

Date: May 08, 2024

To,
The Manager - Listing Department,
Bombay Stock Exchange Limited,
1st Floor, P J Tower, Dalal Street, Mumbai 400001

Sub: Certificate for Assets Cover pursuant to Clause No. 54(2) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Dear Sir/Madam,

Pursuant to Clause No. 54(2) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Company has already disclosed the said information along with financials on May 08, 2024 further in compliance to the above said regulations we hereby intimate that we have maintained hundred per cent assets cover sufficient to discharge the principal amount at all the times for the non-convertible debt securities issued. Details of the issued series are as follow:

| ISIN | Private Placement/ Public Issue | Secured | Outstanding Amount as on 31- 03-2024 (in Cr.) | Cover Required |
|--------------|--|----------------|--|---------------------------|
| INE884Q07632 | Private Placement | Secured | 19.75 | 20.74 |
| INE884Q07640 | Private Placement | Secured | 58.36 | 61.28 |
| INE884Q07665 | Private Placement | Secured | 3.00 | 3.30 |

Kindly acknowledge the receipt of the same.

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



Sumit Bhojwani
Company Secretary
M.No. A36611
Jalandhar

Sumit Bhojwani
Company Secretary
M. No. A-36611

Midland Microfin Limited

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:
- i. 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.
 - ii. 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.
 - iii. 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:
- The Company has not maintained asset cover as per the terms of the information Memorandum and Debenture Trust deed; and
 - 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 | Other assets on which there is pari Passu charge (excluding items covered in column F) | Assets not offered as Security | debt amount considered more than one (due to exclusive plus pari passu charge) | | 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) | Value=(K+L+M+N) |
| 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 | | | | | |
| Intangible Assets | | | | No | NA | NA | | | | | | | | |
| Intangible Assets under Development | | | | No | NA | NA | 516.60 | | 516.60 | | | | | |
| 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 | | | | | | | | |
| Trade Receivables | | | | No | NA | NA | 36.27 | | 36.27 | | | | | |
| Cash and Cash Equivalents | | | 1,499.90 | No | NA | NA | 670.90 | | 2,170.80 | | | | | |
| Bank Balances other than Cash and Cash Equivalents | | | 1,357.41 | No | NA | NA | 1,013.25 | | 2,370.66 | | | | | |
| Others | | | | No | NA | NA | 726.17 | | 726.17 | | | | | |
| Total | | 856.13 | 21,588.78 | | | | 4,367.87 | | 26,812.78 | | 856.13 | | | 1,618.13 |

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| 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 | Pari-Passu Charge | Pari-Passu Charge | 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) | 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) | Related to Column F |
| | Book Value | Book Value | Yes/ No | Book Value | Book Value | Book Value | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains | 811.21 ^A | | No | NA | NA | NA | | | 811.21 | | | | | |
| Other debt sharing pari-passu charge with above debt | | | | | | | | | | | | | | |
| Other Debt | | | No | NA | NA | 1,371.53 | | | | | | | | |
| Subordinated debt | | | | | | | | | | | | | | |
| Borrowings | | | No | 9,981.20 | NA | | | | 9,981.20 | | | | | |
| Bank | | | No | 721.33 | NA | 341.55 | | | 1,062.88 | | | | | |
| Debt Securities | | | No | 5,600.83 | NA | | | | 6,600.83 | | | | | |
| Others | | | No | | NA | 35.19 | | | 35.19 | | | | | |
| Trade payables | | | No | | NA | 18.16 | | | 18.16 | | | | | |
| Lease liabilities | | | No | | NA | 31.27 | | | 31.27 | | | | | |
| Provisions | | | No | | NA | 1,425.05 | | | 1,425.05 | | | | | |
| Others | | | No | | NA | 3,222.75 | | | 21,337.32 | | | | | |
| Total | 811.21 | 17,303.35 | | | | | | | | | | | | |
| Cover on Book Value | | 1.06 | | | | | | | | | | | | |
| 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.

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

^C Implies outstanding of loans grossed up of impairment loss reserve.

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