



**MIDLAND MICROFIN LIMITED**

**CODE OF PRACTICES AND PROCEDURES FOR  
FAIR DISCLOSURE OF UNPUBLISHED PRICE  
SENSITIVE INFORMATION**

## 1. Introduction:

In compliance with the requirements of Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ("**Regulations**"), Midland Microfin Limited (the "**Company**") has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Fair Disclosure Code**" / "**Code of Fair Disclosure**" / the "**Code**") in adherence with the principles set out in Schedule A to the Regulations.

## 2. Scope:

The Company endeavors to preserve the confidentiality of unpublished price sensitive information ("**UPSI**") and to prevent its misuse. To achieve these objectives, and in compliance with the aforesaid Regulations, the Company has adopted this Code.

## 3. Terms and Definition:

For the purpose of the Code, the following terms shall have the meanings assigned to them hereunder:

**"Act"** means the Securities and Exchange Board of India Act, 1992.

**"Board"** means Securities and Exchange Board of India.

**"Company"** means Midland Microfin Limited.

**"Code"** shall mean this Code of Practices and Procedures for Fair Disclosure of UPSI.

**"Compliance Officer"** means Company Secretary of the Company, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these Regulations under the overall supervision of the board of directors of the listed Company or the head of an organization, as the case may be. Further Compliance Officer shall act as a Chief Investor Relations Officer ("**CIRO**") to deal with dissemination of information and disclosure UPSI.

**"Concerned Adviser / Consultants / Retainers / Professionals / Agency"** of the Company means such Advisers or Consultants or Retainers or Professionals or any other agency who in the opinion of the Company may have access to unpublished price sensitive information.

**"Connected Person"** means:

- i. any person who is or has been, during the six months prior to the concerned act, associated with a Company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship, whether temporary or permanent, with the Company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

- a) a relative of connected persons specified in (i) above; or
- b) a holding company or associate company or subsidiary company; or
- c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu undivided family, Company or association of persons wherein a director of a Company or his/her relative or banker of the Company, has more than ten per cent of the holding or interest; or
- k) a firm or its partner or its employee in which a connected person specified in (i) above is also a partner; or
- l) a person sharing household or residence with a connected person specified in sub-clause (i) above.

**“Designated Person(s)”** A “Designated Person” would include the following categories of employees, for the purpose of this Code:

- i. Promoter and Promoter Group of the Company;
- ii. Directors of the Company;
- iii. Chief Executive officer/Chief Financial officer/Company Secretary/ & other KMPs.;
- iv. Members of executive committee of the Company not being directors;
- v. Permanent invitees/invitees to the board meeting and committee meetings;
- vi. Employees of the Company’s material subsidiaries, intermediary and fiduciary, if any, designated on the basis of their functional role or access to UPSI in the organization by their board of directors , working in accounts finance, information technology, secretarial, legal and compliance departments, Corporate Strategy, and Managing Director’s/KMPs office and any other departments of the Company and its material subsidiaries, if any on the basis of their functional role or access to unpublished price sensitive information.;
- vii. Chief Executive Officer and employees up to two levels below Chief Executive Officer of the Company and material subsidiaries, intermediary and fiduciary;
- viii. Executive Secretaries of Directors and Executive Officers of the Company, any support staff of the Company, such as IT staff or secretarial staff who have access to unpublished price sensitive information;
- ix. And such other persons as may be notified by the Compliance Officer as per direction of the Board.

**“Director”** means Director appointed on the Board of the Company.

**"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.

**“Immediate Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults

such person in taking decisions relating to trading in securities;

**"Insider"** means any person who is:

- i. a connected person; or
- ii. In possession of or having access to unpublished price sensitive information; or
- iii. Any person who is in receipt of unpublished price sensitive information for legitimate purpose.

**"KMP"** means Key Managerial personnel as defined in Companies Act, 2013.

**"Legitimate purpose"** means sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these Regulations.

**"Need to Know" basis** means that unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to any conflict of interest or appearance of misuse of information.

**"Promoter and Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof:

**"Relative"** shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv)

*Note- It is intended that the relatives of a "connected person" too become connected persons for the purpose of these Regulations. It is a rebuttable presumption that a connected person had UPSI.*

**"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof;

**"Stock Exchanges"** shall mean any recognized stock exchange on which Company's securities are listed.

**"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

**"Trading"** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "Trade" shall be construed accordingly.

**"Trading Day"** means a day on which the recognized stock exchanges are open for trading;

**“Unpublished Price Sensitive Information”/ “UPSI”** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company and shall, ordinarily including but not restricted to, information relating to the following:

- i. financial results;
  - ii. dividends;
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business, \*[award or termination of order/contracts not in the normal course of business] and such other transactions;
  - v. Changes in key managerial personnel \*[other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;]
  - vi. \*[change in rating(s), other than ESG rating(s);
  - vii. fund raising proposed to be undertaken;
  - viii. agreements, by whatever name called, which may impact the management or control of the company;
  - ix. fraud or defaults by the Company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the Company, whether occurred within India or abroad;
  - x. resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
  - xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
  - xii. initiation of forensic audit, by whatever name called, by the Company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and of final forensic audit report;
  - xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, promoter or subsidiary, in relation to the Company;
  - xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the Company;
  - xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
  - xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- Explanation 1- For the purpose of sub-clause (ix):
- a. ‘Fraud’ shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
  - b. ‘Default’ shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Explanation 2-** For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at

Part B of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.]

All the other terms used in this Code shall have the same meaning as assigned to them under the Regulations.

\* Effective w.e.f. 29th July, 2025.

#### 4. Communication or Procurement of Unpublished Price Sensitive Information

- i. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iii. Notwithstanding anything contained in this Regulation an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
  - a. entail an obligation to make an open offer under the takeover Regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
  - b. not attract the obligation to make an open offer under the takeover Regulations but where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
- iv. For purposes of clause iii of this Code, the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of clause iii of this Code or sub-regulation (3) of the Regulations, and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.
- v. The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this Regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.

\*Provided that entry of information, not emanating from within the Company, in structured digital database may be done not later than 2 calendar days from the receipt of such information.

\* Effective w.e.f. 29th July, 2025.

- vi. The board of directors shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

#### 5. Trading when in possession of UPSI

- I. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

**Explanation:** When a person who has traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: -

- i. the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 of Regulation and both parties had made a conscious and informed trade decision.

Provided that such off-market trades shall be reported by the insiders to the Company within two working days. Every Company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of this code and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under Regulations.

- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- v. in the case of non-individual insiders: –

- a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

- b) appropriate and adequate arrangements were in place to ensure that these Regulations is not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

- vi. the trades were pursuant to a trading plan set up in accordance with regulation 5 of the Regulation.

II. In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

III. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these Regulations

## 6. Trading Plans:

I. An insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure (formats of the same are enclosed herewith) pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

II. Trading Plan shall;

- (a) not entail commencement of trading on behalf of the Insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;

- (b) not entail overlap of any period for which another trading plan is already in existence;

- (c) set out following parameters for each trade to be executed:

- i. either the value of trade to be effected or the number of securities to be traded;

- ii. nature of the trade;

- iii. either specific date or time period not exceeding five consecutive trading days;

- iv. price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:

- a) for a buy trade: the upper price limit shall be between the closing price on the day before

- submission of the trading plan and upto twenty per cent higher than such closing price;
- b) for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.
- (d) not entail trading in securities for market abuse.

III. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

IV. The trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the Securities outside the scope of the trading plan or deviate from it except due to permanent incapacity or bankruptcy or operation of law.

*Provided that* the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. Provided further that if the insider has set a price limit for a trade under clause 6(II) (c) (iv), the insider shall execute the trade only if the execution price of the security is within the limit as prescribed. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated hereinabove or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- i. The Insider shall intimate non-implementation (full/partial) of trading plan to the Compliance Officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
- ii. Upon receipt of information from the Insider, the Compliance Officer, shall place such information, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.
- iii. The decision of the Audit Committee shall be notified by the Compliance Officer on the same day to the stock exchanges on which the Securities are listed.
- iv. In case the Audit Committee does not accept the submissions made by the Insider, then the Compliance Officer shall take action as per this Code.

V. The Compliance Officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchange(s) on which the securities are listed, on the day of approval.

## 7. Disclosure requirements

### I. Initial Disclosures:

- a. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his/her holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

### II. Continual Disclosures:

- a. Every promoter, member of the promoter group, designated person and director of every Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- b. Every Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.



### III. Disclosures by other Connected Persons:

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company in the enclosed formats to this policy.

Note: - insider and connected persons shall make above disclosure as per the formats attached herewith in the end of this Policy.

#### 8. Medium of disclosure and dissemination:

- i. The Compliance Officer shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges in accordance with the requirements of applicable law, where its securities are listed and thereafter to the press.
- ii. As a good corporate practice, the UPSI disclosed to the stock exchanges and to the press may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.
- iii. Uniform and universal dissemination of UPSI to avoid selective disclosure
- iv. Information shared with analysts and research personnel is not unpublished price sensitive information.
- v. The Company will also promptly intimate any amendment to the Code to the stock exchanges, as required under the Regulations.
- vi. Responding to market rumours:
  - a. The Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the suitable statement/s in this regard.
  - b. All the requests/queries received shall be documented and as far as practicable, the Compliance Officer, shall request for such queries/requests in writing.
- vii. The disclosure/dissemination of information shall be made with the prior approval by the Managing Director of the Company or in his/her absence, by the Chief Financial Officer of the Company.
- viii. The Compliance Officer shall ensure that transcripts or records of proceedings of analysts meetings / investor relation conferences, if any, shall be procured and published on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- ix. The Company shall handle all UPSI on a need to know basis in accordance with this Plan and the Regulations.

The contact details of the Compliance Officer are as under: -

**Name** : Mr. Kapil Kumar Ruhela  
**Address** : Midland Microfin Limited  
The Axis, Plot No. 1, R.B. Badri Dass Colony,  
G. T. Road, Jalandhar, Punjab-144001

**Email ID** : [cs@midlandmicrofin.com](mailto:cs@midlandmicrofin.com)

#### 9. RESPONSIBILITY OF AUDIT COMMITTEE:

The Audit Committee of the Company shall review compliance with the provisions of these Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

#### 10. AUTHORITY TO MAKE ALTERATIONS/AMENDMENTS:

The Board of Directors are authorized to make such alterations or revisions to this Code as considered appropriate, subject, however, to the condition that such alterations or revisions shall not be inconsistent with the provisions of the Regulations. Further, every amendment to this Code shall be promptly intimated to stock exchange(s) where the securities are listed.