Tax Policy

Document Control

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Introduction

MML is the first Punjab based Microfinance Institution (MFI) having its Head Office at Jalandhar, Punjab and is working towards financial & social empowerment of women by way of extending small Business loans. The Company is registered as an 'NBFC – MFI' with the Reserve Bank of India (RBI) and is fulfilling all the compliances accordingly since its inception. The corporate tax policy expressly articulates the tax strategy of the Company and the general commitment to compliance with and the further development and implementation of good tax practices in order to be a responsible corporate citizen.

Objective

The Company's tax strategy consists basically of ensuring compliance with applicable tax laws and regulations. This fundamental objective, to respect and comply with tax rules, is appropriately combined with the achievement of the corporate interest and the generation of value sustainably over time for the shareholder, avoiding tax risks and inefficiencies in the implementation of business decisions. The main objective of the company is to identify, monitor and manage tax risks.

Compliance

- Comply with all relevant laws, rules, regulations, reporting and disclosure requirements, in India. This includes compliance of withholding tax obligations for customers, payment of taxes within the timelines prescribed, availing credits for tax withheld by the bank's stakeholders and vendors.
- Encourage practices that lead to the prevention and reduction of significant tax risks through internal information and control systems.
- Minimize conflicts arising from the interpretation of applicable legal provisions through the use of instruments established for this purpose by tax regulations.
- The provision of information to the management or decision-making bodies on the main tax implications of the transactions or matters submitted to it for approval, when they are a significant factor in making a decision.
- Provide tax-related information and documentation requested by the competent Tax Authorities within a reasonable time without any undue delay and to cooperate with the authorities in smooth and timely completion of any proceedings.
- Apply professional diligence and care in managing risks associated with tax matters based on appropriate research and well-reasoned conclusions.

Tax Planning

The Company is committed to acting with integrity and transparency on all tax matters, and to fully complying with the letter and the spirit of relevant tax law, having regard to standards and guidance on tax practice and reporting. Tax planning follows genuine commercial logic, never artificial avoidance. Any dealings with related parties are priced strictly at arm's length under transfer pricing rules, with internal approval before they proceed. Government incentives and reliefs are used exactly as intended, to support real business activity, and every tax planning idea goes through structured internal review before it is acted on.

Monitoring & Control

All tax planning is subject to a robust review and approval process. The company shall adopt the control mechanisms necessary to ensure compliance with the tax laws and regulations, as well as the principles and good practices set forth in this Policy, as part of proper business management. They shall also use proper and sufficiently qualified human capital and material resources for such purposes.

Closing Note

Sound governance, honest reporting, and tax practice with real commercial substance – that is how Midland Microfin Limited aims to meet the highest compliance standards, while supporting its broader mission of inclusive, responsible growth.