of employment of an Option Grantee for reasons of misconduct or breach of employment terms, all Options including those which are vested but not exercised at the time of termination of employment, shall expire and stand terminated with effect from the date of such termination.

Explanation: 'Misconduct' is a conduct not appropriate for the status or work profile of the Employee as decided by the Company from time to time and where the decision of the Company is final.

(l) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and

If an employee's employment is terminated due to misconduct or breach of employment terms, all Options granted under the MML ESOP Scheme- 2024, including those that have vested but not exercised, shall expire and stand terminated from the date of termination. However, if an Option Grantee resigns from the services of the Company without engaging in misconduct or breach of employment terms, the Options granted under the MML ESOP Scheme- 2024, which are not vested on that day, shall expire.

(m) a statement to the effect that the company shall comply with the applicable accounting standards

The Company shall comply with the disclosure norms, guidelines, accounting methods and standards as prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

(n) Transferability of Employee Stock Options:

The Options granted to an employee are non-transferable and cannot be pledged, hypothecated, mortgaged, or otherwise alienated in any way. However, if an employee passes away while still in employment, all options granted to the employee up until that date shall be vested in the legal heirs or nominees of the deceased employee.

In the event that an employee suffers permanent incapacity while in employment, all options granted to the employee as of the date of permanent incapacity shall be vested in the employee on that day, or no later than 1 (one) year from the date of death or permanent disability of the Option Grantee.

(o) Primary / Secondary Route

The Board shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time.

Pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, approval of the Shareholders is required by way of Special Resolution for the issue of Employees Stock Option Scheme.

In view of the above, the Board recommends to the Shareholders, the resolution set out at Item No. 3 and 4 to be passed as Special Resolution, in order to seek approval of the shareholders in respect of MML ESOP Scheme 2024 and for grant of stock options to the eligible employees of the Company as may be decided by the Board and any Committee of the Board including the NRC, from time to time in due compliance with the Companies Act, 2013 and any other applicable law.

The MML ESOP Scheme 2024 will be available for inspection for members.

None of the directors, key managerial personnel of the Company and their relatives (as defined in the Companies Act, 2013) are concerned or interested (financially or otherwise) in the proposed resolution, except to the extent of stock options to be granted to each of them, if any, pursuant to MML ESOP Scheme 2024.

Item No 5 - To consider and approve the alteration of Object Clause of the Memorandum of Association of the Company in terms of the Companies Act, 2013

The Board of Directors has identified significant opportunities in the Advertising and Insurance sectors, which will enable the Company to diversify its business operations and explore new avenues for growth. The inclusion of the new sub-clauses 12 and 13 in the Memorandum of Association will allow the Company to expand its business operations in emerging sectors, thereby enhancing its growth prospects.

Sub-Clause No.12 will provide the Company with the flexibility to promote and market an extensive range of products and services across diverse industries. On the other hand, sub-clause No.13 will enable the Company to act as an agent, broker, and advisor in the insurance industry, thereby creating new revenue streams for the Company.

12: “To engage in the promotion, advertising, and marketing of products and services, including but not limited to those related to consumer goods, technology, healthcare, BFSI (Banking, Financial Services, and Insurance), and any other industry deemed fit by the Board of Directors.”

13: “To carry on business of insurance of all kinds and classes of businesses allied to insurance including inter-alia, the business of soliciting or procuring insurance business and to receive commission or remuneration of insurance business so procured and to act as insurance agent and/or insurance broker and or writing agent for all classes of insurance business and business as insurance advisor, consultant, assessors, valuers and surveyors.”

We assure you that these new sub-clauses are in line with the Company's vision, mission, and long-term strategy. We are confident that the addition of these clauses will enhance the Company's competitiveness, increase shareholder value, and benefit all stakeholders.

Your directors recommend the passing of the Resolution in Item No.5 of the Notice as a Special Resolution.

None of the Promoters, Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise for the said in the Company.

Item No 6 - To consider and approve the Request of Mr. Ashish Bhandari for exclusion from Promoters Category.

On January 01, 2024, the Company received a request letter from Ashish Kumar Bhandari, son of Mr. Vijay Kumar Bhandari, residing at 1704, Wallace Apartment, Opp Grant Rd Post Office, Sleater Rd, Grant Rd West, Mumbai, Maharashtra, India, 400007. Ashish Kumar Bhandari, who belongs to the Promoter Group category of the Company and holds 4.14% of the total shareholding of the Company, has formally requested reclassification from the "Promoter" category to the "Public" category due to his involvement in other NBFCs.

After verifying the confirmation received by the Company, it was found that Ashish Kumar Bhandari does not hold more than ten percent of the total Voting Rights in the Company, does not exercise control over the Company's affairs directly or indirectly, does not have any special rights with respect to the Company through formal or informal arrangements, does not represent on the Board of Directors, does not act as a Key Managerial Person in the Company, is not a willful defaulter as per the Reserve Bank of India Guidelines, does not have any regulatory action pending against him, and is not a fugitive economic offender.

After analyzing the definition of the term 'promoter' as specified in Section 2(69) of the Companies Act, 2013, the Board of Directors is of the opinion that the Founder does not have control over the affairs of the Company, directly or indirectly, whether as a shareholder, director, or otherwise, and the Board of the Company is not accustomed to acting in accordance with his advice, directions, or instructions. Hence, Mr. Ashish Bhandari is proposed to be de-classified from the status of 'promoter' of the Company with immediate effect, and the Company will not identify or name him as a 'promoter' from the date of this resolution in any subsequent annual returns to be filed by the Company, including the annual return to be filed for the financial year 2023-24 or in any other filings or submissions to be made by the Company, including before any authorities such as the Registrar of Companies, the Securities and Exchange Board of India, the Reserve Bank of India, and the Ministry of Corporate Affairs.

The Board of Directors of the Company, during their meeting held on January 15, 2024, has approved Ashish Kumar Bhandari's reclassification request, subject to approval by the members and relevant regulatory authorities.

Your directors recommend the passing of the Resolution in Item No.5 of the Notice as an Ordinary Resolution.

None of the Directors except Mr. Vijay Kumar Bhandari (Father of Mr. Ashish Kumar Bhandari) or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution.

**By order of the Board of Directors
For Midland Microfin Limited**

**Place: Jalandhar
Date: January 15, 2024**

**Sd/-
Sumit Bhojwani
Company Secretary
M. No. A-36611
Address: THE AXIS, BMC Chowk,
G.T. Road, Jalandhar-144001**