

Date: May 08, 2024

**BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalai Street
Mumbai 400 001
Maharashtra**

Subject: Outcome of the meeting of Board of Directors under Regulation 50 and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Respected Sir/Madam,

In continuation to our intimation dated May 04, 2024 and pursuant to Regulation 50 and 51 and all other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company in its meeting held on May 08, 2024, at 03:30 P.M. inter alia considered and approved the Audited Financial Results for the quarter and financial year ended March 31, 2024, and considered, approved the fund raising by way of issuance of securities and discussed the proposal of final dividend on equity shares, preference shares capital for the financial year ended March 31, 2024.

The aforesaid meeting was concluded at 08:41 P.M.

You are requested to take the above information on your record under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours Faithfully

**For and on behalf of
Midland Microfin Limited**



**Sumit Bhojwani
Company Secretary
M. No. A-36611**

Midland Microfin Limited

**Independent Auditors' Report on the Financial Results of the Company Pursuant to the Regulations 52 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To the Board of Directors of Midland Microfin Limited

Report on the audit of the Financial Results for the quarter and year ended March 31, 2024.

Opinion

We have audited the accompanying statement of Financial Results of **Midland Microfin Limited** (hereinafter referred to as the "Company") for the quarter and year ended March 31, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Results:

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Financial Results.

Management's and Board of Directors' Responsibilities for the Financial Results

These Financial Results have been prepared on the basis of the Ind AS Financial Statements and has been approved by Company's Board of Directors.



The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude



that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place: Noida
Date: May 8, 2024
UDIN: 24084318BKFMFF3917

For SCV & Co. LLP
Chartered Accountants
Firm Regn No.000235N/N500089.



Partner
Membership No. 084318

Midland Microfin Limited
(CIN: U65921PB1988PLC008430)
Registered Office:- The AXIS, Plot No.1, R.B. Badri Dass Colony, G.T Road, Jalandhar PB 144001 (INDIA)
Tel : +91-181-5076000, Fax No : +91- 181-2236070 Website : www.midlandmicrofin.com
Statement of Audited Assets and Liabilities as at March 31, 2024

(Rupees in millions unless otherwise stated)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	2,120.80	1,235.82
Bank balances other than cash and cash equivalents	2,370.66	2,026.70
Derivative financial instruments	34.24	41.13
Receivables		25.79
Trade Receivables	36.27	-
Other Receivables	17.33	-
Loans	20,274.87	15,285.34
Investments	516.60	800.00
Other financial assets	529.75	243.24
Total financial assets	25,900.52	19,658.02
Non-financial assets		
Current tax assets (net)	-	53.57
Deferred tax assets (net)	77.91	10.98
Property, plant and equipment	150.85	120.91
Intangible assets under development	6.68	-
Other Intangible assets	13.01	10.66
Other non-financial assets	66.94	48.04
Total non-financial assets	315.39	244.16
Total assets	26,215.91	19,902.18
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
Trade payables	7.79	51.12
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	2.59	1.35
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
Other payables	5.87	2.18
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	18.94	18.48
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,874.09	2,635.08
Debt securities	16,582.03	11,754.98
Borrowings (other than debt securities)	1,371.53	1,260.56
Subordinated liabilities	1,322.94	655.19
Other financial liabilities		
Total financial liabilities	21,185.78	16,378.94
Non-financial liabilities		
Current tax liabilities (net)	75.35	-
Provisions	31.27	23.63
Other non-financial liabilities	44.92	23.92
Total non-financial liabilities	151.54	47.55
EQUITY		
Equity share capital	476.11	455.70
Instruments entirely equity in nature	434.68	335.16
Other equity	3,967.80	2,684.83
Total equity	4,878.59	3,475.69
Total liabilities and equity	26,215.91	19,902.18

For and on Behalf of the Board of Directors of
Midland Microfin Limited



Place: Jalandhar
Date: May 08, 2024



Amardeep Singh Samra

Amardeep Singh Samra
Managing Director

Midland Microfin Limited (CIN: U65921PB1988PLC008430) Registered Office:- The AXIS, Plot No.1, R.B. Badri Dass Colony, G.T Road, Jalandhar PB 144001 (INDIA) Tel : +91-181-5076000, Fax No : +91- 181-2236070 Website : www.midlandmicrofin.com Statement of Audited Financial Results for the quarter and year ended March 31, 2024 (Rupees in millions unless otherwise stated)					
Particulars	Quarter ended			Year ended	
	31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations					
Interest income	1,233.43	1,217.39	985.00	4,485.50	3,546.79
Fees and commission income	116.33	61.73	41.06	250.43	178.95
Net gain on derecognition of financial instruments under amortised cost category	271.09	55.94	141.07	572.79	218.31
Total revenue from operations	1,620.85	1,335.06	1,167.13	5,308.72	3,944.05
Other income	3.65	0.12	0.65	18.87	5.07
Total income	1,624.50	1,335.18	1,167.78	5,327.59	3,949.12
Expenses					
Finance cost	591.53	533.09	470.44	2,043.75	1,684.55
Net loss on fair value changes	(43.20)	25.00	-	172.20	-
Impairment on financial instruments	256.82	154.68	149.07	507.54	514.84
Employee benefit expenses	312.28	273.18	199.57	1,059.52	747.19
Depreciation and amortization expense	9.94	10.54	8.63	37.96	30.09
Other expenses	176.39	130.66	108.69	566.52	357.36
Total expenses	1,303.76	1,127.15	936.40	4,387.49	3,334.03
Profit before tax	320.74	208.03	231.38	940.10	615.09
Tax expense:					
Current tax	88.30	52.80	(87.18)	287.36	104.81
Deferred tax	(24.34)	(0.78)	135.61	(68.81)	41.95
Income tax expense	63.96	52.02	48.43	218.55	146.76
Profit for the period/year (A)	256.78	156.01	182.95	721.55	468.33
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement gain/(loss) on defined benefit plans	(0.43)	1.27	0.49	3.16	3.82
Income tax effect	0.12	(0.31)	(0.12)	(0.79)	(0.96)
Items that will be reclassified subsequently to profit or loss					
Fair value income/(loss) on derivative financial instruments	1.48	0.27	16.30	4.30	(5.22)
Income tax effect	(0.37)	(0.07)	(4.10)	(1.08)	1.31
Other comprehensive income/(loss) (B)	0.80	1.16	12.57	5.59	(1.05)
Total comprehensive income for the period/year (A+B)	257.58	157.17	195.52	727.14	467.28
Earnings per equity share (face value of ₹10 per equity share)					
Computed on the basis of total profit for the period/year					
Basic EPS (₹)*	3.26	3.26	4.18	16.45	10.28
Diluted EPS (₹)*	3.11	3.22	4.18	15.53	10.28

*Basic and Diluted EPS for the Quarter ended March 31, 2024, December 31, 2023 and March 31, 2023 are not annualised.



Place: Jalandhar
Date: May 08, 2024

For and on Behalf of the Board of Directors of
Midland Microfin Limited



Amardeep Singh Samra
Amardeep Singh Samra
Managing Director

Midland Mikrofin Limited (CIN: U65921PB1988PLC008430)		
Registered Office:- The AXIS, Plot No.1, R.B. Badri Dass Colony, G.T Road, Jalandhar PB 144001 (INDIA) Tel : +91-181-5076000, Fax No : +91- 181-2236070 Website : www.midlandmikrofin.com		
Statement of Cash Flows for year ended March 31, 2024		
(Rupees in millions unless otherwise stated)		
Particulars	For year ended	For year ended
	March 31, 2024	March 31, 2023
	Audited	Audited
Cash flow from operating activities		
Profit before tax	940.10	615.09
Adjustments for:		
Depreciation and amortization	37.96	30.09
Provision for employee benefits	10.79	6.88
Net loss on fair value changes	172.20	-
Impairment of financial instruments	435.27	(129.45)
Net gain on derecognition of financial instruments under amortised cost category	(149.45)	(169.13)
Profit on sale of mutual fund units	(1.12)	(3.25)
Other provisions and write offs	2.35	1.45
Interest expense	2.93	3.83
Lease rental reversed upon implementation of Ind AS 116	(10.65)	(11.46)
Operating profit before working capital changes	1,440.38	344.05
Movements in working capital :		
(Decrease) / increase in payables	(37.94)	31.43
Increase in other financial liabilities (excluding lease liabilities)	673.77	221.50
Increase in other non financial liabilities	21.00	6.58
(Increase) / decrease in bank balances other than cash and cash equivalents	(343.96)	443.88
(Increase) in receivables	(27.81)	(10.85)
(Increase) in loan portfolio	(5,421.70)	(4,807.74)
(Increase) / decrease in other financial assets	(142.51)	28.56
(Increase) / decrease in other non financial assets	(18.90)	16.01
Cash (used in) operating activities post working capital changes	(3,857.67)	(3,726.58)
Income taxes paid	(158.44)	(155.54)
Net cash (used in) operating activities (A)	(4,016.11)	(3,882.12)
Cash flow from investing activities		
Purchase of property, plant and equipment (excluding right of use assets)	(62.93)	(51.39)
Purchase of intangible assets and intangible assets under development	(12.30)	(1.36)
Purchase of investments	(2,218.00)	(3,295.00)
Sale of investments	2,330.32	2,648.25
Net cash from / (used in) investing activities (B)	37.09	(699.50)
Cash flow from financing activities		
Proceeds from issue of equity shares	20.41	-
Premium on issue of equity shares	306.15	-
Proceeds from issue of compulsorily convertible preference shares (CCPS)	80.57	335.16
Proceeds from issue of partly paid CCPS	18.95	-
Premium on issue of partly paid CCPS	284.15	-
Share issue expenses	(0.62)	-
Proceeds from issue (redemption) of Debt securities (net)	(760.99)	1,313.15
Proceeds from issue of Borrowings (other than debt securities) (net)	4,838.25	1,753.25
Proceeds from issue of Subordinated liabilities (net)	110.97	99.71
Dividend on equity shares	(31.90)	(31.90)
Dividend on compulsorily convertible preference shares	(1.94)	-
Net cash from financing activities (C)	4,864.00	3,469.37
Net increase / (decrease) in cash and cash equivalents (A + B + C)	884.98	(2,112.25)
Cash and cash equivalents at the beginning of the year	1,235.82	2,348.07
Cash and cash equivalents at the end of the year	2,120.80	1,235.82
Components of cash and cash equivalents as at the end of year		
Cash in hand	41.45	10.96
Balance with banks - on current account	179.01	116.23
Deposits with original maturity of less than or equal to 3 months	1,844.47	1,108.63
Cheques on hand	55.87	-
Total cash and cash equivalents	2,120.80	1,235.82



Place: Jalandhar
Date: May 08, 2024

For and on Behalf of the Board of Directors of
Midland Mikrofin Limited



Amardeep Singh Samra
Managing Director

Midland Microfin Limited
(CIN: U65921PB1988PLC008430)

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Notes to the financial results:

- Midland Microfin Limited (the 'Company') has prepared audited financial results (the 'Statement') for the quarter and year ended March 31, 2024 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 08, 2024, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The above results for the quarter and year ended March 31, 2024 have been audited by the Statutory Auditors of the Company.
- The Company operates in a single reportable segment i.e. lending to borrowers, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographic segment i.e. domestic.
- During year ended March 31, 2024, the Company has issued 5,37,160 Cumulative Compulsorily Convertible Preference Shares of a face value of Rs.150 each aggregating to ₹ 80.57 Mn through private placement, Partly paid-up 63,14,583 Cumulative Compulsorily Convertible Preference Shares at a price of Rs.160 each having a face value of Rs.10 each paid up to the extent of Rs.3 each and premium of Rs.150 each paid up to the extent of Rs.45 each aggregating to ₹ 303.10 Mn through rights issue and Partly paid-up 68,03,245 Equity Shares at a price of Rs.160 each having a face value of Rs.10 each paid up to the extent of Rs.3 each and premium of Rs.150 each paid up to the extent of Rs.45 each aggregating to ₹ 326.56 Mn through rights issue.
- In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset classification and Provisioning (IRACP) norms (including provision on standard asset). The impairment allowances under Ind AS 109 made by company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.
- The Company has developed estimates for the purpose of determination of the provision for impairment of financial assets. As at March 31, 2024, the Company holds an aggregate provision of ₹ 596.86 Mn. The Company will closely monitor any material changes to future economic conditions and update its assessment.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.
- Details of loans transferred/acquired, as per RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

(i) Details of loans not in default transferred through assignment:

(₹ in millions unless otherwise stated)

Particulars	For quarter ended March 31, 2024	For year ended March 31, 2024
Number of loan accounts assigned	1,00,597	2,99,594
Aggregate amount of loans assigned	2,777.82	8,443.33
Weighted average residual tenor of the loans assigned (in months)	13.63	14.09
Weighted average holding period (in months)	7.97	8.31
Retention of beneficial economic interest by the originator	10%	20%/10%
Tangible security cover	Nil	Nil
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

(ii) The Company has not acquired any loan through assignment during the quarter and year ended March 31, 2024.

(iii) The Company has not transferred/acquired any stressed loan during the quarter and year ended March 31, 2024.

(iii) The Company has not transferred any non-performing assets (NPA's) during the quarter and year ended March 31, 2024.



(Handwritten signature)



9. Analytical ratios/disclosures required under Regulation 52(4) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

(₹ in millions unless otherwise stated)

Particulars	For quarter ended March 31, 2024	For year ended March 31, 2024
(1) Debt-equity ratio	3.97	3.97
(2) Debt service coverage ratio	Not Applicable	Not Applicable
(3) Interest service coverage ratio	Not Applicable	Not Applicable
(4) Outstanding redeemable preference shares (quantity and value)		
-Quantity	1,20,65,000	1,20,65,000
-Value	455.42	455.42
(5) Capital Redemption Reserve (₹ in millions)	42.80	42.80
(6) Debenture Redemption Reserve (₹ in millions)	36.63	36.63
(7) Net worth (₹ in millions)	4,878.59	4,878.59
(8) Net profit after tax (₹ in millions)	256.78	721.55
(9) Earnings per share		
-Basic	3.26	16.45
-Diluted	3.11	15.53
(10) Current ratio	Not Applicable	Not Applicable
(11) Long term debt to working capital	Not Applicable	Not Applicable
(12) Bad debts to account receivable ratio	Not Applicable	Not Applicable
(13) Current liability ratio	Not Applicable	Not Applicable
(14) Total debts to total assets	0.74	0.74
(15) Debtors turnover	Not Applicable	Not Applicable
(16) Inventory turnover	Not Applicable	Not Applicable
(17) Operating margin (%)	Not Applicable	Not Applicable
(18) Net profit margin (%)	15.81	13.54
(19) Sector specific equivalent ratios, as applicable:		
(a) Capital Adequacy Ratio (%)	28.34	28.34
(b) Gross Non-Performing Assets (GNPA) Ratio (%)	2.97	2.97
(c) Net Non-Performing Assets (NNPA) Ratio (%)	0.82	0.82
(d) Provision Coverage ratio (NPA) (%)	72.80	72.80

10. As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, debentures are secured by exclusive first charge on receivables of the Company by way of hypothecation to the extent of 1.06 times of the amount outstanding.
11. India Ratings & Research Private Ltd has assigned a rating of 'IND RR3' i.e. 50%-75% on a recovery rating scale to Security Receipts ("SRs") of ₹ 688.80 million as on March 31, 2024. The Company is holding impairment allowance of ₹ 172.20 million as on March 31, 2024.
12. The Board of Directors at their meeting proposed a dividend of ₹ 0.70 per share @ 7.00% for the year ended March 31, 2024 (Previous Year: ₹ 0.70 per shares @ 7.00%), subject to the approval of the members at the ensuing Annual General Meeting.
13. The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of the year ended March 31, 2024 and March 31, 2023 and the reviewed figures for the nine month ended December 31, 2023 and December 31, 2022 respectively.
14. The figures for the previous periods/year have been regrouped/rearranged wherever necessary to conform to current year presentation.
15. The above financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.midlandmicrofin.com).



For and on Behalf of the Board of Directors of
Midland Microfin Limited

Amardeep Singh Samra

Amardeep Singh Samra
Managing Director

Place: Jalandhar
Date: May 08, 2024

Independent Auditor's Certificate
on Asset Cover and Compliance with Covenants as at March 31, 2024
under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and
Disclosure requirements) Regulations, 2015, as amended.

For submission to Catalyst Trusteeship Limited (hereinafter referred to as the "Debenture Trustees")

May 8, 2024

To,
The Board of Directors,
Midland Microfin Limited
The Axis, Plot No. 1, R.B. Badri Dass Colony,
G.T. Road, Jalandhar

1. This certificate is issued in accordance with the terms of our engagement letter dated May 06, 2024 with Midland Microfin limited ("the Company").
2. We, SCV & CO LLP, Chartered Accountants, have been appointed as statutory auditors of the Company with effect from financial year 2021-22 and onwards, and have been requested by the Company to examine the accompanying Statement showing Asset Cover as per the terms of "Information -Memorandum & Debenture-Trust-Deed" and compliance with Covenants for the listed non-convertible debentures as at March 31, 2024 ("the Statement") which has been prepared by the Company from the Audited Financial Statements and other relevant record and documents maintained by the Company as at March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended, ("the SEBI Regulations"), and has been initialled by us for identification purpose only.
3. This Certificate is required by the Company for the purpose of submission with the Debenture Trustees of the Company to ensure Compliance with the SEBI Regulations in respect of its listed non-Convertible debt securities as at March 31, 2024 ("Debentures"). The Company has entered into agreement(s) with the Debenture Trustees ("Debenture Trust Deed") in respect of such Debentures, as indicated in the Statement.

Management's Responsibility for the Statement

4. The preparation of the accompanying Statements is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



5. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for the complying with all the covenants as prescribed in the Information Memorandum and Debenture Trust Deed.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to provide a limited assurance and conclude as to whether:
- a) the Company has maintained asset cover as per the terms of the information Memorandum and Debenture Trust Deed; and
 - b) the Company is in compliance with all the covenants as mentioned in the information Memorandum and Debenture Trust Deed as indicated in the Statement.
7. We have audited the Financial Statements of the Company for the FY 2023-24 and expressed an unmodified opinion vide our Audit Report dated May 08, 2024. We conducted our audit of the Financial Statement in accordance with the Standard on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free of material misstatement. Our audit was not planned and performed in connection with any transaction to identify matters that may be of potential interest to third parties.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial information, specified elements, accounts or items thereof, for the purpose of this Certificate. Accordingly, we do not express such opinion.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:



- a) Obtained and read the Debenture Trust Deed and the Information Memorandum and noted the asset cover percentage required to be maintained by the Company in respect of Debentures, as indicated in Appendix-I of the Statement.
- b) Traced and agreed the principal amount of the Debentures outstanding as on March 31, 2024 to the Audited Financial Statements of the Company as at and for the year ended March 31, 2024 referred to in paragraph 6 above.
- c) Obtained and read the particulars of asset cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the information Memorandum and compared it with the information furnished in Appendix-I of the Statement.
- d) Traced the Value of assets indicated in Part A of the Statement to the Audited Financial Statements of the Company as at March 31, 2024, referred to in paragraph 6 above, and other relevant records maintained by the Company.
- e) Obtained the particulars of security created in the register of charges maintained by the Company and 'Form No. CHG-9' filed with the Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against assets to the asset cover in Appendix-I of the Statement.
- f) Examined and verified the arithmetical accuracy of the computation of asset cover indicated in Appendix-I of the Statement.
- g) With respect to compliance with financial covenants, we have performed following procedures:
- Compared the financial covenants computed by the management as at March 31, 2024 with the requirements stipulated in the Debenture Trust Deed to verify whether such covenants are in compliance with the requirements of the Debenture Trust Deed.
 - Performed necessary enquiries with the management regarding any instances of the non-compliance with financial covenants or communications received from the Trustees indicating any breach of covenants during the year ended March 31, 2024.
 - Obtained the days past due report generated from the system as at March 31, 2024 to verify the PAR 30 days past due status for loan. For all such borrowers where restructuring is allowed as per RBI guidelines "Resolution Framework for COVID-19-related stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances" dated August 6, 2020, the days past due is considered after implementing the restructuring plan.
- h) With respect to the non-financial covenants, the Management has represented and confirmed that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the information Memorandum and Debenture Trust Deed as at March 31, 2024, except for the covenants where due date has not passed as on date of this certificate.
- i) Performed necessary inquires with the Management and obtained necessary representations.



Observation

12. The Company has maintained all the financial covenants of Debenture Trust deeds during the year ended March 31, 2024.

Conclusion

13. Based on the reliance placed on the representations mentioned in paragraph 11(h) above, read with the observation in paragraph 12 above and procedures performed by us, as referred to in other points in paragraph 11 above and according to the information and explanation received along with representations provided by the management, nothing has come to our attention that causes us to believe that:
- a) The Company has not maintained asset cover as per the terms of the information Memorandum and Debenture Trust deed; and
 - b) The Company is not in compliance with all the covenants as mentioned in the information Memorandum and Debenture Trust Deed as on March 31, 2024.

Restriction on Use

14. This Certificate has been issued solely at the request of the Company's management, solely in connection with the purpose mentioned in the paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For SCV & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 000235N/N500089



Rajiv Puri
(Partner)

Membership No.: 084318
UDIN:24084318BKFMFH2933

Place: Noida

Date: May 08, 2024

Annexure A

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (LODR) Regulation, 2015 as on March 31, 2024

We hereby confirm that Midland Microfin Limited (the 'Company') having its registered office at The AXIS, Plot No.1, R.B. Badri Dass Colony, G.T Road, Jalandhar, Punjab-144001, as at March 31, 2024 has an security cover to the extent of 1.06 times of outstanding amount of Listed Secured Redeemable Non-Convertible Debentures.

The Company has complied with all the covenants in respect of outstanding Listed Secured Redeemable Non-Convertible Debentures as on March 31, 2024.

Working of Security Cover (for secured Listed Debentures) as per SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 is attached as Appendix 1.

For Midland Microfin Limited



Name: Amardeep Singh Samra
Designation: Managing Director

Place: Jalandhar
Date: May 08, 2024



Midland Microfin Limited

Regd. & Corporate Office: The Axis, Plot No. 1, R.B. Badri Dass Colony, BMC Chowk, G.T. Road, Jalandhar-144001 (Punjab), India
Tel: 0181-5085555, 5086666 | Fax: 0181-5087777 | Email : info@midlandmicrofin.com | Website : www.midlandmicrofin.com

CIN : U65921PB1988PLC008430

Appendix 1

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Part- Passu Charge	Part- Passu Charge	Part- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, D5RA market value is not applicable)	Market Value for Assets charged on Exclusive basis	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, D5RA market value is not applicable)	Related to only those items covered by this certificate
		Book Value	Book Value	Yes/ No	Book Value	Book Value								Relating to Column F
ASSETS														
Property, Plant and Equipment				No	NA	NA	137.60		137.60					
Capital Work-in- Progress				No	NA	NA								
Right of Use Assets				No	NA	NA	13.25		13.25					
Goodwill				No	NA	NA	13.01		13.01					
Intangible Assets				No	NA	NA	516.60		516.60					
Intangible Assets under Development				No	NA	NA								
Investments				No	NA	NA								
Loans	Receivables under financing activities	856.13*	18,731.47*	No	NA	NA	1,284.14		20,871.74**		856.13			1,618.13
Inventories				No	NA	NA	36.27		36.27					
Trade Receivables				No	NA	NA	670.90		2,120.80					
Cash and Cash Equivalents			1,459.90	No	NA	NA	1,013.25		2,370.66					
Bank Balances other than Cash and Cash Equivalents			1,357.41	No	NA	NA	726.17		726.17					
Others				No	NA	NA	4,367.87		26,812.78		856.13			1,618.13
Total		856.13	21,588.78								856.13			1,618.13

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(Rupees in mn)														
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Exclusive Charge	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Assets charged on Exclusive basis	Carrying value/book value for pari passu assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)
	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari Passu charge (excluding items covered in column F)				Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Assets charged on Exclusive basis	Carrying value/book value for pari passu assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)
	Book Value	Book Value	Book Value	Yes/ No	Book Value	Book Value				Book Value	Book Value	Book Value	Book Value	Relating to Column F
LIABILITIES														
Debt securities to which this certificate pertains	811.21 ^A			No	NA	NA			811.21					
Other debt sharing pari-passu charge with above debt														
Other Debt				No	NA	NA	1,371.53							
Subordinated debt														
Borrowings														
Bank			9,981.20	No	NA	NA			9,981.20					
Debt Securities			721.33	No	NA	NA	341.55		1,062.88					
Others			5,600.83	No	NA	NA	6,600.83		6,600.83					
Trade payables				No	NA	NA	35.19		35.19					
Lease liabilities				No	NA	NA	18.16		18.16					
Provisions				No	NA	NA	31.27		31.27					
Others				No	NA	NA	1,425.05		1,425.05					
Total	811.21		17,303.36				3,222.75		21,337.32					
Cover on Book Value														
Cover on Market Value														
	Exclusive Security Cover Ratio				Pari-Passu Security Cover Ratio									

^A Includes Ind-AS adjustment for effective rate of interest on listed debt securities of Rs. 1.11 Mn and interest accrued on listed debt securities of Rs. 34.32 Mn.

* Amount of loans charged on exclusive basis as mentioned in Column C & D include principal outstanding only.

** Implies outstanding of loans grossed up of impairment loss reserve.

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